

**SOUTH YORKSHIRE
FIRE & RESCUE AUTHORITY
LOCAL PENSION BOARD**

CONSTITUTION & TERMS OF REFERENCE

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1. Name

- 1.1 The name of the Board is “Local Pension Board” (“the Board”) and is established by South Yorkshire Fire and Rescue Authority (“the Authority”) as the Scheme Manager under the provisions of the Public Sector Pensions Act 2013 and The Firefighters’ Pension Scheme (Amendment)(Governance) Regulations 2015.
- 1.2. The Local Pension Board shall be in place from 1 April 2015.

2. Purpose and Role of the Local Pension Board

- 2.1 The role of the Pension Board as defined by the Public Service Pensions Act 2013 is to:
 - 2.1.1 Secure the effective and efficient governance and administration of the Firefighters’ Pension and Compensation Schemes (FPS).
 - 2.1.2. To provide the Scheme Manager (SYFRA) with such information as it requires to ensure that any member of the Local Pension Board, or person to be appointed to the Local Pension Board, does not have a conflict of interest.

3. Terms of Reference

The Pension Board is responsible for assisting the Scheme Manager (SYFRA) in:

- 3.1. Ensuring effective and efficient administration of the FPS.
- 3.2. Ensuring that decisions made by South Yorkshire Fire and Rescue Authority are fully legally compliant, including consideration of cases that have been referred to the Pension Regulator and/or the Pensions Ombudsman.
- 3.3. Recommending changes to processes, learning and development and/or guidance where necessary.
- 3.4. Monitoring administrative processes and supporting continuous improvements.
- 3.5. Ensuring the Scheme Administrator (West Yorkshire Pensions Fund) supports the employer to communicate the benefits of the FPS and fully utilise them as part of the Fire Service’s total reward offer through effective communication to members.
- 3.6. Ensuring the Scheme Administrator supports members with a range of tools to improve their understanding of their pension benefits as part of the total reward offer, and to inform their personal financial and career planning.
- 3.7. Compliance with Pensions Regulator Codes of Practice.
- 3.8. Fostering good working relationships with the Pensions Regulator.
- 3.9. Consideration of the annual report from the Pensions Regulator, including any responses to recommendations.

- 3.10. Producing an annual report which will highlight areas of concern and identify good practice. The report will also contain information on the number of retirements (natural and ill health), new starters, membership and opt-out).

4. Powers of the Local Pension Board

- 4.1 Where any breach of legislation or duties is committed or is alleged to have been committed by the Fire and Rescue Authority or its Boards, the Local Pension Board shall:
- 4.1.1 Within one month of the possible breach, meet with the Authority Chair (supported by the Section 151 officer) to discuss the breach.
 - 4.1.2 Ask the Authority Chair to explain the actions taken and provide evidence of the legitimacy of the actions taken.
 - 4.1.3 Consider the matter on the facts available and evidence provided by the Chair and shall:
 - 4.1.3.1 Refer it back to the Authority to consider afresh and correct any areas of concern/breaches of duty; or
 - 4.1.3.2 Determine that no breach of duty has taken place.
- 4.2 If under clause 4.1 above it is decided that a breach has occurred, the Local Pension Board shall (as required by the Code of Practice and the Pensions Act 2004):
- 4.2.1 Report the breach to the Scheme Manager (SYFRA) who should take prompt and effective action to investigate and correct the breach and its causes and, where appropriate, notify any affected members; or
 - 4.2.2 Where prompt and effective action to remedy the breach has not been taken and/or where scheme members have not been informed when they should have been, report the breach as a breach of material significance to the Pensions Regulator.

5. Scheme Manager (SYFRA) Consents

- 5.1 The Local Pension Board shall not:
- 5.1.1 Question what investments decisions have or have not been made by the Authority or its Boards, for the avoidance of doubt these shall include but not be limited to financial investment decisions and property related investment decisions.
 - 5.1.3 Consider or become involved in any internal dispute resolution appeals or the process itself.
 - 5.1.4 Enter into contracts on behalf of the Administering Authority.
 - 5.1.5 Dismiss any Members of the Fire and Rescue Authority.

- 5.1.6 Use the Local Pension Board to act on behalf of a particular constituency or Pension fund member in general or in relation to a specific complaint at any time.
- 5.1.7 Compromise the Fire and Rescue Authority's ability to comply with its fiduciary duty to the Pension Fund and its members.
- 5.2 The Local Pension Board must seek written consent from the Scheme Manager (SYFRA) before it:
 - 5.2.1 instructs the Pension Fund actuary to provide a report of any kind;
 - 5.2.2 Requests any external advisor to attend a meeting of the Local Pension Board which shall require any remuneration of any level;
 - 5.2.3 Incurs a cost to the agreed budget;
 - 5.2.4 Can amend this Constitution.

6. Accountability

- 6.1 The Local Pension Board will be collectively and individually accountable to the Scheme Manager, which is ultimately South Yorkshire Fire and Rescue Authority as the responsible authority for the Firefighters' Pension Schemes (FPS).
- 6.2. South Yorkshire Fire and Rescue Authority continue to be responsible for the contractual arrangements, including delivery against the contract and agreed key performance indicators for the pension scheme administration.

7. Membership

- 7.1. The Regulations state that the Local Pension Board will include:
 - 7.1.1. **Member representatives representing members of the FPS.** These may be, but are not limited to, Trade Union representatives and must be in Scheme employment.
 - 7.1.2. **Employer representatives representing employers.** These may be, but are not limited to, Members or officers of the Authority. Employer representatives will be voting members.
 - 7.1.3. **The Board should have an equal number of employer and member representation at all times, and should be no less than four in total.**
- 7.2 Therefore, the South Yorkshire Fire and Rescue Authority Local Pension Board will be made up of:
 - 1 x independent Chair
 - 2 x employee representatives
 - 2 x employer representatives (PO / AM and elected Member)
 - 1 x officer advisor

- 7.3. Appointment of employer and employee (Trade Union) representatives will be by nomination. The Chair will be appointed by an external application process.
- 7.4. No officer or elected Member of an administering authority who is responsible for the discharge of any function under the Regulations may be a member of a Local Pension Board.
- 7.5. Members of the Local Pension Board will be voting members; each member shall have one vote. It is expected that the Board will, as far as possible, reach a consensus; the Chair of the Board will have the final deciding vote.
- 7.6. The Regulations require that the Scheme Manager (SYFRA) ensures that all employer or member representatives sitting on the Board have relevant experience and capacity to represent the employers or members of the Fund.
- 7.7. Substitute members will not be permitted.
- 7.7. Each Local Pension Board member shall endeavour to attend all Board meetings during the year.
- 7.8. Professional advisers can be called on an 'as and when' basis to provide specialist understanding to deliver compliance. Representatives invited for their particular technical knowledge will **not** be voting members.

8. Chair

- 8.1. An independent Chair will be appointed via an external appointment process..
- 8.2. The Board shall elect a Vice-Chair from amongst its members.

9. Tenure

- 9.1. **Members** – (see comment)
- 9.2. The **Chair's tenure** will be agreed on appointment (*suggest this mirrors what's agreed for all Members*).

10. Leaving the Board

- 10.1. A member of the Board shall cease to hold office if:
 - 10.1.1. He or she notifies the Board of a wish to resign. Resignation should be submitted in writing to the Pension Board Chair. A suitable notice period should be given, with one month being a minimum, to enable a replacement member to be appointed.
 - 10.1.2. He or she is an elected councillor and is appointed to the Fire and Rescue Authority.

- 10.1.3 He or she ceases to be employed by the body on behalf of whom he/she acts as a representative, including but not limited to Trade Unions or Scheme employers.
- 10.1.4 A member fails to attend meetings or otherwise comply with the requirements of being a Board member, e.g. fails to attend the necessary learning and development events.
- 10.1.5 A member dies or becomes incapable of acting.
- 10.1.6 There exists a conflict of interests in relation to a Board member which cannot be managed within the internal procedures of South Yorkshire Fire and Rescue Authority.

11. Meetings and Procedures of the Board

- 11.1 The Board shall hold meetings at least twice per year. Additional meetings may be called at any time by the Chair. This will be reviewed after the first year to ensure it meets the requirements of the legislation.
- 11.2 In the absence of the Chair at a meeting of the Board, the Vice-Chair will preside over that meeting. In the event that both the Chair and Vice-Chair are absent then the Board will appoint one of its members to preside at that meeting.
- 11.3 The **quorum** for a meeting of the Board shall be three members.
- 11.4 Board meetings shall be held in public. The public may be excluded from the meeting when matters are considered that, in the opinion of the Scheme Manager (SYFRA), contain information covered by exempt/confidential information procedures under Schedule 12A of the Local Government Act 1972 (as amended) or represent data covered by the Data Protection Act 1998.
- 11.5 All agendas and papers for Board meetings will be made publically available on South Yorkshire Fire and Rescue Authority's website unless, in the opinion of the Scheme Manager, they are covered by exempt/confidential information procedures under Schedule 12A of the Local Government Act 1972 (as amended) or represent data covered by the Data Protection Act 1998.
- 11.6 Minutes of proceedings at meetings of the Board shall be kept in accordance with statutory requirements.
- 11.7 Minutes of meetings of the Board shall be published on South Yorkshire Fire and Rescue Authority's website.

12. Conduct / Declarations of Interest

- 12.1 Members of the Board shall comply with their own Local Authority's Code of Conduct. Members of the Board who are not Councillors shall comply with any Code of Conduct applicable to their professional body and/or the organisation they represent.
- 12.2. All members of the Board will adhere to the Seven Principles of Public Life. These are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

12.3 Members of the Board shall register their disclosable pecuniary interests with South Yorkshire Fire and Rescue Authority's Monitoring Officer as required under the Code, the Localism Act 2011 and Regulations made under the Localism Act 2011.

13. Conflicts of Interests

13.1 The Public Services Pensions Act 2013 requires that members of a Local Pension Board should not be appointed if they have an existing conflict of interest.

13.2 For the avoidance of doubt, being a member of the Pension Scheme is not a conflict of interest.

13.3 Where a member becomes conflicted during their appointment, they shall inform the Scheme Manager (SYFRA) without delay and their tenure shall end with immediate effect.

13.4 Where a member has been removed from the Board under this clause, they will be entitled to be reappointed once the conflict has been resolved.

13.5 Such reappointment shall be made to the Board only where written approval from the Scheme Manager (SYFRA) - advised by the Monitoring Officer - has been provided.

14. Expenses / Funding

14.1 Members of the Board will be reimbursed for reasonable subsistence and travel expenses in accordance with relevant policies of the Scheme Manager (SYFRA).

14.2 Pension Board members shall not receive an annual allowance of any kind.

14.3 The Board will be provided with adequate resources to undertake its role, these will include as a minimum:

- Accommodation and administrative support to conduct its meetings;
- Learning and development and
- Legal, technical and other professional advice.

14.4 The Board will have an annual budget that will be set by the Scheme Manager (SYFRA). This budget can be used to pay for technical assistance, Board member learning and development and anything else the Board may require to effectively discharge its duties. Expenditure greater than the annual budget would need to be approved by South Yorkshire Fire and Rescue Authority.

15. Knowledge, Skills and Training

15.1 To be appointed as a member of the Pension Board a person must have knowledge and understanding of, and be fully familiar with:

15.1.1 the rules of the scheme;

15.1.2 any document recording policy about the administration of the Scheme which is for the first time being adopted in relation to the Scheme;

15.1.3 the law relating to pensions; and

15.1.4 any other matters which are prescribed in regulations.

15.2 Pension Board members will undertake a personal learning and development needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.

15.2. This learning and development will be ongoing as legal requirements change and develop, including the issue of new regulations and directions.

15.3 Members will attend all learning and development necessary to enable them to fulfil the role and responsibilities of a Pension Board member.

15.4 A written record of relevant learning and development will be maintained for each member of the Pension Board.

15.5 Learning and development where needed, that is provided by the Scheme Manager (SYFRA) will be paid for out of the agreed budget.

16. Variations / Review

16.1 Any variation to this Constitution, considered necessary by the Board, shall be reported to the Scheme Manager (SYFRA) for consideration and written consent.

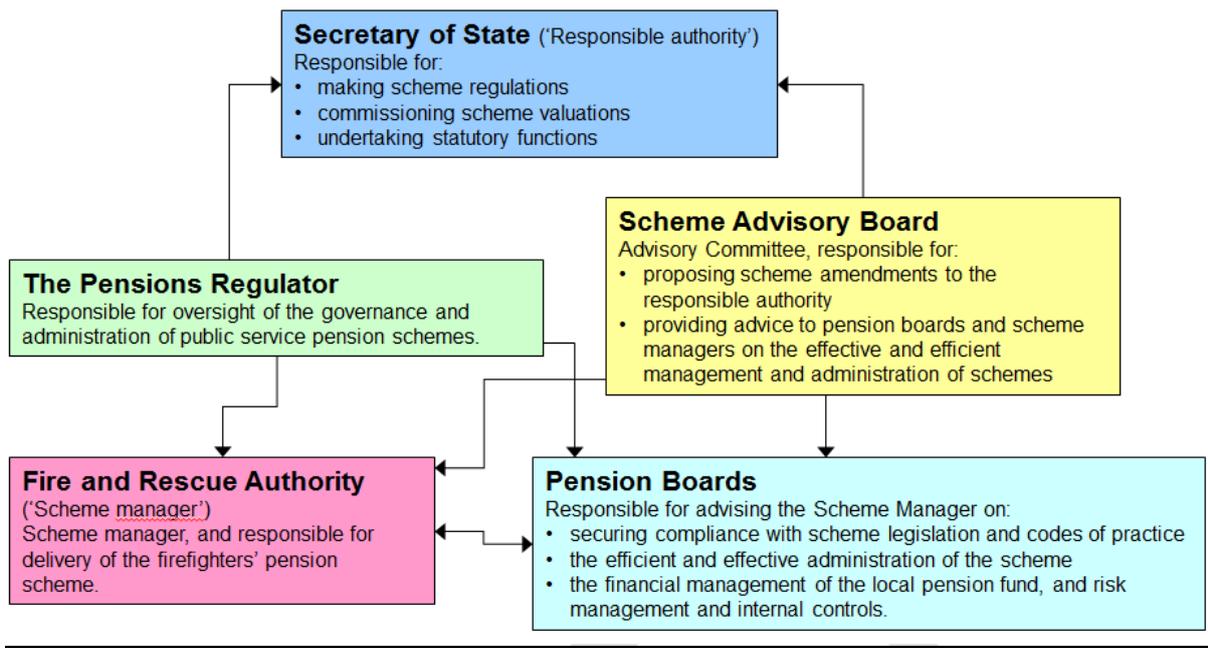
16.2 No variation made by the Board will be valid without the express consent of the Scheme Manager (SYFRA).

16.3. The Constitution will be reviewed after the Pension Board has been operating for one year, and at a frequency determined by the Scheme Manager (SYFRA) thereafter.

17. Data Protection

17.1. The Local Pensions Board will adhere to the Data Protection Policies held by the Scheme Manager (SYFRA).

18. Governance Structure



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