

## **LOCAL PENSION BOARD OF LINCOLNSHIRE FIRE AUTHORITY TERMS OF REFERENCE**

### **Introduction**

1. This document sets out the terms of reference of the Local Pension Board of Lincolnshire Fire Authority (the 'Administering Authority') a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. The Local Pension Board (hereafter referred to as 'the Board') is established in accordance with Section 5 of that Act and under The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015.
2. The Board is established by, and operates independently of, the Administering Authority. Relevant information about its creation and operation are contained in these Terms of Reference.
3. The Board is not a committee constituted under Section 101 of the Local Government Act 1972 and therefore no general duties, responsibilities or powers assigned to such committees or to any sub-committees or officers under the constitution, standing orders or scheme of delegation of the Administering Authority apply to the Board unless expressly included in this document.

### **Interpretation**

4. The following terms have the meanings as outlined below:

<b>'the Act'</b>	The Public Service Pensions Act 2013.
<b>'the Code'</b>	means the Pension Regulator's Code of Practice No 14 governance and administration of public service pension schemes.
<b>'the Guidance'</b>	- means the guidance on the creation and operation of pension boards contained in the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015.
<b>'the Regulations'</b>	means the Firefighters' Pension Scheme 1992, as amended, the Firefighters' Pension Scheme 2006, as amended and the Firefighters' Pension Scheme (England) Regulations 2014, as amended.

<b>'Relevant legislation'</b>	means relevant overriding legislation as well as the Pension Regulator's Codes of Practice as they apply to the Administering Authority and the Board, notwithstanding that the Codes of Practice are not legislation, and any other relevant legislation applying to the Scheme.
<b>'the Scheme'</b>	means the Firefighters' Pension Scheme(s) in England.
<b>'the Scheme Manager'</b>	means the officer with delegated Scheme Manager functions

### **Statement of Purpose**

5. The purpose of the Board is to assist Lincolnshire Fire and Rescue Authority in its role as a scheme manager of the Firefighters' 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**

6. 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 the Administering Authority's code of conduct for members.
  - (c) Should ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pensions Regulator.

## **Establishment**

7. The Board is established on 31 March 2015, subsequent to approval by the Administering Authority on 20 February 2015 of the recommendation to establish such a Board. Subsequent to its establishment, the Board may establish sub-committees.

## **Membership**

8. The Board shall consist of four voting members, as follows:  
  
Two Member Representatives; and  
  
Two Employer Representatives
9. There shall be an equal number of Member and Employer Representatives

## **Member representatives**

10. One Member representative shall be nominated by each of the Fire Brigades Union and the Fire Officers Association and be active firefighters employed by Lincolnshire Fire & Rescue. Such nominations shall be approved by the Scheme Manager.
11. Member representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
12. A named substitute may be appointed for a meeting if the usual representative is not available. The two member representatives should agree who their substitute will be. Similarly the employer representatives should agree who their substitute shall be.

## **Employer representatives**

13. Two employer representatives shall be appointed to the Board by the Administering Authority.
14. Employer representatives shall be either elected members or officers of Lincolnshire Fire and Rescue Authority or have experience of representing scheme employers in a similar capacity.

15. Office holders or employees of Lincolnshire Fire and Rescue with delegated responsibility for discharging the scheme manager function of the Administering Authority may not serve as employer representatives.
16. Employer representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
17. Employer representatives shall be appointed by the Administering Authority in a manner which it considers best promotes the purpose of the Board.

#### **Other Members**

18. One other member shall be appointed to the Board by the Scheme Manager to act in an advisory capacity.
19. Other members shall be an employees of the Administering Authority or Lincolnshire County Council
20. Any appointments of other members shall have regard to the best interests of the purpose of the Board
21. Other members do not have voting rights on the Board.

#### **Appointment of Chair**

22. The Chair of the Fire Pension Board will be appointed from the 4 voting members of the Board and will rotate on an annual basis.

#### **Duties of the Chair**

23. The Chair of the Board:
  - (a) Shall ensure the Board delivers its purpose as set out in these Terms of Reference,
  - (b) Shall ensure that meetings are productive and effective and that opportunity is provided for the views of all members to be expressed and considered, and
  - (c) Shall seek to reach consensus and ensure that decisions are properly put to a vote when it cannot be reached. Instances of a failure to reach a consensus position will be recorded and published.

#### **Notification of appointments**

24. When appointments to the Board have been made the Scheme Manager will publish the name of Board members, 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**

25. All members of the Board must declare to the Administering 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.
26. A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.
27. On appointment to the Board and following any subsequent declaration of potential conflict by a Board member, the Administering Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Board's conflicts policy and the requirements of the Code.

### **Knowledge and understanding (including Training)**

28. Knowledge and understanding must be considered in light of the role of the Board to assist the Scheme Manager in line with the requirements outlined in paragraph 6 above. The Board shall establish and maintain a Knowledge and Understanding Policy and Framework to address the knowledge and understanding requirements that apply to Board members under the Act. 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.
29. 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.
30. 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.

### **Terms of Office**



31. The term of office for Board members is four years. The initial Board members will be given staggered terms to allow for continuity.
32. Extensions to terms of office may be made by the Scheme Manager with the agreement of the Board.
33. A Board member may be appointed for further terms of office using the methods set out in paragraphs 10 and 15.
34. 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 representative 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) A Board member no longer being able to demonstrate to the Scheme Manager their capacity to attend and prepare for meetings or to participate in required training.
  - (e) The representative being withdrawn by the nominating body and a replacement identified.
  - (f) A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.
  - (g) A Board member who is an officer of the Administering Authority becomes responsible for the discharge of any function of the Scheme Manager under the Regulations.

## **Meetings**

35. The Board shall as a minimum meet twice a year.
36. Meetings shall normally take place between the hours of 10am and 1pm at Lincolnshire Fire and Rescue, South Park Avenue, Lincoln, LN5 8EL.
37. The Chair of the Board with the consent of the Board membership may call additional meetings. 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.

## **Quorum**

38. A meeting is only quorate when at least 50% of both member and employer representatives are present.
39. A meeting that becomes inquorate may continue but any decisions will be non-binding.

### **Voting**

40. The Chair shall determine when consensus has been reached.
41. Where consensus is not achieved this should be recorded by the Chair.
42. If there are equal numbers of votes for and against the Chair shall have a second or casting vote which will be reported to the Scheme Manager.

### **Board administration**

43. The Chair shall agree with the Scheme Manager an agenda prior to each Board meeting.
44. The agenda and supporting papers will be issued at least five working days (where practicable) in advance of the meeting except in the case of matters of urgency.
45. Draft minutes of each meeting including all actions and agreements will be recorded and circulated to all Board members within ten working days after the meeting. These draft minutes will be subject to formal agreement by the Board at their next meeting. Any decisions made by the Board should be noted in the minutes and in addition where the Board was unable to reach a decision such occasions should also be noted in the minutes.
46. The minutes may, with the agreement of the Board, be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.
47. The Scheme Manager shall ensure that Board members meet and maintain the knowledge and understanding as determined in the Board's Knowledge and Understanding Policy and Framework and other guidance or legislation.

48. The Scheme Manager will arrange such advice as is required by the Board subject to such conditions as are listed in these Terms of Reference for the use of the budget set for the Board.
49. The Scheme Manager will ensure an attendance record is maintained along with advising the Administering Authority on allowances and expenses to be paid under these terms.
50. The Scheme Manager will - determine the requirements of the Board, including advanced notice for officers to attend and arranging dates and times of Board meetings.

#### **Public access to Board meetings and information**

51. The Board meetings will be open to the general public (unless there is an exemption under relevant legislation which would preclude part (or all) of the meeting from being open to the general public).
52. In accordance with the Act the Scheme Manager will publish information about the Board to include:
  - (a) The names of Board members and their contact details.
  - (b) The representation of employers and members on the Board.
  - (c) The role of the Board.
  - (d) These Terms of Reference.
53. The Administering Authority shall also publish other information about the Board including:
  - (a) Agendas and minutes
  - (b) Training and attendance logs

All or some of this information may be published on the Scheme Manager's website or by any other means as considered appropriate from time to time.

54. Information may be excluded on the grounds that it would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.



## **Expenses and allowances<sup>1</sup>**

55. The Administering Authority shall meet the expenses of Board members in line with the Administering Authority's policy on expenses as set out in the Council's Scheme of Allowances (part 6 of the Constitution).

## **Budget**

56. The Board is to be provided with adequate resources to fulfil its role. The Board will seek approval from the County Finance Officer for any expenditure it wishes to make.

## **Core functions**

57. The first core function of the Board is to assist the Scheme manager in securing 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. Within this extent of this core function the Board may determine the areas it wishes to consider including but not restricted to:

- a) Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.
- b) Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Code.
- c) Assist with the development of and continually review such documentation as is required by the Regulations Assist with the development of and continually review scheme member communications as required by the Regulations and relevant legislation.
- d) Monitor complaints and performance on the administration and governance of the scheme.
- e) Review the complete and proper exercise of Pensions Ombudsman cases.
- f) Review the implementation of revised policies and procedures following changes to the Scheme.

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<sup>1</sup> Provision for the payment of expenses and allowances is a decision to be made by the Scheme Manager. Full consideration should be given to information in the guidance for more information. The Scheme Manager should aim to ensure that no Board member is either better or worse off as a result of fulfilling their duties as a member of the Board.

- g) Review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.
- h) Review the complete and proper exercise of Scheme Manager discretions.
- i) Review the outcome of internal audit reports.
- j) Review the compliance of particular cases, projects or process on request of the Administering Authority.
- k) Any other area within the statement of purpose (i.e. assisting the Scheme Manager) the Board deems appropriate.

58. The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme. Within this core function, the Board may determine the areas it wishes to consider including but not restricted to:

- a) Monitor performance of administration and governance against key performance targets and indicators.
- b) Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.
- c) Monitor internal and external audit reports.
- d) Review the risk register as it relates to the scheme manager function of the authority.
- e) Assist with the development of improved management, administration and governance structures and policies.
- f) Review the outcome of actuarial reporting and valuations.
- g) Any other area within the statement of purpose (i.e. ensuring effective and efficient governance of the scheme) the Board deems appropriate.

59. In support of its core functions the Board may make a request for information with regard to any aspect of the Scheme Manager's function. Any such request should be reasonably complied with in both scope and timing.

60. In support of its core functions the Board may make recommendations to the Scheme Manager which should be considered and a response made to the Board on the outcome within a reasonable period of time.

### **Reporting**

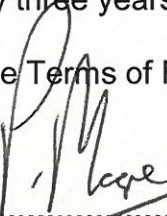
61. The Board should in the first instance report its requests, recommendations or concerns to the Scheme Manager.

62. Requests and recommendations should be reported under the provisions of paragraphs 59 and 60 above.
63. On receipt of a report under paragraph 61 above the Scheme Manager should, within a reasonable period, consider and respond to the Board.
64. Where the Board is not satisfied with the response received it may request that a notice of its concern be placed on the website
65. Where the Board is satisfied that there has been a breach of regulation which has been reported to the Administering Authority under paragraph 63 and has not been rectified within a reasonable period of time it is under an obligation to escalate the breach.
66. The appropriate internal route for escalation is to the Monitoring Officer and/or the Section 151 Officer (as appropriate).
67. The Board may report concerns to the FPS Scheme Advisory Board for consideration subsequent to, but not instead of, using the appropriate internal route for escalation.
68. Board members are also subject to the requirements to report breaches of law under the Act and the Code and the whistleblowing provisions set out in the Administering Authority's whistle blowing policy.

### Review of terms of reference

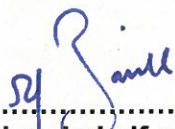
69. These Terms of Reference shall be reviewed on each material change to those parts of the Regulations covering local pension boards and at least every three years.

70. These Terms of Reference were adopted/last reviewed on 4.2.2016




Signed on behalf of the Administering Authority

16/5/16  
Date

  
Signed on behalf of the Board

27/5/16  
Date

  
B. Seaby (FBU)

20/05/2016