



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Policy and Strategy Committee

LOCAL FIREFIGHTER PENSION ANNUAL REPORT 2021/22

Report of the Chief Fire Officer

Date: 11 November 2022

Purpose of Report:

To report to Members on the activities of the Local Firefighter Pension Board and Scheme Manager up to 31 October 2022.

Recommendations:

It is recommended that Members:

- Take note of the activity of the Pension Board and Pension Scheme Manager that long with the update on current pension issues.
- Approve a change in the Abatement Policy to allow discretion around abatement to be considered in exceptional circumstances where there is a clear benefit to the Service in doing so.

CONTACT OFFICER

Name : Becky Smeathers
Head of Finance and Treasurer

Tel : 0115 967 0880

Email : becky.smeathers@notts-fire.gov.uk

Media Enquiries Contact : Corporate Communications
(0115) 967 0880 corporatecomms@notts-fire.gov.uk

1. BACKGROUND

- 1.1 The Public Service Pensions Act 2013 introduced a framework for the governance and administration of public service pension schemes, including those pension schemes for fire and rescue workers. The governance arrangements in place for this Authority's firefighters' pension scheme are attached at Appendix A. The Act included the requirement for a Local Pension Board to be established by each responsible Authority.
- 1.2 In April 2015, this Committee approved the creation of a Local Pension Board in respect of the firefighter pension schemes, in accordance with the requirements of the Public Services Pensions Act 2013 (the Act). This Board is known as the Local Firefighter Pension Board and has been operating ever since.
- 1.3 The Fire Authority is the Scheme Manager for the firefighter pension schemes, which is a role defined by the Act. The role of Scheme Manager is delegated to the Head of Finance post and this report therefore serves to communicate to the Fire Authority about the activities of the Head of Finance, as delegated Scheme Manager, and of the Local Firefighter Pension Board to date.

2. REPORT

CONSTITUTION

- 2.1 A constitution for the Local Firefighter Pension Board was initially approved by the Policy and Strategy Committee at the time that the Board was created in 2015. It has since been updated to make necessary changes to improve the running of the Board. The current constitution can be found at Appendix B.

FORMAT OF MEETINGS

- 2.2 Three meetings have been held during the year, in November, May and October 2022.
- 2.3 Board members are required to declare any potential conflicts of interest to the Scheme Manager prior to each meeting, in line with the Local Firefighter Pension Board's Conflicts of Interest Policy.

BOARD MEMBERSHIP

- 2.4 As set out in the constitution, there is an equal number of employer and employee representatives on the Board and there is also one substitute member for each side. Substitute members are encouraged to attend meetings as observers, and they are able to act as Board members in the absence of one of the full members. Substitute members are also invited to

attend training sessions as this helps to improve knowledge and understanding of pensions issues.

- 2.5 The Chair of the Local Firefighter Pension Board is currently a representative from the employee side. The requirement to rotate the appointment of Chair is set out in the constitution (Appendix B).
- 2.6 There have been three changes in membership during since the last report in November 2021 and there are currently no vacancies on the Board.

TRAINING

- 2.7 The Pensions Regulator has published a Code of Practice for the governance and administration of public service pension schemes and this code sets out the requirement for Board members to achieve and maintain knowledge and understanding sufficient to enable them to carry out the role of Board member.
- 2.8 The Board was invited to attend a Pension Board training session delivered by CIPFA in May 2022 and the Firefighters' Pensions Annual Conference in October 2022. Further internal training has been held for members of the Board. There is online training available on the Pension Regulator website which members of the Board are encouraged to complete.

BOARD ACTIVITY

- 2.9 Since the Local Firefighter Pension Board was set up in 2015, the work of the Board has been shaped by the Board members and by Officers supporting the Board.
- 2.10 Some regular reports to the Board have been developed. These include:
- Updates on current pension issues;
 - The Pension Fund Risk Register;
 - A report from the Pension Administration Team;
 - Annual updates on the financial position of the Pension Fund.

CURRENT PENSION ISSUES

- 2.11 There are currently three major areas of work which are kept under review by the delegated Scheme Manager and Pension Board. Further information on these is detailed below

Transitional Protection for FFPS 2015 Claims – McCloud

- 2.12 Members will recall from previous reports that following an employment tribunal and subsequent appeals, the transitional protections related to the 2015 Firefighters' Pension Scheme were found to be age discriminatory.
- 2.13 Following the ruling, the Fire Brigades Union (FBU) commenced legal proceedings in the High Court for three test cases against fire and rescue

authorities. Two of these cases were against Nottinghamshire Fire and Rescue Service (NFRS) as they related to former NFRS employees. A settlement agreement on these cases was reached on 8 October 2021.

- 2.14 Alongside the settlement agreement, the Local Government Association (LGA) and Fire Brigades Union (FBU) negotiated a Memorandum of Understanding (MoU) and a Framework agreement for handling immediate detriment cases. This was made available in early October 2021 and adopted by NFRS on 12 November 2021. Several cases for remedy were progressed under this MoU.
- 2.15 However, in late November 2021, the Home Office guidance underpinning the MoU was withdrawn following intervention by Her Majesty's Treasury (HMT), due to apparent fresh concerns about the level of risk and uncertainties relating to tax and associated matters. This unexpected development added to the complexities facing fire and rescue authorities.
- 2.16 In the light of this, a report was considered by Policy and Strategy Committee to on 1 April 22 where approval was gained to continue with both Cat 1 (those coming up to retirement) and Cat 2 (those affected members who have already retired) payments. Since then, payments have continued for all Cat 1 cases. Work has also commenced on Cat 2 cases with all but three having either been settled or are being progressed through the system. All remaining cases should be completed over the next few months.

Matthews & O'Brien Case – Modified Scheme

- 2.17 Special members were introduced to the 2006 Firefighters' Pension Scheme in 2014 following Matthews court case which ruled that on-call firefighters employed between 1 July 2000 and 4 April 2006 should be allowed to retrospectively join the 2006 scheme.
- 2.18 Following a further European Court of Justice case (O'Brien) the UK Government have recognised the right for on-call firefighters employed before 1 July 2000 to elect to become a special member from the start of their employment.
- 2.19 On 9 March 22, after an extended period of negotiations, a MoU was agreed between the government, the FBU, the Fire and Rescue Services Association and FRA employers.
- 2.20 It was confirmed that remedy for retained firefighters affected by the O'Brien judgment will be provided by way of a second options exercise allowing in-scope individuals the opportunity to purchase pension entitlement as a special member of the FPS 2006. The LGA has now set out eligibility criteria for individuals who are considered eligible. It is proposed that all those determined as out of scope in the original exercise should now be re-visited as best practice.

- 2.21 Some fire services have identified individuals who worked as far back as the 1960s who may be affected. This clearly pre-dates automated systems and manual records are likely to have been disposed of, partially due to the requirements to delete obsolete data under data protection legislation. NFRS has no records pre-dating the year 2000.
- 2.22 The regulations to implement the second options exercise in England will be drafted by the Home Office and consulted on before they are laid before Parliament in October 2023.
- 2.23 FRAs will be expected to start the second options exercise as soon as possible after the legislation comes into force. The exercise will run for a maximum period of 18 months.
- 2.24 Prior to the legislation coming into force the LGA is working alongside FRAs to help ensure that they have identified those retained firefighters who may be affected and start collecting the relevant data. If data is no longer available, agreed methods of estimation are being discussed.

Firefighters Pension Scheme Valuations/Review of the Cost Cap Mechanism

- 2.25 The firefighter pension schemes are subject to an actuarial valuation every four years. The valuation is carried out by the Government Actuary Department (GAD) with the purpose being to assess the total future liabilities of the schemes as at the valuation date. The results of the 2016 valuation were announced in the Autumn 2018 following several delays.
- 2.26 The regulations for the 2015 scheme include provision that if the cost of the scheme changes by 2% or more then corrective action needs to be taken to bring costs back in line. The valuation fell below the 2% floor which meant that members benefits should be improved, most likely by amending the accrual rate. However, any changes were suspended by the Government pending the outcome of the age discrimination remedy.
- 2.27 This pause has now been lifted and GAD proceeded with finalising the valuations to include estimates of the cost of the age discrimination remedy. This has resulted in costs exceeding the 2% ceiling (i.e., they have breached the upper limit as opposed to dropping below the lower limit as they had done in the original valuation). Whilst the government had already announced that any ceiling breaches will be waived for the 2016 valuation, there remains an argument that members should have received the improvements identified in the original valuation as this is what regulations said at the time.
- 2.28 The FBU has now been granted permission to hold a judicial review (in January 2023) to challenge this position, saying that members should not bear the remedy costs and that the original floor breach should still be acted on. Whilst this uncertainty remains, the judicial review has been added to the pensions risk register.

- 2.29 The government has changed the cost cap mechanism for the 2020 valuation, primarily to ensure that the cost of the scheme remains affordable. The 2020 valuation data for the service has now been submitted.
- 2.30 The June 2021 consultation on the most appropriate methodology for setting the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate is still under review by the Treasury. This will determine any changes to the employer contribution rates and could have a significant impact on Authority budgets. The 2016 valuation led to an increase in employer contribution rates of £2.5m which was supported by additional grant of £2.3m.

EAST MIDLANDS JOINT PENSION BOARD

- 2.31 The request for approval by the Secretary of State to set up an East Midlands Joint Pension Board consisting of Nottinghamshire, Leicestershire and Derbyshire Fire Authorities was submitted in June 2019.
- 2.32 The change in administrators means that the request will need to be re-submitted if Services wish to progress with the proposal. Discussions around re-submission have been delayed due to the workload for both the administrators and the three Services coming out of the age discrimination remedy. At its meeting in May 2022, it was agreed that communication be made with Derbyshire and Leicestershire Pension Boards to see if there was any interest in progressing a Joint Pension Board. A preliminary meeting between the scheme managers for the 3 services has been set up to discuss a way forward.

ABATEMENT POLICY

- 2.33 Scheme regulations provide fire authorities the discretion to abate a pension paid to a member who is re-employed by the Authority. It will also require the employer to pay into the pension fund the amount of paid pension that could have been subject to abatement.
- 2.34 The Authority has a blanket policy whereby if a member of the Firefighters' Pension Scheme retires and returns to work, their pension will be abated such that the combination of their new salary and their pension cannot exceed the value of their salary prior to retirement. If this happens then their pension is "abated" or reduced.
- 2.35 In straightforward terms, if a firefighter was earning £30,000 before retirement and after retirement has an annual pension of £16,000, they would not be able to return to work to a role paying more than £14,000 without their pension being reduced.
- 2.36 If the Authority did not abate the pension, then it would be responsible for making a payment into the Pension Fund to the value of the pension that should have been abated. In the example set out above, if the employee returned to work for the Authority for a role paying £24,000, the cost of not abating the pension would be £10,000 per year, thus raising the cost of

employment for the role to £34,000 per year which is clearly unsustainable.

- 2.37 The Fire Authority approved that all employees returning to work for the Authority would be subject to abatement rules in September 2013.
- 2.38 The LGA issued some updated abatement guidance in May 2022 which recommends that Authorities should not operate a blanket approach to abatement and that the discretion should be considered on an individual basis.
- 2.39 Given the additional costs of not applying abatement it is considered unlikely that the Authority would apply this discretion. However, in recognition of the revised LGA guidance it is recommended that the blanket approach is revised to allow discretion around abatement to be considered in exceptional circumstances where there is a clear benefit to the service in doing so. The decision whether to abate or not will be made by the Head of Finance, as acting Scheme Manager, and reported to the next Pension Board and included in the Annual Report to Policy and Strategy Committee.
- 2.40 All pension discretions considered by the Scheme Manager are reported back through the Pension Board at the next scheduled meeting.

SCHEME MANAGER ACTIVITY

- 2.41 The role of the Scheme Manager is set out in the Governance Arrangements (Section 3, Appendix A). Much of the role of the Scheme Manager relates to ensuring that proper administrative and governance arrangements are in place.
- 2.42 Some of the Scheme Manager activity is undertaken by the Scheme Administrators (West Yorkshire Pension Fund (WYPF)). The Internal Audit function for WYPF is provided by Bradford City Council who have a 5-year audit plan in place. All audit reports are made available to NFRS. WYPF also provide a monthly activity report which is shared with Pension Board.
- 2.43 The Scheme Manager has responded to statutory and not statutory requests for information, including national surveys of the firefighters' pension scheme by The Pension Regulator, Treasury and the Local Government Association. The results of these surveys are reviewed and provide the basis for making any necessary improvements.
- 2.44 Both the Scheme Manager and Human Resources advisor to the pension board have attended several local and national events to ensure that their knowledge and understanding remain up to date.
- 2.45 The Local Firefighter Pension Board is now well established and has made good progress in improving the knowledge and understanding of the Board about the current pension issues, and in ensuring that governance and

administration of pensions is carried out effectively. Work has also been undertaken to communicate with pension scheme members about pension issues (particularly the McCloud remedy) and to raise the profile of this important subject. The Board will continue to ensure that good practice is maintained, and ongoing improvements are made in line with advice from the Scheme Advisory Board and The Pension Regulator.

3. FINANCIAL IMPLICATIONS

- 3.1 Payments made under the Immediate Detriment Framework will either be a scheme payment and therefore from the pension fund account or an employer payment which cannot be met from the pension fund account and will fall to the Authority to fund. The LGA is negotiating New Burdens funding from Central Government to cover these costs, although there is a risk that it will not cover them in their entirety. An earmarked reserve of £200k has been set up to protect the Authority against additional costs arising from McCloud.
- 3.2 The Authority has received grant totalling £125k from the Home Office to help with the additional costs related to McCloud and Matthews. This was expected to be largely required to cover the national costs of updating pension administration software systems, but this is now going to be delivered through other sources. This releases the funding to be used on additional staffing costs resulting from increased workloads.
- 3.3 The Authority continues to pay a levy to the Scheme Advisory Board (SAB), and this will cover the cost of the national fire pensions technical advisor post and support the work of the SAB. The aim of the SAB in setting this levy is to help fire authorities to achieve cost savings by producing guidance and communications centrally for authorities to share. The cost for 2021/22 was £5,469 and this has been provided for within the revenue budget. This is set to reduce slightly for 2022/23, largely due to staff vacancies within the SAB.
- 3.4 The results of the 2020 valuation of the Firefighters' Pension Scheme have been delayed allowing McCloud remedy costs to be included in the valuation. Any change in employer costs will be effective from 2024. These could be substantial, the 2016 valuation resulted in increased costs of £2.5m which attracted £2.3m new burdens funding from the Home Office.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

- 4.1 There are significant implications to the workforce relating to the Firefighter's Pension Schemes, these are covered in the body of the report.
- 4.2 The members of the Board are required to achieve and maintain knowledge and understanding of pensions and this requirement is being managed and monitored by the Scheme Manager.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because this report is not associated with a policy, function or service.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

The Local Firefighter Pension Board was created to fulfil the requirements of the Public Service Pensions Act 2013.

8. RISK MANAGEMENT IMPLICATIONS

The risks associated with pension governance and administration are set out in the Board's risk register, which is actively managed by the Scheme Manager and monitored by the Board.

9. COLLABORATION IMPLICATIONS

Nottinghamshire, Leicestershire and Derbyshire Fire Authorities all share the same pension administrator, and this has allowed for a number of collaborative activities associated with pensions. There have been several regional meetings and information events to help keep up to date with pension issues and to share good practice. Derbyshire Fire and Rescue Service employ a pensions advisor on behalf of all three authorities to provide more pension specialist knowledge.

10. RECOMMENDATIONS

It is recommended that Members:

- 10.1 Take note of the activity of the Pension Board and Pension Scheme Manager along with the update on current pension issues.
- 10.2 Approve a change in the Abatement Policy to allow discretion around abatement to be considered in exceptional circumstances where there is a clear benefit to the service in doing so.

11. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

Craig Parkin
CHIEF FIRE OFFICER

**NOTTINGHAMSHIRE AND CITY OF
NOTTINGHAM FIRE AND RESCUE AUTHORITY**

Governance Arrangements for Firefighter Pensions

Introduction

- 1.1 The purpose of this document is to set out the governance arrangements relating to all aspects of firefighter pensions. This document forms part of the overall corporate governance framework for the Authority.
- 1.2 The various firefighter pension schemes fall within the remit of the Public Service Pensions Act 2013. The Pensions Regulator has produced a code of practice for the governance and administration of public service pension schemes and this document is based upon the recommendations in this code of practice.

Overview of Roles and Definitions

- 2.1 The Public Service Pensions Act 2013 identifies a number of roles in relation to public service pension schemes. These are explained below and interpreted in the context of the Nottinghamshire and City of Nottingham Fire and Rescue Authority:
 - 2.1.1 **Responsible Authority.** The responsible authority has the power to make pension scheme regulations. The Act identifies Secretaries of State as responsible authorities, so for the firefighter schemes this would be the Secretary of State for Communities and Local Government.
 - 2.1.2 **Scheme Manager.** For locally administered schemes such as the firefighter schemes the scheme manager may be the local administering authority or a person representing an Authority. The Combined Fire Authority is therefore deemed to be the Scheme Manager, with the day to day responsibilities of the Scheme Manager delegated to the Head of Finance.
 - 2.1.3 **Pension Board.** The Local Pension Board is responsible for assisting the Scheme Manager to comply with the scheme regulations and other legislation relating to the governance and administration of the firefighter schemes. Scheme regulations and the Scheme Manager will determine what the Pension Board's role and responsibilities will be and for this Authority these are set out in the Constitution of the Local Pension Board.
 - 2.1.4 **Scheme Advisory Board.** Each defined benefit public service pension scheme set up under section 1 of the 2013 Act has a Scheme Advisory Board with responsibility for providing advice to the Responsible Authority on the desirability of changes to the scheme when requested to do so. The Department for Housing Communities and Local Government has set up a Scheme Advisory Board for the Firefighter Pension Scheme 2015.

2.2 Other roles which are not necessarily defined by the Act, but which are relevant to firefighter pension schemes are:

2.2.1 **Employer.** The employer is the Combined Fire Authority, with day to day employer responsibilities delegated to the Chief Fire Officer.

2.2.2 **Scheme Administrator.** This role deals with day to day pension administration of firefighter pensions including the keeping of pension records and the calculation of pension benefits. This function is outsourced, currently to Leicestershire County Council.

2.2.3 **Scheme Advisers.** Advisers and service providers can help those governing and administering schemes to make informed decisions. In practice a range of people and bodies act as Scheme Advisers including the Scheme Administrator, the Chief Fire Officer and other Officers within the Service, the Local Government Association, the Scheme Advisory Board and the Department for Communities and Local Government.

Roles and Responsibilities

Scheme Manager:

- 3.1 The Scheme Manager is responsible for providing certain information, including:
 - Annual benefits information to scheme members
 - Certain information to scheme members (and others in certain circumstances) on request including basic scheme information, significant changes to schemes, information about future benefits
- 3.2 The Scheme Manager is responsible for publishing information about the Local Pension Board, including who the board members are, representation on the board, matters for which the board is responsible, terms of reference, the appointment process, the employment and job title and any other relevant position held by board members, any specific responsibilities of board members. Consideration should be given to publishing Local Pension Board agendas, papers and minutes.
- 3.3 The Scheme Manager is responsible for publishing any other specific information as directed by the Responsible Authority or other Government department.
- 3.4 The Scheme Manager is responsible for keeping records of member and beneficiary information and transactions. The Scheme Manager is responsible for ensuring that record keeping processes are effective, that member data is regularly reviewed and evaluated, and that data is held for an appropriate length of time. In practice certain records are held by the Service and others are held by the Scheme Administrator.
- 3.5 The Scheme Manager is responsible for arranging Local Pension Board meetings in accordance with the constitution for the Local Pension Board.

This will include preparing agendas and ensuring that reports are provided to board meetings as required.

- 3.6 The Scheme Manager is responsible for keeping records of pension board meetings and decisions. This must include the date, time and place of the meeting; the names of all pension board members invited to the meeting; the name of any person attending and in what capacity; the minutes of the meeting and any decisions made at the meeting.
- 3.7 The Scheme Manager is responsible for ensuring that pension board members do not have conflicts of interest and for managing any potential conflicts of interest.
- 3.8 The Scheme Manager is responsible for establishing and operating adequate internal controls to manage risks relating to the schemes. This will include having a process to identify, evaluate and manage risks as well as monitor controls.
- 3.9 The Scheme Manager is responsible for ensuring that pension contributions are paid into schemes on time and in full. This will include having a process to monitor payments and identify and resolve contribution payment failures. The Scheme manager must report significant contribution payment failures to the Pensions Regulator within 10 working days.
- 3.10 The Scheme Manager is responsible for making and implementing arrangements which comply with legal requirements for resolving internal disputes with members and others, and for regularly checking that the arrangements work effectively. This responsibility is delegated to the Head of HR Services.
- 3.11 Some of the responsibilities of the Scheme Manager are carried out by the Scheme Administrator on the Scheme Manager's behalf.

Local Pension Board:

- 3.12 The Local Pension Board is responsible for assisting the Scheme Manager in securing compliance with scheme regulations, governance and administration legislation and any requirements of the Pensions Regulator.
- 3.13 The Local Pension Board is responsible for establishing and maintaining a training and development policy and framework to address the legal requirement for board members to have sufficient knowledge and understanding to carry out their role.
- 3.14 Members of the Local Pension Board are responsible for the appointment of a Chair to the board in accordance with the constitution of the Local Pension Board.
- 3.15 Members of the Local Pension Board are responsible for declaring any potential conflict of interest arising as a result of their position on the board to the Chief Fire Officer.

3.16 Members of the Local Pension Board are responsible for participating in training and development as required to achieve sufficient knowledge and understanding to carry out their role.

Employer

3.17 The Employer is responsible for paying contributions into pension schemes and keeping and providing data to the Scheme Manager and / or the Scheme Administrator. This responsibility is delegated to the Head of Finance.

3.18 The Employer is responsible for dealing with disputes. This responsibility is delegated to the Head of HR Services.

3.19 The Employer is responsible for the administration of firefighter pensions. This activity is outsourced and responsibility for managing the contract is delegated to the Head of Finance.

All Roles

3.20 The Scheme Manager, members of the Local Pension Board, the Scheme Administrator and any Scheme Adviser are all responsible for reporting breaches of the law to the Pensions Regulator where that breach is likely to be of material significance.

Reviewed May 2019
Becky Smeathers
Scheme Manager

**LOCAL FIREFIGHTER PENSION BOARD OF NOTTINGHAMSHIRE AND CITY
OF
NOTTINGHAM FIRE AUTHORITY**

CONSTITUTION

1. Statement of Purpose

The purpose of the Board is to assist Nottinghamshire and City of Nottingham Fire and Rescue Authority (The Fire Authority) in its role as the Scheme Manager of the Fire Fighters Pension Schemes (1992, 2006, 2015 and Retained Modified). Such assistance is to:

- a) secure compliance with the Scheme's 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.
- b) ensure the effective and efficient governance and administration of the Scheme.

2. Duties of the Board

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 Fire Authority's Codes of Conduct for Members and Employees.

3. Membership

The Board will comprise an equal number of employer and member representatives with a minimum requirement of no less than four in total.

4. Scheme Member Representatives

- 4.1. 2 Scheme Member representatives shall be appointed to the Board by the 2 largest trades unions recognised by the Fire Authority who represent Scheme Members (i.e., FBU and FOA) but in default of any such appointments being made the Fire Authority shall invite expressions of interest from Scheme Members and appoint such Scheme Member representatives who it regards as best suited to the role of Board Member.
- 4.2. Scheme Member representatives shall be current Scheme Members.

- 4.3. Scheme Member representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

5. Employer Representatives

- 5.1. 2 Employer representatives shall be appointed to the Board by the Fire Authority.
- 5.2. Employer representatives shall be 1 Fire Authority Member and 1 Principal Officer provided that neither Officer nor Members exercise delegated responsibility for discharging the Scheme Manager function of the Fire Authority.
- 5.3. Employer representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
- 5.4. Employer representatives shall be appointed by the Fire Authority in a manner which it considers best promotes the purpose of the Board.

6. Appointment of Chair

- 6.1. The Board shall appoint its own chair for a period of 12 months rotating the appointment between scheme member representatives and employer representatives.
- 6.2. The duties of the Chair should be in accordance with the duties of a committee chair under the Fire Authority's Constitution.

7. Substitute Board Members

- 7.1. The Board may appoint one substitute Scheme Member Representative and one substitute Employer Representative. Substitute representatives can take part in Board meetings only in the place of an appointed representative of the same group who cannot attend a meeting.
- 7.2. A substitute representative may attend, and participate in, any training events for Board members.
- 7.3. A substitute representative may attend a Board meeting as an observer, if all representatives of the same group are attending that meeting. In this situation, the substitute representative must not participate in the business of the meeting.

8. Notification of Appointments

On appointment to the Board the Fire 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.

9. Conflicts of Interest

- 9.1. All members of the Board must declare to the Chief Fire Officer 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.
- 9.2. On appointment to the Board and following any subsequent declaration of potential conflict the Chief Fire Officer shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Fire Authority and the requirements of the Pensions Regulators codes of practice on conflict of interest for Board members.

10. Knowledge and understanding (including Training)

- 10.1. Knowledge and understanding must be considered in light of the role of the Board to assist the Fire Authority in line with the requirements outlined in paragraph 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.
- 10.2. 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.
- 10.3. 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.

11. Term of Office

- 11.1. The term of office for Board Members shall be 2 Municipal Years and there shall be no restriction on reappointment at the expiry of a Board Member's term.
- 11.2. Board membership shall be terminated prior to the end of the term of office due to:
 - a) A Scheme Member representative ceases to be a Scheme Member.
 - b) An Employer representative ceases to be a Fire Authority Member.
- 11.3. Board membership may be terminated prior to the end of the term of office by a resolution of the Fire Authority where the Board Member is no longer able to

demonstrate their capacity to attend and prepare for meetings or to participate in required training.

12. Meetings

12.1. The Board shall as a minimum meet 3 times per year.

12.2. The Chair, with the consent of the other Board Members, 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. Meetings shall be open to the public and shall be conducted in accordance with the Fire Authority's constitution as regards to the attendance of the public at meetings. Meetings will be advertised on the Service website at least one week prior to the date of the meeting with a link to the agenda, papers and minutes of the previous meeting.

12.4. If there are any reports or papers containing confidential matters these will not be published. In this case the Board meeting will consist of part one for all non-confidential items, open to the public, and part two for all confidential items, closed to the public. Matters will be deemed confidential by reference to the personal data provisions of the Data Protection Act.

13. Quorum

A meeting is only quorate when 4 members are present, 2 scheme member representatives and 2 employer representatives.

14. Voting

14.1. The Board shall as far as possible make any decisions by consensus but where this proves not to be possible the Board may vote upon an issue.

14.2. Each Board Member shall have 1 vote and in the event of an equality of votes the Chair shall have a casting vote.

15. Support to the Board

15.1. The Chief Fire Officer shall provide such support to the Board as it requires to discharge its functions.

15.2. The Board may request information from the Chief Fire Officer with regard to any aspect of the Scheme Manager function. Any such a request should be reasonably complied with in both scope and timing.

15.3. The Board may make recommendations to the Chief Fire Officer which should be considered, and a response made to the Board on the outcome within a reasonable period of time.

16. Relationship with Firefighters Pension Scheme Advisory Board

16.1. The national Scheme Advisory Board has been established in accordance with the Public Service Pensions Act 2013 and its objectives include the provision of advice to Local Pension Boards in relation to the effective and efficient administration of the pension scheme. Communications from the Scheme Advisory Board are likely to be made via the Chair of the Local Pension Board who must ensure that the Fire Authority, as Scheme Manager, is kept informed of any new requirements.

