

**WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**AUDIT AND RISK COMMITTEE**

**20 MARCH 2023**

**1. PENSION BOARD MEMBERSHIP**

Report of the Clerk to the Authority

RECOMMENDED

- 1.1. THAT Members agree to the reappointment of Alan Tranter and Adam Harper as Scheme Side/Employee Representatives to the Pension Board.
- 1.2. THAT Members consider three options to fill the currently vacant role of Independent Chair of the Pension Board and agree the approach to be taken.
- 1.3. THAT Members welcome and note Paul Bennett as the newly elected third Scheme Side/Employee Representative to the Pension Board.

**2. PURPOSE OF REPORT**

- 2.1. To gain approval to reappoint representatives to the Pension Board and to welcome the election of a third representative chosen through a recent election.
- 2.2. To determine options and next steps in filling the current Independent Chair vacancy on the Pensions Board.

**3. SCHEME SIDE/EMPLOYEE REPRESENTATIVES**

- 3.1 The West Midlands Firefighters' Pension Scheme Pension Board is required by law to have an equal number of employer and scheme member representatives, appointed or elected through processes determined by the Scheme Manager.

- 3.2 The current Pension Board Terms of Reference states that “Each employer representative and scheme member representative so appointed shall serve for a fixed period (of up to three years) which can be extended for further period(s) subject to re-nomination and/or election”.
- 3.3 Two current scheme side representatives, Alan Tranter and Adam Harper, are approaching the end of their current tenures on the Board as of April 2023. In the interests of maintaining relevant experience and expertise on the Pension Board it is recommended that they be re-nominated for a further three year term.
- 3.4 The third scheme side representative role has been vacant since April 2022. An election was undertaken following expressions of interest in January and February 2023. With 407 votes from 611 cast, Paul Bennett has been elected to the Board and will be invited to attend the first meeting later this month.

#### 4. **INDEPENDENT CHAIR**

- 4.1 The Pension Board has been without an Independent Chair since June 2022, when Neil Chamberlain resigned. His resignation also resulted in the end of the arrangement by which the independent role was undertaken by the Finance Director of West Midlands Police.
- 4.2 The Independent Chair’s role is to ensure views are heard and due respect is shown to the processes of the Board. They must have appropriate knowledge and experience with public pensions and the law relating to them and play an important role in facilitating the work of the Pension Board.
- 4.3 The current Pension Board Terms of Reference states that the Board shall have an Independent Chair. It also states that “The Chair of the Pension Board will be determined by the Scheme Manager [and] the term of office for the Chair will be determined by the Scheme Manager.”
- 4.4 The post was advertised in November, December 2022 and January of 2023 but no suitable applicants applied. It is unlikely that further extensions would draw applicants given the complex requirements of the role and the fact it is currently purely voluntary (even with reasonable expenses paid).

- 4.5 Therefore, three options (with analysis of strengths and weaknesses) are offered to the Audit and Risk Committee in its role as Scheme Manager to resolve this vacancy:

	Option	Strengths and Weaknesses
1	Secure funding to pay an honorarium for the role, then readvertise on this basis.	<p><b>S:</b> Similar roles in other sectors do offer an honorarium (rather than a salary) in recognition of the significant workload and expertise required. Likely to increase number and breadth of applicants.</p> <p><b>W:</b> Will add additional cost to the governance arrangements.</p>
2	Target specific individuals from local authority or other partner to create similar arrangement as was in place with Police.	<p><b>S:</b> Would replicate the model in place previously. May ensure continuity in the role for the longer term. Can ensure sufficient expertise in the role.</p> <p><b>W:</b> No guarantee of success, and reliant upon Local Authority or other partner releasing the individual with appropriate expertise for free.</p>
3	Remove the role of Independent Chair and alternating chairing duties between Employer and Scheme Side representatives (on an annual rather than meeting-to-meeting basis as currently)	<p><b>S:</b> Can be implemented instantly and at no financial cost. Model in place in a number of other Pension Boards.</p> <p><b>W:</b> Would remove the independent arbiter role from the board, useful for where there may be disagreement. Also removes significant external expertise and input from the Pension Board, and places additional workload on existing Pension Board Members (who also act in a voluntary role).</p>

## 5. EQUALITY IMPACT ASSESSMENT

- 5.1 An initial equality impact assessment has not been undertaken. However, as required by The Pensions Regulator, the Pensions Board does consider the diversity of its membership with a view to ensuring appropriate representation amongst its membership. Any appointment process for an Independent Chair will be undertaken in accordance with WMFS's recruitment and DICE policies.

## **6. LEGAL IMPLICATIONS**

- 6.1 The West Midlands Firefighters' Pension Scheme is required under the Public Service Pensions Act 2013 to have in place a Pension Board to assist the Scheme Manager in relation to the governance and administration of the pension scheme, with equal numbers of employer and member representatives.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 Option 1 under 4.5 above would have a currently unbudgeted financial implication for the Scheme. A reasonable honorarium, with expenses, is likely to fall between £5,000 and £10,000 per annum based on equivalent roles.

## **8. ENVIRONMENTAL IMPLICATIONS**

- 8.1 There are no Environmental Implications from this report or its recommendations.

## **BACKGROUND PAPERS**

- [WMFS Pensions Board Terms of Reference](#)
- [Public Services Pension Act 2013](#)

The contact for this report is Tom Embury, Deputy Clerk to the Authority

Karen Gowreesunker  
CLERK TO THE AUTHORITY