WEST MIDLANDS FIRE SERVICE

Annual Report of the Pensions Board 2016/17

1. Background

The Pension Board was established by the Audit Committee to delegate its duties by Fire Authority in 2015.

The role of the local Pension Board as defined by section 5(1) and (2) of the Public Service Pensions Act 2013 is to-

- Assist the Scheme Manager:
    - to secure compliance with the Scheme regulations and any other legislation relating to the governance and administration of the Firefighters' Pension Scheme ("the Scheme").
    - to secure compliance with requirements imposed in relation to the Scheme by the Pensions Regulator.
    - in such other matters as the Scheme regulations may specify.
- Secure the effective and efficient governance and administration of the Scheme for the West Midlands Fire & Rescue Authority.
- Provide the Scheme Manager with such information as it requires ensuring that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.

The Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board will also ensure that the Scheme is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively.

The full Terms of Reference for the Committee can be found at Appendix A of this report.

2. Meetings

During 2016/17 the Committee met on the following dates:

- 11 July 2016
- 25 October 2016
- 6 February 2017

- 9 May 2017

3. Attendance

	11/7/16	25/1016	6/2/17	09/05/17
Stuart Bourne Employee Representative	x	x	√	x
Wendy Browning-Sampson Employer Representative	√	√	√	√
David Wilkin Independent Chair	√	x	x	x
Neil Chamberlain Independent Chair	N/A	N/A	x	√
Kal Shoker Employer Representative	√	√	√	√
Andrew Dennis Employee Representative	√	√	√	x
Paul Gwynn (Adviser)	√	√	√	√

4. The Committee's business

During the year the Committee conducted the following business:

Completion of The Pension Regulator – Public Service Governance Survey Following the resignation of David Wilkin, the Pension Board welcomed a new Chair, Neil Chamberlain Created a Risk Register, Activity Log and Work Programme	Received Regular Updates from the Pension Adviser Discretions Policy Approval by Audit Committee and Published a link to this Received a comparison of Pension Schemes
Identified a Breach of Regulations and reported this to Audit Committee. Addressed the failure to produce the Annual Benefit Statement in 2016 and put steps in place to ensure that no duplication of this would occur. Held an extraordinary meeting to receive an update on the progress made for the production of the Annual Benefit Statement 2017 against the Action Plan agreed at the Extraordinary Pension Board on 25 October 2016.	Attendance at Annual Pensions Conference October 2016 Attendance at Regional Training September 2016 Submitted Minutes to the Audit Committee

5. The Committee's main achievements

The Committee believes its key achievements during the year were:

- Continuing to build a good working relationship with the Audit Committee
- Receiving and reviewing a number of useful sector updates from The Pension Regulator.
- Reviewing the Committee's Terms of Reference in order to ensure they remain fit for purpose.
- Providing additional assurance following a Breach of the Regulations and putting processes in place to prevent a reoccurrence
- Raising the profile of the Pensions Board ensuring regular communication with members of the Scheme
- Regular consideration and review of the Pension Board Risk Register and accompanying assurances.
- Building the skills and knowledge of Committee members through regular technical updates from the Pension Adviser
- The continued presence of the Adviser to receive regular updates
- Recruited an independent Chair in order to broaden the Committee's experience and provide an independent view point.
- Creation and Approval of a Discretions Policy

Appendix A

Terms of Reference for the Pension Board of the West Midlands Fire & Rescue Authority

Terms of Reference and Delegated Authorities

Introduction

The purpose of this document is to set of the terms of reference for the local Pension Board of the West Midlands Fire & Rescue Authority.

Role of the Pension Board

The role of the local Pension Board as defined by section 5(1) and (2) of the Public Service Pensions Act 2013 is to-

- Assist the Scheme Manager:
  - to secure compliance with the Scheme regulations and any other legislation relating to the governance and administration of the Firefighters' Pension Scheme ("the Scheme").
  - to secure compliance with requirements imposed in relation to the Scheme by the Pensions Regulator.
  - in such other matters as the Scheme regulations may specify.
- Secure the effective and efficient governance and administration of the Scheme for the West Midlands Fire & Rescue Authority.
- Provide the Scheme Manager with such information as it requires ensuring that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.

The Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board will also ensure that the Scheme is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively.

Appointment of Member of the Pension Board

The process for selecting members of the Pension Board is set out below:-

The Fire Service will consider matters such as who is eligible to stand, how the nomination process will work and what sort of information candidates will need to submit. The Service will appoint through election or selection with the rules of governing the process. The Fire Authority has an independent chair who will chair the Pension Board meetings, this role will be an independent role.

The Pension Board shall consist of 5 members and be constituted as follows:-

i) 2 employer representatives, which have been identified, and appointed

ii) 2 scheme member representatives, which have been identified, and elected

iii) 1 independent chair selected.

Scheme member and employer representatives shall be appointed in equal number and shall together form the majority of the Board's membership.

The Chair of the Pension Board will be determined by the Authority. It will be the role of the Chair to ensure that all members of the Board show due respect for process, that all views are fully heard and considered and to determine when consensus has been met.

The term of office for the Chair will be determined by the Scheme Manager.

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.

Each Board Member should endeavour to attend all Board meetings during the year and is required to attend at least 2 meetings each year. In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Scheme Manager.

Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by the unanimous agreement of all of the other members. The removal of the independent member requires the consent of the Scheme Manager.

The Board may, with the approval of the Scheme Manager, co-opt persons who are not members of the Board to serve on sub committees, particularly where this would add skills and experience. Notwithstanding the appointment of co-opted members, the majority of the Board shall be comprised of employer and Scheme member representative, represented in equal number.

Quorum

The Board shall have a formal quorum when at least one employee representative and one employer representative are in attendance.

Advisors and co-opted persons do not count towards the quorum.

Conflicts of Interest

The policy for identifying conflicts of interest is set out in a separate policy document. Any conflicts of interest that would prevent you from carrying out the role effectively will need to be highlighted to the Service.

Board Review Process

The Board will undertake at the first meeting of the year, a formal review process to assess how well it and its committees and the members are performing with a view to seeking continuous improvement in the Board's performance.

Advisers to the Board

The Board may be supported in its role and responsibilities through the appointment of advisers and shall, subject to any applicable regulation and legislation from time to time in force, consult with such advisers to the Board and on such terms as it shall see fit to help better perform its duties including:-

- A Governance Adviser.
- The Fund's Actuary.
- The Fund's Administrator.
- The Scheme Manager.
- Other advisers, so approved by the Scheme Manager.

The Board shall ensure that the performance of the advisers so appointed are reviewed on a regular basis.

Knowledge and Skills

The Code of Practice No. 14 Governance and Administration of public service pension schemes states “A member of the Pension Board must have a working knowledge and understanding of the law relating to pensions (and any other prescribed matters) sufficient for them to exercise the function of their role. Pension board members should be aware of the range and extent of the law relating to pensions which apply to their Scheme and have sufficient understanding of the content and effect of that law to recognise when and how it impacts on their responsibilities and duties”.

It is for individual Pension Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board.

In line with this requirement Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.

Pension Board members should regularly review their skills, competencies and knowledge to identify gaps or weaknesses. Pension Board members will be expected to attend training to ensure that their knowledge and skills are maintained.

Board Meetings – Notice and Minutes

The Scheme Manager shall give notice to all Pension Board members of every meeting of the Pension Board. The Scheme Manager shall ensure that a formal record of Pension Board proceedings is maintained. Following the approval of the minutes by the Chair of the Board or Board Committee, they shall be circulated to all members of the Board and forwarded to the Scheme Manager.

There will be two Pension Board meetings a year to be held six monthly. The minutes of the Pension Board will be approved by the Scheme Manager and shared with pension scheme members.

Remit of the Board

The Pension Board must assist the Scheme Manager with such other matters as the Scheme regulations may specify. It is for Scheme regulations and the Scheme Manager to determine precisely what the Pension Board's role entails.

Standards of Conduct

The role of Pension Board members requires the highest standards of conduct and therefore the 'seven principles of public life will be applied to all Pension Board members and embodied in their code of conduct.

These are:-

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness

- Honesty
- Leadership.

Decision Making

Each member of the Pension Board will have an individual voting right but it is expected the Pension Board will, as far as possible, reach a consensus. The Independent Chair of the Pension Board will not have voting rights.

Publication of Pension Board Information

Scheme Members and other interested parties will want to know that the Scheme is being efficiently and effectively managed. They will also want to be confident that the Pension Board is properly constituted, trained and competent in order to comply with Scheme regulations, the governance and administration of the Scheme and requirements of the Pension Regulator.

Up to date information will be posted on the West Midlands Fire & Rescue Authority website showing:-

- The names and information of the Pension Board members.
- How the Scheme members are represented on the Pension Board.
- The responsibilities of the Pension Board as a whole.
- The full terms of reference and policies of the Pension Board and how they operate.
- The Pension Board appointment process.
- Who each individual Pension Board member represents.
- Any specific roles and responsibilities of individual Pension Board members.

Pension Board papers, agendas and minutes of meetings will be published on the West Midlands Fire & Rescue Authority website. These may at the discretion of the Scheme Manager be edited to exclude items on the grounds that they are deemed as being confidential for the purposes of the Data Protection Act 1998.

The Scheme Manager will also consider requests for additional information to be published or made available to individual Scheme members to encourage Scheme member engagement and promote a culture of openness and transparency.

Accountability

The Pension Board will be collectively and individually accountable to the Scheme Manager.

Expense Reimbursement [Remuneration and Allowances]

There will be no specific remuneration for undertaking the role of representative on the Local Pension Board. However, travel expenses in line with public transport or car mileage may be claimed with a valid receipt.

Reporting Breaches

Any breach brought to the attention of the Pension Board, whether potential or actual, shall be dealt with in accordance with the procedure set out in the Authority's Whistle Blowing Policy attached here: the Whistle Blowing Policy.

Definitions

The undernoted terms shall have the following meaning when used in this document.

"Pension Board" or "Board"	Means the local Pension Board for the Fire Authority as required under the Public Service Pensions Act 2013.
"Scheme Manager"	Means the West Midlands Fire & Rescue Authority as administering authority of the Pension Fund.
"Chair"	Reference to duties to be performed, or authorise exercised, by the Chair.
"Scheme"	Means the Firefighters' Pension Schemes.
"West Midlands Fire & Rescue Authority"	Means the West Midlands Fire & Rescue Authority.

Interpretation

Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be resolved by reference to the Scheme Manager.