

**HERTFORDSHIRE COUNTY COUNCIL**  
**HERTFORDSHIRE PENSION FIRE BOARD**  
**FRIDAY 27 MAY AT 10:00 AM**

**Agenda Item  
No:**

**2**

**PENSIONS COMMITTEE AND FIRE PENSION BOARD DIVISION OF  
RESPONSIBILITIES AND FORWARD PLAN OF WORK**

Report of the Director of Resources

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**1. Purpose**

The purpose of this report is to share with members of the Pension Fire Board the split of responsibilities between the Pensions Committee, that has local responsibility for the administration of the Fire Scheme, and the Fire Pensions Board, confirm the forward plan of work for Fire Pension Board, and the training policy for Board.

**2. Summary**

- 2.1 The Local Government Pensions Scheme Pension (LGPS) Board has been operational since April 2015, and the Fire Pensions Board had their first meeting in October 2015. The high level core function of the Boards is to assist the Administering Authority in securing compliance with LGPS and Fire regulations and the Pension Regulator's Code of Practice and review the decision making process undertaken by the Pension Committee .
- 2.2 The Governance Compliance Statement (GCS) sets out the core responsibilities for the Pension Committee and the LGPS and Fire Boards. This was revised, updated and approved by the Pension Committee at its meeting on 1 March 2016.
- 2.3 Set out in section 6 to this report is the forward plan of work that sets out some of the key activities that officers will be undertaking over the next 12 months.
- 2.4 Allied to this it's essential that the knowledge of both the members of the Pensions Committee and Pensions Board is developed so that they understand and can make/scrutinise decisions diligently, a training plan is outlined in appendix A. As the Fire scheme is a national scheme and is unfunded, the Board's responsibilities are limited to the administration of benefits and training will focus on the regulatory aspects of this scheme, communications and discretions exercised by the Authority.

### **3. Recommendations**

- 3.1 That the Fire Board note the division of responsibilities between the Pension Committee and Pension Boards and agree the business and training plan for the next 12 months.

### **4. Background**

- 4.1 As set out in 2.1 the core function of the local Pension Board (PB) is to assist the Administering Authority in securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme. In order for the PB to perform this role it will need to act as a critical friend to the Pensions Committee (PC). In order to ensure that this works effectively and to minimise duplication of activities, it's suggested that this is facilitated in the following ways:

- Producing a joined up business plan showing the linked activities between the PC and PB;
- Construct a meeting schedule that dovetails the needs of the PB with those of the PC;
- That PB meetings follow the pattern of PC meetings to enable continuity of business, sharing opportunities and furtherance of knowledge and understanding;
- Combine both PC and PB training opportunities where practical; and
- Write papers and reports that cater for both PC and PB remits.

- 4.2 The responsibilities of both the PC and PB also need to be clearly defined and this will be influenced by whether the area of work requires a decision to be made or is more of a monitoring nature.

- 4.4 A forward plan of work and associated training in the form of a business plan will be brought to the Pension Committee for agreement on an annual basis. The Pension Committee approved the current business plan at its meeting in November 2016.

### **5. Division of Responsibilities**

- 5.1 It is proposed that when defining the division of responsibility between the Pensions Committee and Pensions Board, consideration be given to whether the area of responsibility requires a policy decision. If this is the case, then the responsibility will rest with the Pensions Committee.

#### **5.2 Proposed Pensions Committee Responsibilities.**

These are mainly drawn from the current GCS and are areas of responsibility that require a policy decision.

- Setting and monitoring performance objectives for the Pension Fund
- Approval of the overall investment strategy of the Pension Fund
- Approval and review of asset allocation decisions
- Performance monitoring Investment Managers and investments
- Appointing (and, when necessary, dismissing) Investment Managers
- Appointing (and, when necessary, dismissing) Investment Consultants
- Appointing (and, when necessary, dismissing) the Pension Fund Actuary
- Appointing (and, when necessary, dismissing) the Pension Fund Custodian
- Setting and approving Administering Authority discretions for both LGPS and Fire\*
- Approval of key policies and statements:
  - Statement of Investment Principles
  - Funding Strategy Statement
  - Governance Policy and Compliance Statement\*
  - Communications Strategy Statement\*
- Agreeing and monitoring actions to address findings from any review of Pension Fund activities\*

\* These items apply to both LGPS and Fire Pension responsibilities

### 5.3 Fire Pension Board Responsibilities.

As the Fire-Fighters Pension Scheme is unfunded, the Fire Pension Board will have different responsibilities. Its responsibilities will be as follows:

- Review and monitor the training plan of the Pensions Board and elected members and officers with delegated responsibilities for the management and administration of the Pension Fund
- Review and monitor the performance of external business partners such as the pensions administration service
- Ensure pension rules and regulations are being complied with, when officers are making decisions on pension matters
- Scrutinise data quality
- Review internal audit reports
- Ensure complaints/appeals are being dealt with correctly and the correct procedures are being followed
- Review the implementation of revised policies and procedures, including the Administering Authority discretions
- Assist in the development of improved customer services
- Review progress of agreed actions to address findings from any review of the Pension Fund activities.

5.5 As in the current GCS, it is proposed that all other operational decisions in the administration and management of the Pension Fund are delegated to the County Council's Chief Finance Officer.

## 6. Forward Plan

- 6.1 The following Forward Plan sets out the planned activities for 2016/17. These may be supplemented with additional activities relating to matters that must be brought to the attention of the Pensions Committee or Pensions Board.
- 6.2 A training plan for the Fire Pensions Board, appendix A, will be developed to support Committee and Board Members to improve their knowledge and understanding of these activities.

### 6.3 Fire Pensions Board Forward Plan

Target Date	Agenda Item
27 May 2015	<b>PART 1</b>
	LPFA administration report for Fire pensions
	Communications strategy
	Fire Discretions
	Regulation updates
23 October 2016	<b>PART 1</b>
	LPFA administration report for Fire pensions
	Managing risk
	LPFA KPIs
	Fire Pensions Annual Accounts

## **Appendix A: Training Plan**

### **Training Strategy Objectives.**

1.1 The Fund objectives relating to knowledge and skills are:-

- The Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise, and that the knowledge and expertise is maintained in the changing environment.
- The persons responsible for governing the Fund have sufficient expertise to be able to evaluate and challenge the advice they receive, manage conflicts of interest and ensure their decisions are robust and well based.
- The Pension Fund and its stakeholders are aware of and understand their roles and responsibilities under the Fire scheme regulations and the delivery of the administration functions of the funds.

### **2. Application of the Training Strategy**

2.1 This Training Strategy will apply to all elected members and representatives with a role on the Pension Committee and Pension Board who are involved in the management and administration of the Fund, regardless of experience. Pension Board members will receive additional training to develop their knowledge of the Funds policies and understanding of the law applying to pensions as well as any other requirements that the Pensions Regulator requires the Fund to comply with on training.

2.2 Officers working on the Fund will have their own sectional and personal training plans and career development objectives.

### **3. Purpose of the Training**

3.1 The purpose of training is to:

- Equip people with the necessary skills, knowledge to be competent in their role
- Meet the required needs in relation to the Fund's objectives.

### **4. Delivery of Training**

4.1 Consideration will be given to various training resources available in delivering training to members of both the Pension Committee and Pension Board in order to achieve efficiencies. These may include but are not restricted to:-

- In – house
- Using an Online Knowledge Portal and other e-training facilities
- Attending courses, seminars and external events
- Internally developed training days
- Shared training with other Funds or Frameworks
- Regular updates from officers and/or advisors

4.2 Where available, joint training sessions (i.e. with other Fire Funds) will be utilised to reduce cost to the fund.

## **5. Training Plans**

5.1 Fund Training Plans will be developed and updated on an annual basis.

5.2 Induction Training will be provided for all new Pension Committee and Board members. This will involve covering the requirements of the Training Strategy alongside guidance and information on the requirements of their roles.

5.3 It is anticipated that both Pension Committee and Board members will, over a period of time, work towards a full understanding of the relevant issues. There is no current intention of imposing a timescale in which certain targets must be met by individual members. It is not expected that all members of both the PB and PC will, at all times, have an expert knowledge of all areas, but both bodies as a whole will need a breadth of skills and knowledge to ensure that all relevant issues are scrutinised when making decisions.

5.5 The proposed training plan for Fire PB members for 2016/17 is as follows (please note this may be subject to change):

Proposed date	Training area
January 2016	Difference between defined benefit and contribution schemes
October 2016	Pensions legislation and regulations

5.6 Training for officers will be set as part of their continuing professional development plans within the yearly appraisal process.

## **6. Training Monitoring and Reporting**

6.1 Officers of the Fund will monitor and keep a record of all training attended by both PC and PB members.

6.2 A review of the training delivered in year will be presented to the PC as part of the annual business plan as well as agreeing the training plan for the forthcoming year.