

PENSION FUND COMMITTEE – 13 MARCH 2015

FIREFIGHTER PENSION SCHEME – LOCAL PENSION BOARD

Report by Chief Fire Officer

Introduction

1. The independent Public Service Pension Commission, known as the Hutton Review, reported in March 2011 and made a number of recommendations relating to public sector pensions, including that “every pension scheme should have a properly constituted, trained and competent pension board, with member nominees, responsible for meeting good standards of governance, including effective and efficient administration.
2. This was enshrined into legislation by the Public Service Pension Scheme Act 2013 (‘the Act’). In order to comply with the Act, Pension Scheme Regulations are to be amended to include the establishment of Pension Boards by 1st April 2015.
3. There have been two consultations on the Firefighters’ Pension Scheme (Amendment) (Governance) Regulations 2015. The final Statutory Instrument has not been laid before Parliament but this will come into force on 1st April 2015.
4. The Statutory Instrument amends the Firefighter Pension Scheme (England) Regulations 2014 and will set out the governance arrangements for the various firefighters’ pension schemes.
5. These arrangements include the requirement for the Scheme Manager to establish a local Pension Board to assist it to:
 - (a) Secure compliance with
 - (1) the Firefighters’ Pension Scheme Regulations
 - (2) Any other legislation relating to the governance and administration of the scheme and any connected scheme
 - (b) To ensure the effective and efficient governance and administration of this and any connected scheme.
6. For the purpose of these regulations Oxfordshire County Council as the Fire and Rescue Authority are the Scheme Manager. This is delegated to the Pension Fund Committee in Part 2 Article 8 of the Constitution under the Local Authorities (Functions and Responsibilities)(England) Regulations 2000
7. The daily administration of the Scheme is delegated to the Chief Fire Officer, who exercises his discretion within his delegated authority.

Pension Boards

8. The main features of the Pension Boards, as defined by the draft SI are as follows:
 - (1) Pension Boards must be separate from the body responsible for the management and administration of the scheme and other conflict of interest must be avoided.
 - (2) There must be equal number of employer and scheme member representatives on the Pension Board (a minimum of 2 each)
 - (3) Only Scheme member and employer representatives are allowed to vote.
 - (4) Scheme members for the Pension Board must be active Scheme members, that is they must be a firefighter who is currently employed by OFRS
 - (5) Employer representatives can be OCC Members or officers, but they must not be responsible for making decisions on the Pension Scheme.
 - (6) Pension board members must have the capacity to represent to represent employers, or scheme members

Proposed format of the Oxfordshire Firefighters Pension Board

9. Elected members are able to act as employer representatives of the Pension Board, as OCC as the Fire Authority delegates responsibility for scheme management to the Pension Fund Committee. This enables all other elected members of Oxfordshire County Council to become members of the Pension Board.

Membership

10. It is recommended that three employer and 3 scheme member representatives should initially be appointed. For the employer appointments this would consist of one officer appointment and 2 elected members. (Note: the officer appointment should not be involved in any decisions relating to the Pension Scheme).
11. It is recommended that authority is delegated to the Chief Fire Officer to establish a process to identify the officer employer appointment and the appropriate scheme member representatives for approval by the Pension Fund Committee in June 2015.
12. It is proposed that elected Member representatives are appointed by Cabinet as they are removed from any decision making in relation to any Public Sector Pension Scheme.

13. Due to the training requirements and the time it will take for Board members to build up their knowledge, it is recommended that all initial appointments are made for a minimum period of 3 years.

Code of Conduct

14. It is recommended that all members of the Pension Board will be bound by the members 'Code of Conduct' as either elected Members or co-opted members of a County Council Committee.

Meeting Frequency

15. There is no strict requirement for the frequency of meetings and the proposal is for the board to meet at least 2 times each year, with the ability to call additional meetings. This will be reviewed at the meeting in April 2016 to ensure that the frequency is appropriate to carry out the business of the Board.

Terms of Reference

16. The model Terms of Reference have not yet been circulated and the recommendation is that the final Terms of Reference are presented to the Pension Fund Committee Chairman for delegated sign off and then presented to the Committee in June 2015, alongside the Board member appointments.

Financial and Staff Implications

17. Officer support will be drawn from existing support arrangements and will not attract any additional costs. Under the regulations the Authority are required to set up a cost centre and to meet their own costs. There will be costs for travel re-imburement and training for board members, which will be met from existing Fire and Rescue Service budget.

Equalities Implications

18. There have been no impacts identified.

RECOMMENDATION

19. **The Pension Fund Committee is RECOMMENDED to:**
 - (a) **Delegate the authority to the Chief Fire Officer to make decisions on the everyday administration of the Scheme;**
 - (b) **Agree the proposed format of the Firefighters Pension Board; and**

- (c) **Agree the delegation for the sign-off for the terms of reference to the Chairman of the Pension Fund Committee**

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Background papers: Nil

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