

Meeting of the Board 18 March 2021

Age Discrimination Project Management

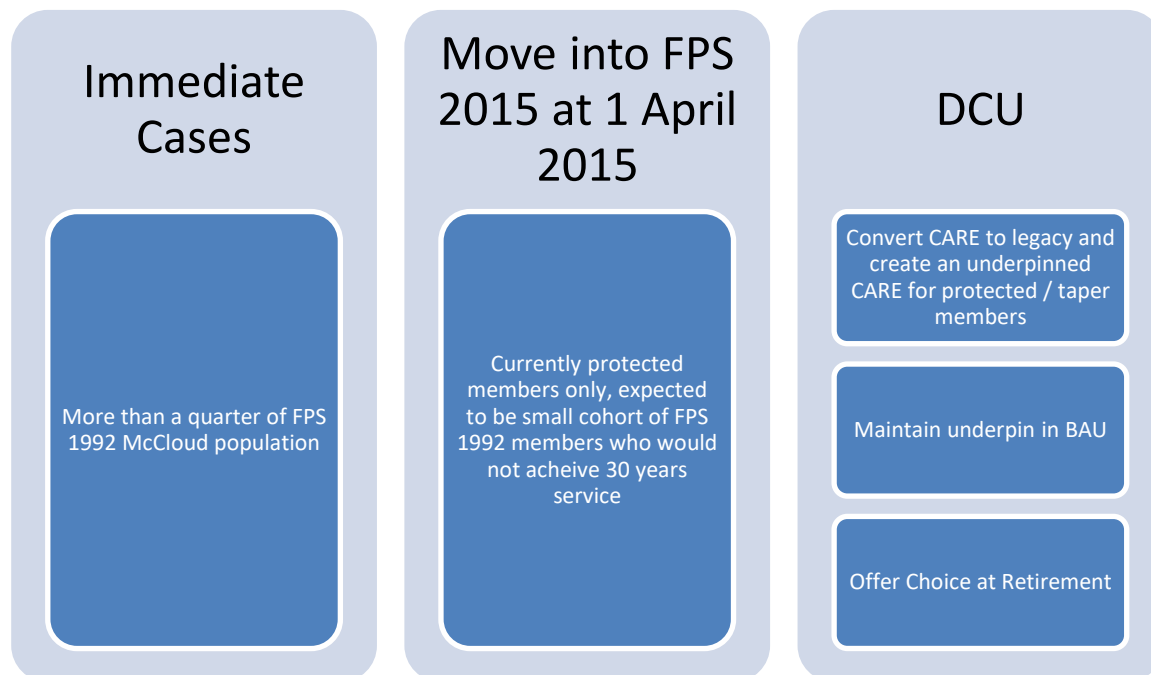
Introduction

1. On 4 February 2021 the government published its [consultation response](#) on how it intends to remove the discrimination identified by the courts in the 2015 pension reforms through changes to primary legislation and Firefighters' Pension Schemes (FPS) regulations.
2. The FPS is locally administered which means that each Fire and Rescue Authority (FRA) is a [scheme manager](#) and the scheme manager is individually responsible for the administration and management of the scheme.
3. Delivery of the remedy to scheme members is the responsibility of scheme managers. For the FPS in England this means each of the 45 FRAs.
4. As laid out by HMT, the changes needed will be to:
 1. Move every scheme member into the FPS 2015 as at 1 April 2022
 2. Remedy the discrimination between 1 April 2015 and 31 March 2022 by offering members the choice once they reach retirement age to receive final salary or CARE benefits for this period
5. This paper sets out what will be needed to achieve the changes set out by HMT and what the role of SAB and its committees will be in achieving that.
6. The [purpose of the Board](#) is to:
 - i. provide advice in response to a request from the Secretary of State on the desirability of making changes to this scheme and any connected scheme.
 - ii. provide advice to scheme managers and local pension boards in relation to the effective and efficient administration and management of this scheme and any connected scheme.

Project Management Scope

7. Attached to this paper is the full project initiation document (PID), which sets out scope, deliverables, risk, and a draft implementation plan.
8. The scope of the project has been divided into three categories of delivery, with the third broken into sub sections.

9. Picture 1 - Remedy Project Scope



10. These categories are not in order of priority or delivery; work on each category will commence at the same time and interrelate to each other.

11. This paper discusses how stakeholders will work with LGA to deliver the five main project deliverables.

12. Stakeholders are:

- SAB
- Government (HMT and Home Office)
- FRAs as scheme managers and employers
- Administrators
- Software suppliers

Working with the SAB

13. The SAB role within remedy implementation will be to:

- Provide governance and oversight of remedy implementation
- Respond to consultations and provide advice when requested on the desirability of making changes to the scheme.
- Ensure that remedy policy is implemented by scheme managers
- Provide advice to scheme managers and Local Pension Boards (LPBs) in relation to effective and efficient management.

14. All recommendations from SAB committees with regards to procurement of services and advice will be approved by the SAB procurement committee¹.
15. The Board will utilise its committee structure to harness the broad range of skills and knowledge from stakeholders.
16. Board committees currently are:
 - Administration and Benchmarking
 - Cost-effectiveness
 - LPB effectiveness
17. We propose a refresh of the committees and renaming the Administration and Benchmarking committee to the 'Scheme Management and Administration committee', in reflection of the responsibility of the scheme manager for running the scheme, and the Board's purpose to provide advice in relation to the effective and efficient management of the scheme.
18. As SAB committees, each committee must have at least one employee and employer representative of the SAB, and a SAB representative must be chair. It has not been a requirement for the SAB chair to attend the committees, however the SAB chair may attend committees as appropriate.
19. It is for SAB to agree how the chair of committees is appointed and whether additional SAB representatives can attend each committee and whether there must be a balance of employer and employee reps.
20. The committee's members are co-opted representatives from the following stakeholder groups to reflect a balanced cross section of views
 - Technical Practitioner Community
 - Senior FRA Finance
 - Senior FRA HR
 - Employee and Employer representatives of LPBs
21. We are currently holding vacancies across each of the committees, and do not have a chair for the LPB committee.
22. We make the following proposals to ensure the right SAB membership on the committees.
 - LPB effectiveness: SAB members are Matt Lamb and Cllr Roger Phillips; **we would propose that Matt Lamb is nominated as chair.**
 - Scheme Management and Administration: Des Prichard is chair and we currently hold a vacancy for an employer representative, **we invite an employer representative to nominate themselves for this vacancy,**

¹ This was agreed at the SAB meeting of [January 2020](#) item 6.9 that the procurement panel along with the SAB Chair would be Cllr Roger Phillips, Cllr Nikki Hennessy, Sean Starbuck and Glyn Morgan.

noting that Cllr Roger Phillips is chair of the Cost Effectiveness Committee and a member of the LPB effectiveness group.

- Cost-effectiveness: Is currently fully resourced, Cllr Roger Phillips is chair and Glyn Morgan and Sean Starbuck are representatives. SAB should consider whether they would propose any changes.

23. Members of the SAB will commit to:

- Sharing agreed communications across their peer networks.
- Making timely decisions and taking action so as to not hold up the project.
- Open and honest discussions.

Other stakeholder groups

24. Other stakeholder groups who will work with the LGA and the SAB in the delivery of remedy are:

- Senior stakeholder group - this is a group of senior stakeholders across the Fire Services Management Committee (FSMC) and National Fire Chiefs Council (NFCC) representing the scheme manager whom the LGA will report to regularly and utilise to encourage consistent practices. This is an employer only group.
- Fire Technical Group - the purpose of the Firefighter Pensions Technical Community is to work together with the Home Office, the LGA and other fire service stakeholders to enable the effective facilitation of the administration of the FPS. Membership of this group is primarily from administrators who have a technical understanding of the scheme regulations and how they should be interpreted. The chair of the technical group sits on the SAB as the technical adviser, this post is currently held by Helen Scargill.
- Communications group - this is a subgroup of the technical group and was created to solely focus on the need for consistent communications to members and employers.
- Fire regional pension officer groups - there are six regional groups that were created to feed in and out from the technical group and communications group. Membership of this group is both administrators and officers of the FRA with a practitioner focus.
- Software - the LGA work with both software providers both individually and together to ensure consistency and understanding.

HMT led groups

25. LGA participate in HMT led groups, these are:

- XWH Technical Group
- XWH Project Management Group - included in this group is representation from the software suppliers and the technical group chair.

Project Management Delivery

26. This section sets out the five main project deliverables and LGA expectations on the SAB and its committees to deliver:

- i) Communications compliant with EU accessibility
- ii) Drive sector collaboration and uniformity
- iii) Guidance on legislation changes
- iv) Facility of forums and groups
- v) Drive good and effective governance at both local and national levels

Communications

27. The LGA will primarily work with the communications group on the development of products and communications for remedy, this will include consulting on and developing resources for the new member website.

28. It is proposed that the Scheme Management and Administration committee is used as the primary SAB vehicle to be involved in this group, with a member of that committee to attend communication group meetings, and a report available to the SAB committee on the actions undertaken by this group.

29. Development of good communications is expected to be highly challenging, there are low levels of knowledge about the pension scheme and inconsistencies in terminology. Communications are going to have to address myths and misconceptions about the scheme.

30. SAB will champion the products of this communications group and share knowledge and understanding amongst their networks.

31. Recommendations to the SAB, such as the commission of communication materials via third parties and the use and development of modelers to assist member decisions will be expected to be made via the SAB committee.

32. Current products developed by the communications group include the [draft remedy data collection guidance](#), which will be further supported by the production of a data template for use by the software providers.

Drive sector collaboration and uniformity

33. As previously reflected, the challenge for locally administered schemes is in acting consistently and collaboratively, considering the individual responsibility to run the scheme for each of the 45² English FRAs.

34. The changes required for reform will likely see an increase in inconsistent local FRA and administrator decisions, particularly in the early days while working without legislation, guidance, and software.

35. The proposed SAB survey to assess FRAs expectations and dependencies will allow the SAB to assess the areas of development for driving forward collaboration and uniformity change, and review against [progress of the recommendations](#) made in the [report they commissioned from Aon in 2019](#).

36. The LGA will primarily work with the senior stakeholder group to develop procurement choices and support the sector to consider how the provision of FPS management and administration services and necessary tools can be innovated and improved.

37. Software providers will be invited to work with both the senior stakeholder group and the Scheme Management and Administration committee, with occasional reporting to the SAB at the chair's request.

Guidance on legislation changes

38. This will be one of the most challenging areas due to the amount of legislative change that will be required, and the level of technical understanding needed.

39. The LGA is working closely with Home Office policy officials to identify what changes will be needed to implement the policy direction from HMT.

40. The SAB under its purpose of 'provide advice in response to a request from the Secretary of State on the desirability of making changes to this scheme and any connected scheme' may be consulted on policy areas such as contribution adjustments for FPS 2006 members and the effect of HMT policy on taper members.

41. This area of work will need to balance the challenge of communicating technically complex areas into plain terms for members and employers without interpreting legislation.

² Soon to be 44, with the merger of Isle of Wight with Hampshire

42. The LGA will work with the technical group to work through complex issues and develop processes.
43. From time to time, the SAB chair and the SAB advisers may be invited to attend the technical group.
44. The technical group will report directly to the SAB on progress of these issues via the Board's technical adviser, to identify areas where it may be necessary to procure additional legal or actuarial advice through the SAB advisers.

Facilitation of forums and groups

45. The facilitation of forums and groups will encourage peer working and build knowledge and understanding across the stakeholders.
46. Participation in those groups by SAB members will enable a wider shared understanding of the challenges faced by stakeholders.
47. The SAB will champion forums and groups to share best practice and provide peer support.

Drive good and effective governance at both local and national levels

48. The LGA will primarily work with the LPB effectiveness committee to develop understanding of the LPB's role to assist the scheme manager.
49. The LGA will develop knowledge and understanding of the role of governance across both the SAB and Local Pension Boards.
50. In collaboration with the LPB effectiveness committee, the LGA will provide governance training to allow LPBs to successfully scrutinise and monitor local delivery of remedy.

Board action

51. For the Board to agree the proposed change for the name of the Scheme Management and Administration Committee.
52. For the Board to discuss and agree SAB representation on the Board committees.
53. For the Board to note the agreed mechanisms for working with SAB under the five project areas.

Board Secretary
March 2021