

REPORT REFERENCE NO.	DSFRA/17/27
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	20 OCTOBER 2017
SUBJECT OF REPORT	FIREFIGHTERS' PENSIONS SCHEMES LOCAL PENSIONS BOARD
LEAD OFFICER	Director of Corporate Services
RECOMMENDATIONS	<p><i>(a). That, upon retirement of the current incumbent, the Authority's new Treasurer be appointed as one of the Authority's three employer (scheme manager) representatives on the Local Pensions Board.</i></p> <p><i>(b). That Section 6 of the Authority's Approved Scheme of Delegations be amended as indicated in paragraph 2.4.2 (a) to (c) of this report, with the Clerk authorised to make the necessary documentary amendment.</i></p>
EXECUTIVE SUMMARY	<p>This paper advises of changes required in relation to the Authority – approved arrangements for the administration of Firefighters Pensions Schemes. These arrangements include, amongst other things, clarification of responsibility for the day-to-day management and administration of the Schemes and the establishment and membership of a Local Pensions Board.</p> <p>The changes now required in relation to these arrangements are necessitated by previously-approved revisions both to the structure and membership of the Service Executive Board.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)	The contents of this report are considered compatible with existing human rights and equalities legislation.
APPENDICES	Nil.

LIST OF BACKGROUND PAPERS

Report DSFRA/15/5 (Establishment of Local Pensions Board for Firefighters' Pensions Schemes) to the Authority Budget Meeting held on 20 February 2015 (and Minute DSFRA/46 of that meeting).

Report DSFRA/15/26 (Local Pensions Board – Additional Appointments) to the Authority meeting held on 14 December 2015 (and Minute DSFRA/28 of that meeting).

Report DSFRA/17/17 (Appointment of Authority Treasurer) to the Ordinary Authority meeting held on 12 June 2017 (and Minute DSFRA/12 of that meeting).

Report DSFRA/17/24 (Structure of the Service Executive Board) to the Authority meeting held on 26 July 2017 (and Minute DSFRA/26 of that meeting).

1. **BACKGROUND**

- 1.1 At its budget meeting on 20 February 2015, the Authority approved arrangements as required by legislation and relating to the administration of Firefighters' Pensions Schemes (Minute DSFRA/46 refers). The main features of these arrangements were:
- To delegate to the [then] Director of People and Commercial Services (in accordance with Regulation 5 of the Firefighters' Pension Scheme [England] Regulations 2014) responsibility for the day-to-day management and administration of the Firefighters' Pensions Schemes. In practice, this is currently undertaken by the Service Human Resources section with, in turn, detailed work being outsourced (currently to Peninsula Pensions); and
 - To establish a Firefighters' Pensions Scheme Local Pensions Board to assist the Authority (as Scheme Manager) in securing compliance with Scheme Regulations and other relevant legislation thereby ensuring the effective and efficient governance of the Schemes. In this context, the Local Pension Board does not discharge a decision-making function but rather its role consists of scrutiny, oversight and assurance.
- 1.2 The relevant Regulations (the Firefighters' Pension Scheme [Amendment] [Governance] Regulations 2015) require Local Pensions Boards to comprise an equal number of employer (Scheme Manager) and employee (Scheme Member) appointments. Initially, the Authority resolved that the Firefighters Pensions Scheme should comprise four Members:
- Two employer (Scheme Manager) appointees to be determined by the Authority, comprising the Authority's Monitoring Officer and Treasurer; and
 - Two employee (Scheme Member) appointees, with the [then] Director of People and Commercial Services delegated authority to undertake an appropriate process to determine and subsequently appoint the employee (Scheme Member) representatives to the Board.
- 1.3 The [then] Director of People and Commercial Services was also delegated authority to arrange appropriate training for both employer and employee appointees to the Board to facilitate the effective and efficient discharge of the role of Board member.
- 1.4 At its meeting on 14 December 2015, the Authority approved a recommendation from the Local Pensions Board to increase its size to provide for an additional employee (Scheme Member) representative and additional employer (Scheme Manager) representative, to be appointed annually from membership of the Authority (Minute DSFRA/38 refers).

2. **CURRENT POSITION**

- 2.1 At its Ordinary Meeting on 12 June 2017, the Authority considered a report of the Director of Corporate Services (Clerk to the Authority) advising of the forthcoming retirement of the current Treasurer (in October of this year) and setting out options to secure a replacement. The Authority resolved (Minute DSFRA/12 refers) that, upon the retirement of the current Treasurer, the post of Treasurer be filled by temporary promotion of the current Service Head of Finance, for a period of twelve months and on a 0.8 full-time equivalent basis (i.e. four days a week).

- 2.2 At its meeting on 26 July 2017, the Authority approved a revised structure for the Service Executive Board that saw, amongst other things, deletion of the post of Director of People and Commercial Services and the establishment of a second, substantive, Assistant Chief Fire Officer post. Responsibilities of the deleted post had been reassigned in the new structure, with day-to-day discharge of the associated functions delivered by in-house staff supported by (as required) by external support arrangements in place.
- 2.3 The previously-approved arrangements for Firefighters Pensions Scheme as referenced in Section 1 above therefore need to be realigned to reflect the changes referred to in paragraphs 2.1 and 2.2 above.
- 2.4 In doing so, the need to avoid any potential conflicts of interest in the discharge of delegated functions should be taken account of. Taking account of this, the following is proposed:
1. That, upon retirement of the current incumbent, the new Authority Treasurer be appointed as the third employer (Scheme Manager) representative on the Local Pensions Board; and
 2. That the Section 6 of the Authority-approved Scheme of Delegations currently delegating Firefighters Pensions Scheme functions to the Director of People and Commercial Services be amended to delegate these functions to the Human Resources Manager (or, in the event of any subsequent structural changes, the equivalent post-holder), the functions in question being:
 - a. To exercise responsibility for the day-to-day management and administration of the Firefighters' Pensions Scheme;
 - b. To undertake an appropriate process to determine and subsequently appoint employee (Scheme Member) representatives to the Authority's Firefighters' Pensions Schemes Local Pension Board; and
 - c. To arrange appropriate training for both employer (Scheme Manager) and employee (Scheme Member) appointees to the Authority's Firefighters' Pensions Schemes Local Pensions Board to facilitate the effective and efficient discharge of the role of Board member.
- 2.5 The above proposals are now commended to the Authority for consideration with a view to approval.

MIKE PEARSON
Director of Corporate Services
(Clerk to the Authority)