Northamptonshire Firefighters’ Pension Scheme Local Pension Board

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**Terms of Reference**

**(Reviewed July 2021)**

# Background

The Public Services Pensions Act 2013 requires all Public Service Pension Schemes–

 to establish a Local Pension Board. In the case of the Firefighters’ Pensions Scheme, the role of the Board is to assist the Authority (Northamptonshire Commissioner Fire and Rescue Authority) and the Scheme Manager (Currently the Chief Fire Officer on behalf of the Authority):

* to secure compliance with:
	+ the relevant regulations
	+ any other legislation relating to the governance and administration of the Scheme (and any Connected Scheme); and
	+ the requirements imposed by the Regulator in relation to the Scheme (and any Connected Scheme), and
* to ensure the effective and efficient governance and administration of the Scheme (and any Connected Scheme).

The Local Pension Board is expected to complement and enhance the Authority’s existing arrangements for managing the scheme. It does not replace the existing arrangements and it is not a decision making body. Rather, it is designed to act as a critical friend to the Authority and of the Scheme Manager.

The Firefighters’ Pension Scheme (Amendment) (Governance) Regulations 2015 relating to the creation and ongoing operation of local pension came into force on 1st April 2015. These regulations required the then County Council to agree the establishment of a Local Pension Board in respect of the Firefighter’s Pension Scheme by 1st April 2015. In this context, established means that the Council, as Scheme Manager, had to approve the creation of the Board and agree its composition and terms of reference in accordance with its constitution. It did not mean that the Firefighters’ Pension Scheme Local Pension Board had to be fully operational by that date.

However, it was anticipated all Local Pension Boards should be operational within a reasonable period after 1st April 2015, and certainly by the end of July of that year. The Northamptonshire Firefighters’ Pension Scheme Local Pension Board was established by the Council at its meeting of full Council meeting on 19 March 2015 and held its first meeting on 29 July 2015.

From January 2019, following the transfer of Fire Governance under legislation, the governance of the Local Pension Board was handed to the Police Fire and Crime Commissioner (OPFCC) as the Fire and Rescue Authority and the Chief Fire Officer , as the Scheme Manager.

As at the date of governance transfer on 1 January 2019, the Authority adopted all Pension Board Policies agreed under the tenure of the County Council. These Policies remain valid and will be reviewed and updated where appropriate.

# Role and Remit

The role and remit of the Local Pension Board is to assist the Authority and the Scheme Manager by making sure it is administering the Firefighters’ Pension Scheme effectively and efficiently and, in doing so, is complying with relevant laws and regulations. The Board does this by reviewing the policies and practices adopted and checking them against the applicable regulations, as well as comparing them to examples of best practice elsewhere. It is a slightly different role when compared to the (separate) Board charged with overseeing the Local Government Pension Scheme arrangements as the Firefighters’ Pension Scheme is an unfunded scheme with no investment aspect.

**Membership**

The Board is made up of two Employer Representatives, Two Employee representatives, a representative for the West Yorkshire Pension Fund and an administrative assistant.

The Chair and Vice chair are reviewed annually and voted in by other members of the board.

**Voting, Frequency of Meetings and Quorum**

All Local Pension Board Members shall have the right to vote in meetings.

The Local Pension Board shall meet a minimum of four times a year. The date, hour and place of meetings shall be fixed by the Board. The Chair may call additional meetings if necessary. Quorum shall be four Local Pension Board Members, provided that the employer and member sides are both represented.

No business requiring a formal resolution shall be transacted at any meeting of the Local Pension Board unless the meeting is quorate. If it arises during the course of a meeting that a quorum is no longer present, the Chair shall either suspend business until a quorum is re-established or declare the meeting at an end and arrange for the completion of the agenda at the next meeting or at a special meeting. Substitutes shall be permitted.

The Chair and Vice-Chair of the Local Pension Board shall be elected by the Board at its annual meeting. The normal term of office for the Chair and Vice-Chair of the Local Pension Board shall be one year, subject to earlier removal by vote of the Local Pension Board.

## Training and Knowledge of Members

Members may not be permitted to take part in meetings of the Local Pension Board unless they have complied with any training requirements for Board members as set out in the Public Services Pensions Act.

In order to ensure they are fully representative, all Local Pension Boards must include an equal number of employer and member representatives with a minimum requirement of no fewer than four in total. The term of appointment for all members is four years or until qualification for membership ceases.

**Employer Representatives**

|  |  |  |  |
| --- | --- | --- | --- |
| **Member** | **Role** | **Email** | **Appointed** |
| Helen King/ Nick Alexander | S151 Officer/Deputy S151 Officer | helen.king@northantspfcc.gov.uknick.alexander@northants.pnn.police.uk |  |
| Shaun Hallam | Assistant Chief Fire Officer | SHallam@northantsfire.gov.uk |  |

**Scheme Member Representatives**

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| --- | --- | --- | --- |
| **Member** | **Role** | **Email** | **Appointed** |
| Kevin Aiken | Station Commander  | KAitken@northantsfire.gov.uk |  |
| Aiden Philips | Watch Manager | AJPhillips@northantsfire.gov.uk | 2021 |

The Chair and Vice-Chair of the Board is elected by the Board on annual basis. The current Chair is Shaun Hallam and the Vice-Chair is Kevin Aiken.

# Code of Conduct and Conflicts Policy

The Scheme Manager is required to prepare and approve a code of conduct for the Board to adopt. This code has to set out the standards of behaviour expected of members, incorporating the ‘Seven Principles of Public Life’ (known as the Nolan Principles).

At its meeting in December 2015, the Firefighters’ Pension Scheme Local Pension Board formally agreed to adopt the County Council’s Code of Conduct for all members of the Board.

Aside from the provisions of the Code of Conduct, for the purposes of the members of the Local Pension Board, a ‘conflict of interest’ is defined in section 5(5) of the Public Service Pensions Act 2013 as a financial or other interest which is likely to prejudice a person’s exercise of functions as a member of a Local Pension Board (although that does not include a financial or other interest arising by virtue of that person being a member of the Firefighters’ Pension Scheme). The Pensions Regulator recommended that all administering authorities put in place a Conflict of Interest Policy for the operation of their new local pension boards. The Firefighters’ Pension Scheme Local Pension Board duly agreed a detail Conflicts Policy at their meeting in December 2015. A copy of the policy can be found here: [https://cmis.northamptonshire.gov.uk/cmis5live/Committees/tabid/110/ctl/Vie](https://cmis.northamptonshire.gov.uk/cmis5live/Committees/tabid/110/ctl/ViewCMIS_CommitteeDetails/mid/558/id/449/Default.aspx)w [CMIS\_CommitteeDetails/mid/558/id/449/Default.aspx](https://cmis.northamptonshire.gov.uk/cmis5live/Committees/tabid/110/ctl/ViewCMIS_CommitteeDetails/mid/558/id/449/Default.aspx)

It is not anticipated that significant conflicts of interest will arise, particularly as the Firefighters’ Pension Scheme has no investment aspect. However, officers will take steps to identify, monitor and manage conflicts in accordance with the policy.

# Knowledge and Understanding

In accordance with Section 248A of the Pensions Act 2004, every individual who is a member of a Local Pension Board must be conversant with:

* the rules of the Firefighters’ Pension Scheme; and
* any document recording policy about the administration of the Scheme which is for the time being adopted in relation to the Fund.

Each individual must have knowledge and understanding of the law relating to pensions and such other matters as may be prescribed.

The Scheme Manager is required to make appropriate training available to Local Pension Board members to assist them in undertaking their role and where possible support all members of the Board in undertaking that training. The Board, in turn, is required to establish and maintain a policy and framework to address the knowledge and understanding requirements that apply to its members.

Being conversant with the rules of the Firefighters’ Pension Scheme and any document recording policy about the administration of the Fund means having a working knowledge (i.e. a sufficient level of familiarity) of them so that members of a Local Pension Board can use them effectively when carrying out their role. In particular members of a Local Pension Board need to understand the rules and documents in enough detail to know where they are relevant to an issue and where a particular provision or policy may apply.

It is implicit that members of the Local Pension Board understand the duties and obligations that apply to the Authority as well as to themselves. The rules of the Scheme would include the relevant regulations and transitional regulations, as well as any statutory guidance referred to in these regulations. The Board needs to be aware of the range and extent of overriding law which applies to the Firefighters’ Pension Scheme and have sufficient knowledge and understanding of the content and effect of that law to recognise when and how it impacts on their role, responsibilities and duties.

Given the role of the Local Pension Board is to assist the Authority and Scheme Manager, members of a Board need to have sufficient knowledge and understanding to challenge any failure to comply with the Regulations and other legislation relating to the governance and administration of the Firefighters’ Pension Scheme and/or any failure to meet the standards and expectations set out the Code of Practice.

Members of the Board are required to have a breadth of knowledge and understanding that is sufficient to allow them to understand fully any professional advice the Board is given. They must be able to challenge any information or advice they are given and understand how that information or advice impacts on any decision relating to their duty to assist the Scheme Manager and Authority. A Local Pension Board’s knowledge management policy and framework provides for the acquisition and retention of knowledge and understanding for its members. Members of the Local Pension Board are aware that their knowledge and understanding responsibilities technically began from the date they first took up their post.

The knowledge management policy and framework requires its members to undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses. A personalised training plan is then to be used to document and address these promptly. This would be supported by any person the Local Pension Board has designated to implement the knowledge and understanding policy and framework.

Learning programmes deliver the appropriate level of detail to ensure that Local Pension Board members have the required level of knowledge and understanding specific to the Firefighters’ Pension Scheme. The Knowledge Management Policy has been designed to assist the Local Pension Board in performing and developing its role in accordance with the Terms of Reference with the ultimate aim of ensuring that Scheme is managed and assisted by individuals who have the appropriate level of knowledge and skills as required by the Pensions Act 2004 also enforced by the Pensions Regulator.

The Knowledge Management Policy incorporates both the best practice as identified by the CIPFA Technical Knowledge and Skills Framework and the requirements of the Pensions Regulator. The Pension Regulator’s Code of Practice requires all members of the Local Pension Fund Board to maintain the necessary skills and knowledge to undertake their role effectively. Board members need to be conversant with the rules of the scheme and any document recording policy about the administration of the Firefighters’ Pension Scheme and to have knowledge and understanding of the law relating to pensions and any other matters which are prescribed in regulations.

The Knowledge Management Policy also recognises the requirement that skills and knowledge within the remit of a local pension board must be on an individual rather than a collective basis. As such self- assessments will identify individual training needs following which appropriate training will be arranged. The Policy sets out the methods by which the members of the Pension Fund Board will achieve and maintain the required knowledge and understanding and how this will be measured on an ongoing basis.

The Local Pension Board is required to keep appropriate records of the learning activities of individual members and the Local Pension Board as a whole. This will assist members in demonstrating their compliance, if necessary, with the legal requirement and how they have mitigated risks associated with knowledge gaps. It is a statutory requirement to include details of the training undertaken by members of the Pension Fund Board in the Fund’s Annual Report. In addition, this information may be required by other agencies such as the Pensions Regulator from time to time.

The Board received and approved the Knowledge Management Policy for Firefighters’ Pension Scheme Local Pension Board members at its second meeting in October 2015. The Policy is available at the following link:

[https://cmis.northamptonshire.gov.uk/cmis5live/Committees/tabid/110/ctl/Vie](https://cmis.northamptonshire.gov.uk/cmis5live/Committees/tabid/110/ctl/ViewCMIS_CommitteeDetails/mid/558/id/449/Default.aspx)w [CMIS\_CommitteeDetails/mid/558/id/449/Default.aspx](https://cmis.northamptonshire.gov.uk/cmis5live/Committees/tabid/110/ctl/ViewCMIS_CommitteeDetails/mid/558/id/449/Default.aspx)

# Reporting Breaches of the Law to the Pensions Regulator Policy

In accordance with section 70 of the Pensions Act 2004, certain individuals must report to the Pensions Regulator as soon as reasonably practicable where that individual has reasonable cause to believe that:

* a duty which is relevant to the administration of the LGPS, and is imposed by or by virtue of an enactment or rule of law, has not been or is not being complied with; and
* the failure to comply is likely to be of material significance to the Regulator in the exercise of any its functions.

This obligation directly applies to each individual who is a member of the Local Pension Board. The Local Pension Board must therefore have effective arrangements in place to meet its duty to report breaches of law.

At its meeting in December 2015, the Firefighters’ Pension Scheme Local Pension Board was informed that, in line with the Pensions Regulator’s Code of Practice number 14 (Governance and administration of public service pension schemes), a policy had been developed which set out the mechanism for reporting breaches of the law. The policy ensures that those with a responsibility to report breaches of the law are able to meet their legal obligations, by analysing situations effectively in order to make an informed decision on whether a breach has been made.

[https://cmis.northamptonshire.gov.uk/cmis5live/Committees/tabid/110/ctl/Vie](https://cmis.northamptonshire.gov.uk/cmis5live/Committees/tabid/110/ctl/ViewCMIS_CommitteeDetails/mid/558/id/449/Default.aspx)w [CMIS\_CommitteeDetails/mid/558/id/449/Default.aspx](https://cmis.northamptonshire.gov.uk/cmis5live/Committees/tabid/110/ctl/ViewCMIS_CommitteeDetails/mid/558/id/449/Default.aspx)

# Key Officers supporting the Local Pension Board

The Board will be supported by representatives from the Pensions Administrator.

Pension Board Secretariat arrangements will be provided to the Board as appropriate.

Publication and Transparency

The Meetings of the Pension Board will be published on the OPFCC Website together with and agendas, meeting papers and minutes of the meetings.