



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 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;
  - 2.1.2. Ensure the effective and efficient governance and administration of the Firefighters’ Pension and Compensation Schemes (FPS).
  - 2.1.3. 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. Duties of the Board**

- 3.1. The Board should, at all times, act in a reasonable manner in the conduct of its purpose. In support of this duty Board members:
  - 3.1.1. Should act always in the interests of the Scheme and not seek to promote the interests of any stakeholder group above another;
  - 3.1.2. Should be subject to, and abide by, the South Yorkshire Fire and Rescue Authority Code of Conduct for Members.
- 3.2. All members of the Board will adhere to the Seven Principles of Public Life. These are:
  - Selflessness
  - Integrity
  - Objectivity
  - Accountability
  - Openness
  - Honesty
  - Leadership

## **4. Terms of Reference**

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

- 4.1. Ensuring effective and efficient administration of the FPS.
- 4.2. Taking cognisance of decisions made by the Fire and Rescue Authority (FRA) in respect of pensions issues, including consideration of cases that have been referred

to the Pensions Regulator and/or the Pensions Ombudsman, referring issues to the FRA as Scheme Manager, involvement of a Link Member from the FRA on the Local Pension Board to provide an exchange of information, minutes of the Board submitted to the FRA, Local Pension Board Annual report submitted to the FRA.

- 4.3. Recommending changes to processes, learning and development and/or guidance where necessary.
- 4.4. Monitoring administrative processes and supporting continuous improvements.
- 4.5. 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.
- 4.6. 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.
- 4.7. Compliance with Pensions Regulator Codes of Practice.
- 4.8. Fostering good working relationships with the Pensions Regulator.
- 4.9. Consideration of the annual report from the Pensions Regulator, including any responses to recommendations.
- 4.10. Producing an annual report on the Board's activities 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.
- 4.11. Amendments to these Terms of Reference may be by regulation or in consultation with the Board by the Scheme Manager.

## **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.
  - 5.1.2. Consider or become involved in any internal dispute resolution appeals or the process itself.
  - 5.1.3. Enter into contracts on behalf of the Administering Authority.
  - 5.1.4. Dismiss any Members of the Fire and Rescue Authority.
  - 5.1.5. 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.
  - 5.1.6. 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.
- 6.3. The Local Pension Board will report at least annually to the Scheme Manager (SYFRA) on its activities.

## **7. Membership**

- 7.1. The Regulations state that the Local Pension Board will comprise an equal number of employer and member representatives with a minimum requirement of no less than four in total.
- 7.2. Substitute members will not be permitted, but – for business continuity – members of the Board who may be leaving the Service are permitted to bring along their replacement as a 'shadow' member.
- 7.3. Each member shall endeavour to attend all Board meetings during the year.
- 7.4. **Member representatives** shall either be members of the Scheme administered by South Yorkshire Fire and Rescue Authority or have experience of representing pension scheme members in a similar capacity.
- 7.5. Member representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
- 7.6. **Employer representatives** shall be office holders or senior employees of South Yorkshire Fire and Rescue Authority or have experience of representing Scheme employers in a similar capacity. Office holders or employees of South Yorkshire Fire and Rescue Authority with delegated responsibility for discharging the Scheme Manager function of South Yorkshire Fire and Rescue Authority **may not** serve as employer representatives.
- 7.7. Employer representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
- 7.8. Employer representatives shall be appointed by South Yorkshire Fire and Rescue Authority in a manner which it considers best promotes the purpose of the Board.
- 7.9. **Other members shall be ex-officio (independent) members.**

7.10. Any appointments of other members shall have regard to the best interests of the purpose of the Board.

7.11. Therefore, the South Yorkshire Fire and Rescue Authority Local Pension Board will be made up of:

- 2 x ex-officio (independent) members\*
- 2 x employee representatives (FBU / FOA)
- 2 x employer representatives (PO / AM)

*\*One of the Independent members will take the role of Chair.*

7.12. Officers of the Authority and Service will provide support the Board as and when required, including secretariat services, pension fund information etc.

7.12. Appointment of employer and employee (Trade Union) representatives will be by nomination. The Chair will be appointed by an external application process.

7.13. 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 The appointed ex-officio (independent) representative will assume the role of Chair of South Yorkshire Fire and Rescue Authority's Local Pension Board.

8.2 In the absence of the Chair, a substitute Chair will be elected from those members present at the meeting.

8.3. The Chair will agree the agenda prior to the Local Pension Board meetings and approve the minutes.

8.4. The duties of the Chair should be in accordance with the duties of a Chair within South Yorkshire Fire and Rescue Authority.

## **9. Notification of Appointments**

9.1. On appointment to the Board, South 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.

## **10. Tenure / Term of office**

10.1. The tenure / term of office shall be longer than 12 months to allow sufficient development of knowledge and understanding.

10.2. Members of the Board - including the Chair - will be appointed for a maximum of 6 years (two terms of three years).

10.3. The Board and Scheme Manager will be responsible for extending the term beyond 6 years'.

## **11. Leaving the Board**

11.1 Board membership may be terminated prior to the end of the term of office due to:

- 11.1.1 A member representative appointed on the basis of their membership of the scheme no longer being a member of the scheme.
- 11.1.2 A member representative no longer being a member of the body on which their appointment relied.
- 11.1.3 An employer representative no longer holding the office or employment or being a member of the body on which their employment relied.
- 11.1.4 The representative no longer being able to demonstrate their capacity to attend and prepare for meetings, or to participate in the required training.
- 11.1.5 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.

## **12. Meetings and Procedures of the Board**

- 12.1 The Board shall, as a minimum, meet three times per year, considering that quarterly meetings are recommended best practice.
- 12.2. 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.
- 12.3 In the absence of the Chair at a meeting of the Board, those present will appoint one of its members to preside at that meeting.

### **Quorum**

- 12.4 The **quorum** for a meeting of the Board shall be three members of which at least one should be an employee representative and one an employer representative.
- 12.5 Board meetings shall be held at the offices of the Scheme Manager (SYFRA) at Barnsley Town Hall and open to the 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.
- 12.6 All agendas and papers for Board meetings will be made publicly 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.
- 12.7 Minutes of proceedings at meetings of the Board shall be kept in accordance with statutory requirements.
- 12.8 Minutes of meetings of the Board shall be approved by the Chair of the Board and published on South Yorkshire Fire and Rescue Authority's website, being mindful of confidential information / commercial sensitivity etc. under the Data Protection Act 1998.

## Voting

- 12.9. Members of the Local Pension Board will be voting members; each member shall have one vote.
- 12.10. 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.
- 12.11. The Chair shall determine when consensus has been reached. Where consensus is not achieved this should be recorded by the Chair.
- 12.12. In support of its core functions the board may make a request for information to the Monitoring Officer with regard to any aspect of the Scheme Manager functions. Any such request should be reasonably complied with in both scope and timing.
- 12.13. In support of its core functions the Board may make recommendations to the Monitoring Officer which should be considered and a response made to the Board on the outcome within a reasonable period of time.

## 13. Declarations of Interest

- 13.1 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.

## 14. Conflicts of Interest

- 14.1 All members of the Board must declare to South 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.
- 14.2. On appointment to the Board, and following any subsequent declaration of potential conflict, South Yorkshire Fire and Rescue Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of South Yorkshire Fire and Rescue Authority and the requirements of the Pensions Regulator's Codes of Practice on conflicts of interest for Board members.
- 14.3 For the avoidance of doubt, being a member of the Pension Scheme is not a conflict of interest.

## 15. Expenses / Funding

- 15.1 Members of the Board will be reimbursed for reasonable subsistence and travel expenses in accordance with relevant policies of the Scheme Manager (SYFRA).
- 15.2 Other than Independent members, Pension Board members **shall not** receive an annual allowance of any kind.
- 15.3 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.



- 15.4 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.

## **16. Knowledge, Skills and Training**

- 16.1 Knowledge and understanding must be considered in light of the role of the Board to assist South 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.
- 16.2. 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.
- 16.3. 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.
- 16.4. The Board is entitled to one free training session epr annum to be delivered in-house by the LGA.
- 16.5 A written record of relevant learning and development will be maintained for each member of the Pension Board.
- 16.6 Learning and development where needed, that is provided by the Scheme Manager (SYFRA) will be paid for out of the agreed budget.

## **17. Variations / Review**

- 17.1 Any variation to this Constitution, considered necessary by the Board, shall be reported to the Scheme Manager (SYFRA) for consideration and written consent.
- 17.2 No variation made by the Board will be valid without the express consent of the Scheme Manager (SYFRA).

## **18. Data Protection**

- 16.1. The Local Pensions Board will adhere to the Data Protection Policies held by the Scheme Manager (South Yorkshire Fire and Rescue Authority).
- 18.2. The Scheme Manager (SYFRA) is registered with the Information Commissioner's Office (ICO) – Registration No.: Z484337.

## **19. Interpretation**

- 19.1. In these terms the 'Scheme' means the Firefighters' Pension Scheme.
- 19.2. 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.

19.3. 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 Local Pension Board, and any other relevant legislation applying to the Scheme.

**20. Governance Structure**

