

North Yorkshire Fire and Rescue Authority**Pension Board****29 July 2015****Pension Board Terms of Reference****Report of the Legal Adviser, Monitoring Officer and Secretary to the Authority****1.0 Purpose of Report**

- 1.1 To invite the Board to adopt its terms and reference and recommend the approval of various changes suggested in recently published Guidance.

2.0 Background

- 2.1 Scheme Managers were asked to approve terms of reference for their Pension Boards, for adoption by their Boards once established.
- 2.2 North Yorkshire Fire and Rescue Authority, on 11 February 2015, approved terms of reference for this Pension Board, whilst recognising that final Guidance and Regulations had not, at that time, been received. The Authority therefore also authorised the Chief Fire Officer to make any amendments to the Board's terms of reference, to reflect the Guidance and Regulations once published.
- 2.3 The Firefighters' Pension Scheme Guidance on the creation and operation of Local Pension Boards in England was published in May 2015. The Guidance makes suggestions about various issues relating to the terms of reference. To reflect those suggestions, the amendments shown as tracked changes in the Appendix to this report are recommended.

3.0 Recommendation

- 3.1 The Pension Board is asked to adopt its terms of reference and recommend, to the Chief Fire Officer, that the amendments shown as tracked changes in the Appendix to this report be approved.

BARRY KHAN
Secretary to the North Yorkshire Fire and
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13 July 2015

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Background Documents: Firefighters' Pension Scheme - Guidance on the creation and operation of Local Pension Boards in England

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PENSION BOARD OF NORTH YORKSHIRE FIRE AND RESCUE AUTHORITY TERMS OF REFERENCE

Statement of purpose

1. The purpose of the Board is to assist North Yorkshire Fire and Rescue Authority in its role as a scheme manager of the Fire Fighters Pension Scheme. Such assistance is to:
 - (a) secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme and';
 - (b) ensure the effective and efficient governance and administration of the Scheme.

Duties of the Board

2. The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of this duty Board members:
 - (a) Should act always in the interests of the scheme and not seek to promote the interests of any stakeholder group above another.
 - (b) Should be subject to and abide by ~~North Yorkshire Fire and Rescue Authority code of conduct for members~~ the Code of Conduct for Pension Board Members.

Membership

The Board will comprise an equal number of employer and member representatives with a minimum requirement of no less than four in total.

Member representatives

3. Three member representatives, nominated by the following representative bodies, shall be appointed to the Board:-
 - One nominated by the Fire Brigades Union
 - One nominated by the Retained Firefighters Union
 - One nominated by the Fire Officers Association
4. Member representatives shall either be members of the scheme administered by North Yorkshire Fire and Rescue Authority or have experience of representing pension scheme members in a similar capacity.
5. Member representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

Employer representatives

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68. Three employer representatives shall be appointed to the Board
79. Employer representatives shall be office holders or senior employees of North Yorkshire Fire and Rescue Authority or have experience of representing scheme employers in a similar capacity. Office holders or employees of North Yorkshire Fire and Rescue Authority with delegated responsibility for discharging the scheme manager function of North Yorkshire Fire and Rescue Authority may not serve as employer representatives.
408. Employer representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
429. Employer representatives shall be appointed by North Yorkshire Fire and Rescue Authority in a manner which it considers best promotes the purpose of the Board.

Substitute Members

10. Named Substitute Members may be appointed by North Yorkshire Fire and Rescue Authority to attend and vote at meetings of the Pension Board in the absence of a Member Representative or an Employer Representative. Training will be provided for named Substitute Members.

Other members

4311. No other members shall be appointed to the Board by North Yorkshire Fire and Rescue Authority or the Board

Appointment process

12. The Chief Fire Officer/Chief Executive, or his nominee, will contact all office holders and senior employees of the Authority who meet the eligibility criteria in paragraphs 6-9, or the relevant representative body listed at paragraph 3, to inform them of the Pension Board arrangements and to canvass interest whenever appointments to the Pension Board are required. Following the receipt of applications from office holders and senior employees of the Authority, the Administering Authority will arrange an independent as possible appointment process. This process will include assessing information supplied by candidates in support of their application and may be supplemented by interviews as appropriate. Successful applications, and nominations from the representative bodies, will be submitted to North Yorkshire Fire and Rescue Authority for formal appointment.

Appointment of Chair

4413. The North Yorkshire Fire and Rescue Authority shall appoint a North Yorkshire Fire and Rescue Authority appointed Chair of the Pension Board will be an employer representative. The first Chair will be appointed by the Board from amongst its own membership. Thereafter North Yorkshire Fire and Rescue Authority shall, annually in June, appoint the Pension Board's Chair.

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14. The Board shall not have a Vice-Chair.

~~1715. The duties of the chair should be in accordance with the duties of a chair within North Yorkshire Fire and Rescue Authority. The Chair will shall be responsible for ensuring that the Board meets its purpose, that meetings are properly conducted, decision making is clear, and professional advice is followed. The Chair shall agree the agenda and approve the minutes for each meeting. The Chair will also be responsible for ensuring that Board members have the knowledge and understanding specified in paragraph 21 of these terms of reference.~~

~~Notification of appointments~~

~~18. On appointment to the Board North Yorkshire Fire and Rescue Authority shall publish the name of the appointees, the process followed in the appointment together with the way in which the appointments support the effective delivery of the purpose of the Board.~~

Conflicts of interest

16. The Pension Board shall always act within its terms of reference.

17. The Pension Board shall have a Conflicts Policy for its members for identifying, monitoring and managing conflicts of interest. Members of the Pension Board shall abide by the Conflicts Policy and provide information specified in paragraphs 19 and 20 of this terms of reference.

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~~1918.~~ All members of the Board must declare to North Yorkshire Fire and Rescue Authority on appointment and at any such time as their circumstances change any potential conflict of interest arising as a result of their position on the Board.

~~2019.~~ On appointments to the Board and following any subsequent declaration of potential conflict North Yorkshire Fire and Rescue Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of North Yorkshire Fire and Rescue Authority and the requirements of the Pensions Regulators codes of practice on conflict of interest for Board members.

Knowledge and understanding (including Training)

~~204.~~ Knowledge and understanding must be considered in light of the role of the Board to assist North Yorkshire Fire and Rescue Authority in line with the requirements outlined in section 2 above. The Board should establish and maintain a policy and framework to address the knowledge and understanding requirements that apply to Board members. That policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed and updated.

212. Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Board's knowledge and understanding policy and framework.
223. Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

Term of office

234. ~~Term of Office should be in accordance with the committee cycle in North Yorkshire Fire and Rescue Authority. Member Representatives and Employer Representatives appointed to the Pension Board during 2015 shall serve on the Board until the date of the local government elections in 2017. Thereafter, Pension Board Members will serve for a term of four years, ceasing on the date of the local government elections during that fourth year. Pension Board Members may either retire from the Board or seek appointment/nomination for an additional term if they continue to fulfil the eligibility criteria set out in paragraphs 4 - 5 for Member Representatives or paragraphs 7 - 8 for Employer Representatives.~~
24. ~~Any casual vacancies which arise on the Pension Board shall be filled for the remainder of the term set out in paragraph 23.~~
25. Board membership may be terminated prior to the end of the term of office due to:
- (a) A member representative appointed on the basis of their membership of the scheme no longer being a member of the scheme
 - (b) A member representative no longer being a member of the body on which their appointment relied
 - (c) An employer representative no longer holding the office or employment or being a member of the body on which their appointment relied
 - (d) ~~where there is a conflict of interest which cannot be managed in accordance with the Pension Board's Conflicts of Interest Policy~~
 - (ed) ~~The representative no longer being able to demonstrate their capacity to attend and prepare for meetings or to participate in required training. fails to attend meetings, undertake training or otherwise comply with the requirements of being a Pension Board Member.~~

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Meetings

26. The Board shall as a minimum meet once a year.
27. The ~~Scheme Manager, or the Chair~~ of the Board with the consent of ~~three other the~~ Board ~~Membership~~, may call ~~additional meetings a special meeting~~. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and e-mails. ~~The Secretary to North Yorkshire Fire and Rescue Authority, or his nominee, shall be included in all such communications between Pension Board Members.~~

Quorum

28. The total number of members required to be present for a meeting to be quorate is four (which includes an equal number of member and employer representatives)

Voting

29. Each Pension Board Member who is a Member Representative or an Employer Representative will have an individual voting right but it is expected that the Pension Board will, as far as possible, reach a consensus.

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30. The Chair shall have a second or casting vote.

31. The Chair shall determine when consensus has been reached.

32. Where consensus is not achieved this should be recorded by the Chair.

33. In support of its core functions the Board may make a request for information to the Fire and Rescue Authority with regard to any aspect of the scheme manager function. Any such a request should be reasonably complied with in both scope and timing.

34. In support of its core functions the Board may make recommendations Fire and Rescue Authority which should be considered and a response made to the Board on the outcome within a reasonable period of time.

Role of Advisors

35. The Board will be supported in its role and responsibilities by North Yorkshire Fire and Rescue Authority through advice and support as appropriate. Any requests made by the Board shall be considered in accordance with paragraph 33 of these terms of reference.

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Role of Officers

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36. Officers will support the Pension Board.

Board Meetings – Notice, Minutes and Reporting

37. The Secretary to North Yorkshire Fire and Rescue Authority shall give notice to all Pension Board Members of every meeting of the Pension Board and shall ensure that a formal record of Pension Board proceedings is maintained. Following the approval of the minutes by the Chair of the Board, the minutes shall be circulated to all Pension Board Members.

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38. The Pension Board is a committee of North Yorkshire Fire and Rescue Authority which is a FOIA public authority, minutes should be carefully dealt with and separated as appropriate into open and closed business, so that open minutes can be published promptly.

39. The minutes of each meeting of the Pension Board will be submitted for consideration at the next available meeting of North Yorkshire Fire and Rescue Authority. In addition, if the Pension Board has concerns which are sufficiently serious, those concerns will be reported immediately to the Chief Fire Officer/Chief Executive and North Yorkshire Fire and Rescue Authority's Monitoring Officer. Such concerns may include a fundamental breach of the Regulations or a fundamental failure by the Scheme Manager to ensure the effective governance of the Scheme. The Pension Board may escalate concerns via the Scheme Advisory Board or the Responsible Authority where internal channels are not appropriate. It may be appropriate for the Pension Board to report serious concerns to the Regulator.

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40. The Pension Board has no power to set up working groups or sub-boards.

Resources and Funding

41. The Pension Board shall be provided with adequate resources to fulfil its task.

42. Pension Board Members' expenses shall be met from other budgets.

43. North Yorkshire Fire and Rescue Authority shall meet the cost of secretarial support to the Pension Board and any necessary advisory support.

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44. The Pension Board may access any budget it requires for professional advice, training, or for other relevant purpose, by making application, submitted by the Chair on behalf of the Board, to the Chief Fire Officer/Chief Executive.

Data Protection

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45. North Yorkshire Fire and Rescue Authority is a 'data controller' under data protection legislation. The Pension Board is not a separate legal entity and shall comply with the Authority's data protection policies. The Pension Board shall also ensure personal data processing by the Pension Board is within the Authority's notification registered with the Information Commissioner. Information records created or obtained by the Pension Board are accessible under the Freedom of Information Act 2000.

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Updating the Pension Board Terms of Reference

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46. These terms of reference will be reviewed regularly by the Pension Board. Significant amendments must be agreed by North Yorkshire Fire and Rescue Authority. General updating and housekeeping can be approved by the Chief Fire Officer/Chief Executive without the need to seek the Authority's approval.

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Interpretation

- | 4734. In these terms 'the Scheme' means the Firefighters' Pension Scheme.
- | 3548. In these terms Regulations means the Firefighters' Pension Scheme 1992, as amended, the Firefighters' Pension Scheme 2006, as amended and the Firefighters' Pension Scheme Regulations 2014 as amended.
- | 3649. In these terms 'regulations' include the Firefighters' Pension Scheme 1992, as amended, the Firefighters' Pension Scheme 2006, as amended, the Firefighters' Pension Scheme Regulations 2014 as amended, , the Pension Regulators Codes of Practice as they apply to the scheme manager and pension board and any other relevant legislation applying to the Scheme.

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