

# Scheme Advisory Board

Meeting of the Board 30<sup>th</sup> November 2016

## ITEM 8

### **Board membership – Advisors and Observers**

#### **Background**

1. This paper has been drafted to allow the board to consider the options around advisors and observers.
2. Regulation 4F (4) states that

*... The chairman of the Firefighters' Pension Scheme Advisory Board may, with the agreement of the Board, appoint a maximum of three persons to be non-voting advisory members of the Boards.*

However, this does not limit the number of advisers that the board could invite to provide advice to the board, simply that only 3 can be appointed as members.

3. Regulation 4E (5) states that the board

*...shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.*

4. At its meeting on 20<sup>th</sup> April 2016 under item 4d, the board agreed to appoint Clair Alcock of LGA as an adviser to the board, and the Home Office as an observer. It was agreed that the board would further consider options on appointing further advisors and observers.
5. The board further discussed options around advisers at its meeting on 7<sup>th</sup> September 2016.
6. Currently observers and advisers are invited on an ad-hoc basis, and it is proposed that this is formalised with named advisers attending each meeting.

#### **Definition of advisors and observers**

7. For clarity it is proposed that the following definition applies to Board advisers

*Advisors shall be persons appointed in either a personal capacity or as a representative of a recognised professional firm to provide formal or professional advice to the Board in either written or verbal format both within and outside of Board meetings*

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8. In order to effect the formalisation of advisors it is proposed that the terms offered, the final content of which shall be delegated to the Chair to agree, shall provide for payment in respect of the preparation for and drafting of written advice given at the request of the Board but that attendance at meetings and other advice shall not be remunerated.
9. For clarity it is proposed that the following definition applies to Board observers

*Observers shall be persons invited to attend Board meetings in order to enhance the communication from and feedback available to the Board with regard to scheme stakeholders not otherwise represented on the Board.*

## **Board decision**

10. Board are asked to agree the definition and terms of advisor and the definition of observer.

## **LGA**

11. LGA currently have a non-voting advisory seat on the board and also act as secretariat to the board. Clair Alcock currently fills both these roles.
12. It is proposed that the LGA remain an advisor to the board, but not as a non-voting member of the board. The non-voting member of the board should be a practitioner adviser.

## **Board decision**

13. The board are asked to agree this change.

## **Legal Advisor**

14. It is proposed that 'declarations of interest' are sought from interested parties in being a legal advisor to the board.
15. The board will then vote based on the information they receive to appoint a legal advisor to the board. For the avoidance of doubt, interested parties must have detailed knowledge of the Firefighter Pension Schemes.

## **Board decision**

16. The board are asked to agree that the secretariat should seek these declarations of interest and provide a written report to the board, so that they may make a decision. In the interests of expediency, it is proposed that the decision is made before the next meeting by conference call. .

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## **Practitioner advisor**

17. It is proposed that Helen Scargill as Chair of the Firefighters Technical Working Group be appointed as a practitioner adviser. Helen as chair of the technical group is well versed in technical knowledge and expertise across the Firefighters' Pension Schemes.

## **Board decision**

18. Board are asked to either:

(i) Confirm that Helen Scargill should be appointed as practitioner adviser

Or

(ii) Ask the secretariat to commence a selection process for a practitioner adviser.

## **Actuarial advisor**

19. Marc Sherratt has previously advised the board that GAD would be able to provide advice to the board, it is proposed that the Board Chairman and Secretary meet with Chris Mulholland, the Government Actuary to discuss attending the board meetings in an advisory capacity.

20. It is recognised that the board may wish to seek specific external actuarial advice with regard to the cost control mechanism and this has been provided for in the agreed budget.

## **Board decision**

21. Board are asked to either:

(i) Confirm that GAD be approached to perform this role and that the secretariat contact GAD with a view to agreeing terms to perform this role for the Board. Such terms to be subject to formal approval at a future Board meeting.

Or

(ii) Ask the secretariat to commence a selection process for an actuarial advisor in a personal capacity

22. If the latter Board are asked to agree that the Chair plus two Board members shall constitute a selection panel whose role would be to oversee the process and select a name to bring back to the Board for approval.

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## **Board observers**

23. The Home Office have observer seats as agreed by the board on 20<sup>th</sup> April 2016.

24. It is proposed that colleagues from the Scottish, Welsh and Northern Ireland Firefighter Scheme Advisory boards are welcome to attend the English Firefighters Pension Scheme Advisory Board as observers.

25. With regard to observers it is proposed that any Board member can in advance of the next meeting propose (with reason) that a particular person can attend in an observer capacity. Any such invitation to be subject to the agreement of the full Board.

## **Board decision**

26. Board are asked to agree the proposals.

Board Secretary  
27<sup>th</sup> November 2016