

Meeting of the Board 11 June 2020

Administration and Benchmarking Review – Progress Tracker

Introduction

1. This paper provides an update to the Board on actions taken against the agreed recommendations of the administration and benchmarking review undertaken by Aon¹.

Reduce complexity

2. It is widely acknowledged by all stakeholders that the FPS is a complex scheme, particularly given the framework of 45 separate decision makers (FRAs) and up to 17 administrators. The Board have previously discussed what if any changes could be made to this framework, however at present have no appetite to recommend changes.
3. The Board have been informed that some administrators have decided to leave the Firefighters Pension Administration market due to this complexity, notably Leicestershire County Council who are terminating their three FRA contracts at the end of 2020.
4. Administrators are often not for profit organisations or councils and do not benefit commercially from the administration of the FPS, therefore the complexity and amount of resource vs the benefit for the organisation means there is little value for organisations in continuing to provide the service.
5. LGA as representatives of the scheme manager are looking at options to assist with procurement.
6. Actions agreed to reduce complexity are:

- 6.1. Establish a working group to simplify discretions.

The board have agreed that this workstream should be temporarily deferred while age discrimination remedy is active.

- 6.2. Support and professionalise administration via FPS specific qualification and accreditation of existing training for CPD.

This is a long-term aim and options are being considered.

¹ <http://www.fpsboard.org/images/PDF/Surveys/Aonreportfinal.pdf>

- 6.3. Continue to support senior leaders in understanding the role of the scheme manager.

LGA have developed a short high-level training session to be delivered to new senior managers highlighting the importance of managing the scheme.

LGA attended the LGA Leadership Essentials course for elected members and ran a lunchtime fringe session at the LGA Fire conference in March.

- 6.4. Implementation of a dedicated national member website to improve communication and engagement.

This is under construction with Avon Pension Fund.

- 6.5. An online glossary of terms to improve consistency in communication.

A [glossary](#) is currently available on www.fpsregs.org which explains terms used on Annual Benefit Statements. However, the functionality is not as expected, so this will be revisited as part of the member website project.

Address data issues

7. As good data is already a priority for the SAB, the agreed actions on the data recommendation were to continue to highlight the importance of data improvement and for the SAB to promote monthly postings.
8. LGA has published guidance on measuring data² and weighting data scores for accuracy³.
9. The importance of data is also embedded into training sessions.
10. Findings from the [ABS 2019 survey research report](#) indicated that around half of respondents provide monthly postings. The report recommends this as best practice.
11. TPR have an expectation that SAB's would issue guidance on reporting of common and scheme-specific data to set out markers and best practice.

Add clarity to timescales

12. To address variances in performance reporting, the SAB agreed that national performance measures should be introduced. Work has commenced with a workshop⁴ held at the 2019 annual conference. CH asked the Board for views on

² <http://fpsregs.org/images/admin/TPR-data-scoring-2019-clean.pdf>

³ <http://fpsregs.org/images/admin/Data-score-weighting.xlsx>

⁴ <http://www.fpsboard.org/images/PDF/Events/AGM2019/AGM2019W1.pdf>

whether this should continue parallel to remedy as a separate workstream, be embedded within the technical discussions, or postponed.

13. The Board have agreed that this workstream should be temporarily deferred while age discrimination remedy is active

Improve engagement between administrator and FRA

14. Actions agreed to increase engagement between the administrator and FRA are:

14.1. Develop a template administration strategy, in order to standardise expectations and service levels between administrators and FRAs. This strategy could also include the national performance measures.

A template strategy is being drafted by the secretariat in collaboration with the Fire Communications Working Group (FCWG).

14.2. Help FRAs identify value for money.

LGA are researching procurement routes with engagement taking place with the wider public sector market. However, this will be challenging as there is no framework in place, therefore procurement options are:

- To delegate through public sector,
- OJEU full tender
- The national LFPS framework which offers a lack of competition, and as the name suggests is geared for the LGPS market.

Ensure resource plans in place

15. LGA already support a number of framework and forums to ensure that FPS administration is adequately supported and appropriately resourced:

- National technical group
- FCWG
- Regional pension officer groups
- New working groups for remedy.

Where there is a lack of clarity around resources and specialist knowledge needed to implement special projects, these groups offer consistency to FRAs.

Breaches

16. Both the benchmarking review and TPR's annual surveys indicated a low level of breach reporting
17. The agreed course of action is continued promotion of the breach assessment template⁵ through training. Further guidance has recently been issued within the TPR six key processes factsheet⁶.
18. Remedy will likely increase the potential for breaches of the law, and TPR are aware of this.
19. LGA will look for further opportunities to provide training on breaches, including a planned workshop session at a future annual fire pensions conference.

Develop template for collecting cost data

20. The SAB have previously agreed the recommendation that a template be developed for collection of cost data on an annual basis, and that this should be carried out with the Fire Finance Network (FFN) to save on costs.
21. However, the resource required to work with the FFN to develop the survey is considerable, and while that data can be collected, there is detailed analysis which will need to be done to evaluate the data.
22. This has been temporarily postponed, however, outside resource may be needed to complete the project.

Board action

23. The Board are asked to note this paper.

Board Secretary
June 2020

⁵ <http://www.fpsboard.org/images/LPB/Resources/Breachassessment210119.docx>

⁶ <http://fpsregs.org/images/admin/TPR-6-key-processes.v1.pdf>