**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.

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