

# Meeting Note

<b>Meeting</b>	Firefighters' Pensions Technical Community	
<b>Subject</b>	Administration and Management Costs – Benchmarking Review	
<b>Date/Time of Meeting</b>	17/09/2018 13:30	
<b>Location</b>	Smith Square, London (LGA offices)	
<b>Attendees</b>	<p>Clair Alcock and Claire Hey (LGA) Des Prichard (SAB) Helen Scargill (WYPF) – Chair Martin Reohorn (H &amp; W FRS) Peter Bishop (Aquila Heywood) Karl Bescoby (Aquila Heywood) Julie Potter (Civica) Cllr Roger Philips (Chair of LGPS SAB) Claire McGow (SPPA) Dave Hood (Kier) Penny Wright (GMFRS) Sam Douglas (SPPA) Aled Williams (Dyfed Pension Fund) Matt Davies (Cornwall County Council) Ian Hayton (Cleveland Fire) Cllr Teresa Higgins (Middlesbrough CC) Karen Winter (Cleveland Fire) Andrew Bosmans (SYFRS LPB) Claudiu Tabacaru (GMFRS) Karen Irvine (Kent FRS) Julie Brown (North Wales FRS) Steve Maginn (Gloucestershire FRS) Carolyn Lyoness (DHSC (NI)) Paula White (DHSC (NI))</p>	<p>Virginia Burke (ITM) Jane Marshall (Weightmans) Nicola Daniel (West Yorkshire PF) Toni Sawkins (LPP) Alison Murray and Craig Payne (Aon) David Golding (Essex Pension Fund) Gary McLellan (LGSS) James Durrant (Essex FRS) Neil Lewins (LPP) Claire Neale (Hampshire County Council) Tara Atkins (West Sussex County Council) Elena Johnston (Leicestershire County Council) Michael Prior (Chair of Wales SAB ) Lisa Orme (ITM) David Ashworth (Norfolk FRS) Steve Aspin (Norfolk FRS)</p>

## Item

## Notes

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Introduction	<p>Clair Alcock (CA) outlined the rationale for undertaking the benchmarking review, in particular that the Scheme Advisory Board (SAB) needs to understand what the Firefighters' Pension Scheme (FPS) in England costs to administer so it can respond to questions from the Secretary of State. CA announced that Aon had recently been appointed to undertake this review.</p> <p>Alison Murray (AM) and Craig Payne (CP) from Aon explained that the purpose of the session was to consult the group, noting that the administrators' support is vital to the collection of data and success of the review.</p> <p>AM expressed Aon's delight in being involved in this project and referred to Aon's expertise in this area. AM stated that:</p> <ul style="list-style-type: none"><li>▪ there are no preconceived ideas on the review's outcome – whilst the conclusion might be that the schemes could be managed more cost effectively, it's equally conceivable that the trends and patterns of responses indicate that extra resources are required</li><li>▪ there will be no naming and shaming of Fire Authorities or administrators</li><li>▪ the review seeks to identify explicit and implicit costs in administering the Scheme with a particular focus on costs for rectification cases and special projects.</li></ul> <p>Aon's proposed approach includes a survey for each key stakeholder groups:</p> <ul style="list-style-type: none"><li>– Fire and Rescue Authorities (as the Scheme Manager/Employer)</li><li>– Administrators</li><li>– Members</li></ul> <p>In addition to the surveys, qualitative data will be obtained via face-to-face meetings where Aon will facilitate discussions/debate. This information will supplement the survey responses to provide a more comprehensive report.</p>
Feedback on administrator survey	<p>CP (a former FPS administrator) set out some of the initial questions drafted for the Administrators' survey. All the surveys will be available for completion on the SAB website and are a mixture of factual and perception questions. CP explained that the Scheme Manager survey will pose questions about their administrator's performance and vice-versa. CA emphasised that for this reason the administrator must not complete the employer survey on a client's behalf, even if they are requested to do so.</p> <p>Martin Reohorn (MR) from Hereford and Worcester Fire and Rescue service asked whether employers should predict administrator's performance where there has been a recent change in administrator. CP and CA emphasised that responses should be based on current administration regimes as the aim of the survey is to understand where we currently are. AM suggested an additional question to determine expectation of material difference in the future.</p> <p>The plan is for administrators to complete the survey for each Fire and Rescue Authority. CP asked whether:</p> <ul style="list-style-type: none"><li>▪ this would prove to be problematic and</li><li>▪ there is a more efficient approach to collect information</li></ul> <p>Toni Sawkins (TS) from the Local Pensions Partnership raised an issue that the survey will require input from various sources within the organisation. <b>CP and CA responded that the option of saving partial information will be explored when creating the functionality of the survey.</b></p> <p><i>The group confirmed that Service Level Agreements (SLAs) are generally in place between the Fire Authority and administrator.</i></p> <p>CP also stated that the intention was to ask about administration performance and the length of time taken to process cases such as retirements, deferreds and starter cases. TS</p>

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queried over what period the stats figures would be required. CP confirmed the intention is Oct 17 to Sept 18.

The group's feedback was that *stats are provided quarterly*; driven in recent years by the chairs of Local Pension Boards. However, *some reports only identify the percentage of cases that have been processed within the SLA and don't necessarily detail how many days it has taken to process each individual case.*

AM asked the group whether any administrator reports on statutory deadlines in addition to locally agreed SLAs. *The consensus was that this information is not generally being reported.*

Peter Bishop (PB) (Aquila Heywood) and Julie Potter (JP) (Civica) joined this discussion confirming that this information is readily available from both software systems if required and they are happy to work with administrators to extract this information although were clear that the reports rely on workflow systems being used with consistency.

**Aon/SAB to follow up on the requirements for the survey and discuss with the software suppliers whether standard reporting can be made available to ensure the information supplied in the survey is consistent.**

This generated a further debate around the definition of retirements and prompted a plea from Des Prichard (DP) to ensure consistency and transparency is achieved when crafting the survey questions to ensure the requirements are absolutely clear to respondents to enable a suitable comparison when analysing data. Andrew Bosmans (AB) supported this point,

Dave Hood (DH) from Kier asked what the timescale for the survey is. CP and AM confirmed that it is hoped to launch the surveys in early October with an end date of 30 November, although this could be extended.

**Post meeting update – it is now likely that this is going to be delayed until November to end of December to allow a further consultation period**

CP mentioned that both the employer survey and administrator survey were keen to capture the number of staff (FTE) working on aspects of the FPS. TS stated that this may prove to be difficult to quantify per Fire Authority - this information is detailed in contractual information held by their HR department and some resources are only dedicated on an ad-hoc basis.

**It would be useful if others could confirm if they envisage similar difficulties.**

*TS also suggested that it would be important to consider the scope of the administrator's role since some will have a wider remit and others and this needs to be allowed for when considering costs.*

CP advised that feedback from members was to include deferred and pensioner members as well as currently active firefighters and asked the group whether administrators would be best placed to communicate this survey with deferred and pensioner members. This generated a lengthy discussion where questions were asked whether pensioners and deferreds should be in scope for the survey given that it is likely that this will only generate a low response rate or those responses will be from those with negative feedback. DP added that a strategic approach is needed to engage with members. AM responded that the preference is not to exclude any member demographic. Aon will ensure a sense of pragmatism will be taken when reviewing the member responses.

Helen Scargill (HS) raised a cost issue and questioned who will pick up the cost if administrators contacted all deferred and pensioner members. AM and CA responded and emphasised that the intention was not to write to all members but to publicise the survey via

electronic communications. HS noted that email addresses are not commonly held for deferred and pensioner members.

Further observations were made recognising the change in administrators since members had become deferred or a pensioner.

**Aon will work with LGA to discuss how best deferred and pensioner member feedback may be gathered.**

CA highlighted the importance of asking these questions in order to benchmark standards, which may allow the cost of badly drafted legislation and policies and lack of central support to be quantified.

A question was raised from the Northern Ireland Fire & Rescue Service asking whether this survey is relevant for them. CA responded that this exercise is only relevant to the Fire and Rescue Authorities based in England.

A further question was raised asking whether admin costs will be benchmarked against other schemes. CA and AM emphasised that ideally this would be carried out but recognised the difficulties in finding a direct comparison as the FPS is unfunded and locally administered meaning a direct comparison with another public or private scheme wouldn't be appropriate.

The session was brought to an end with DP re-emphasising the requirement and importance of this exercise and asking all stakeholders to be as open and honest as possible.

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Additional comments from session on 18 Sept

It was suggested that it would be helpful for FRAs to be provided with their own data back once the survey is complete so that they can understand where they sit within the scheme.

**Aon/LGA to consider if/how this can be achieved, noting that it seemed like a good idea.**

A further request was raised in relation to whether the survey would ask about the location of payroll or administration staff given the possibility of this being a factor in costs.

**Aon/LGA to consider.**

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Further feedback

Please provide any additional comments here and if you would welcome a further discussion, e.g. by conference call

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