



Administration and Benchmarking Review

Firefighters' Pensions (England) Scheme Advisory Board
25 September 2019
Craig Payne

Agenda

- 1** Recap of project's scope and objectives
- 2** A personal reflection and the challenges faced
- 3** Report's recommendations
- 4** Themes
- 5** Next steps (Clair)
- 6** Questions

Firefighters' Pension Scheme - Administration and Benchmarking Review

The Firefighters' Pension Schemes

What we knew

Firefighters' Pension Schemes Regulations and Guidance



Source: www.fprsregs.org/



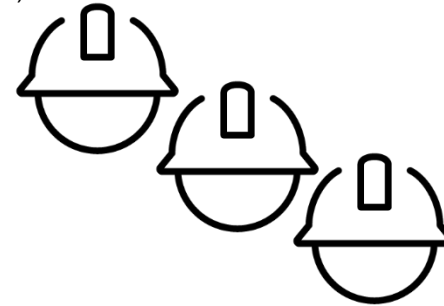
Member contributions: 8.5% to 17% of pay
Employer contributions: 27.4% to 37.3% of pay

What we didn't know

How much are scheme management costs?
How effective is scheme administration?

	Total
Number of pensioners	42,732
Total deferred members	13,419
Active regular members	23,853
Active retained members	9,848

Source: Home Office, Fire statistics Table 1304 (Autumn 2018)



45 Fire
authorities

Collating data



Sought views from stakeholders in surveys

- Fire and Rescue Authorities
- Administrators
- Members



Listening meetings

- Originally designed to collect qualitative data
- In reality these helped shaped the surveys
- Resulted in extended consultation period



Are there any themes / patterns?



Could anything be done differently/better?

Marketed via various mediums – Thanks to those who promoted engagement

Challenges faced



- We didn't receive a truly consistent response to some questions – in particular to costs questions

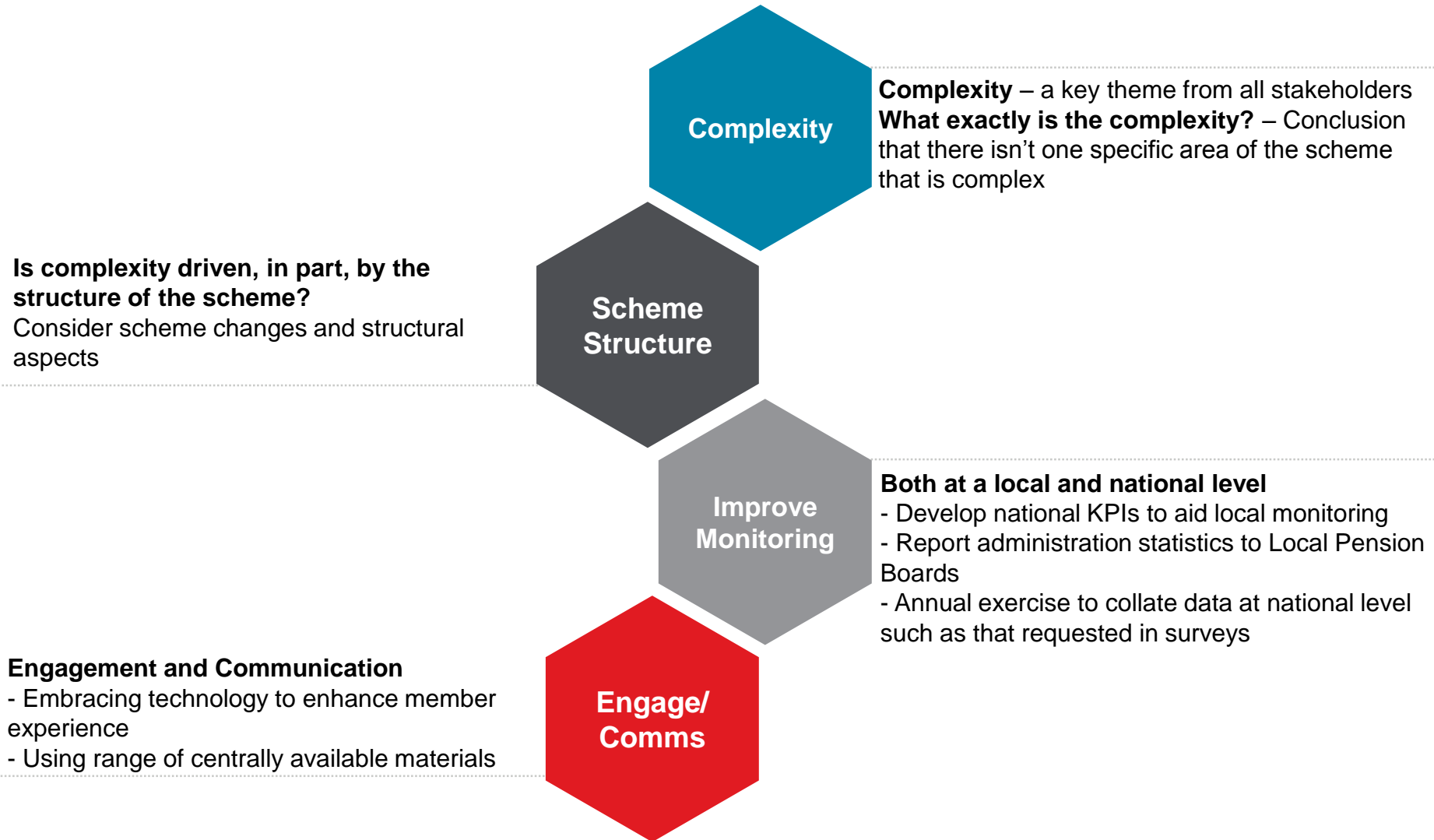


- Clear that some responses didn't receive necessary oversight
- Also clear that the relevant personnel were not consulted when providing responses

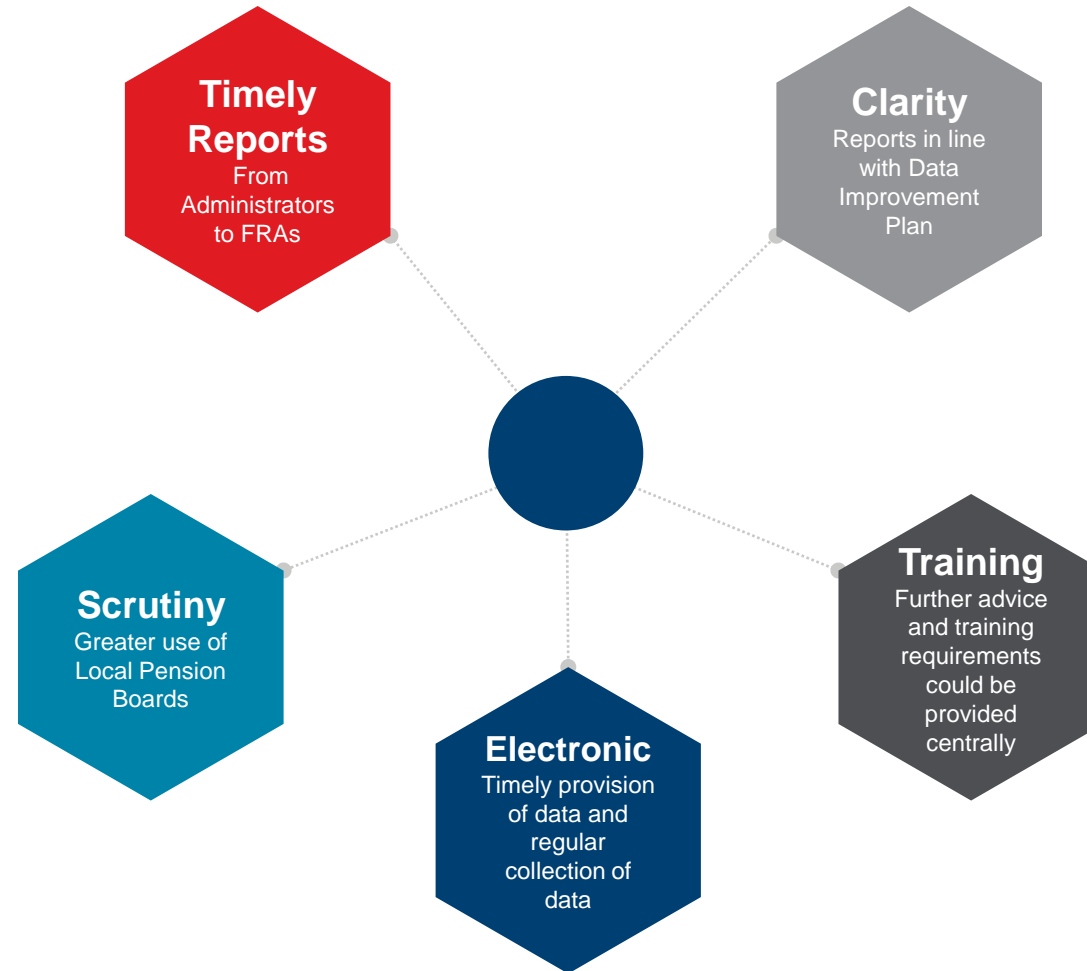


- Finding a comparative scheme to assess costs information against

Recommendation 1 – Reduce Complexity



Recommendation 2 – Addressing data issues



Collaborative approach to data issues

Recommendation 3 – Adding clarity to timescales



- Not all **legal timescales** are being measured so lack of clarity on whether these are being met
- Often other turnaround times are being measured
- Suggest that Scheme Advisory Board consider options to **encourage best practice** – e.g. Pensions Administration Strategy



Pensions Administration Strategy

- Locally developed and made public. Demonstrate best practice
- Set out aims and objectives – how would they be achieved
- Measure performance of objectives/plan when not achieved



- Use to **address lack of consistency** across scheme at present

Recommendation 4 – Improve engagement with administrator & FRA

Greater Scrutiny and Complexity



- Public Service Pension Act 2013
- Scheme changes for past 15 years

Requires Greater Engagement



- Greater collaboration and working together required
- **Local Pension Boards** – key role in improving administration and promoting existing range of LGA training material and signposting

Recommendation 5 – Ensure resource plans in place

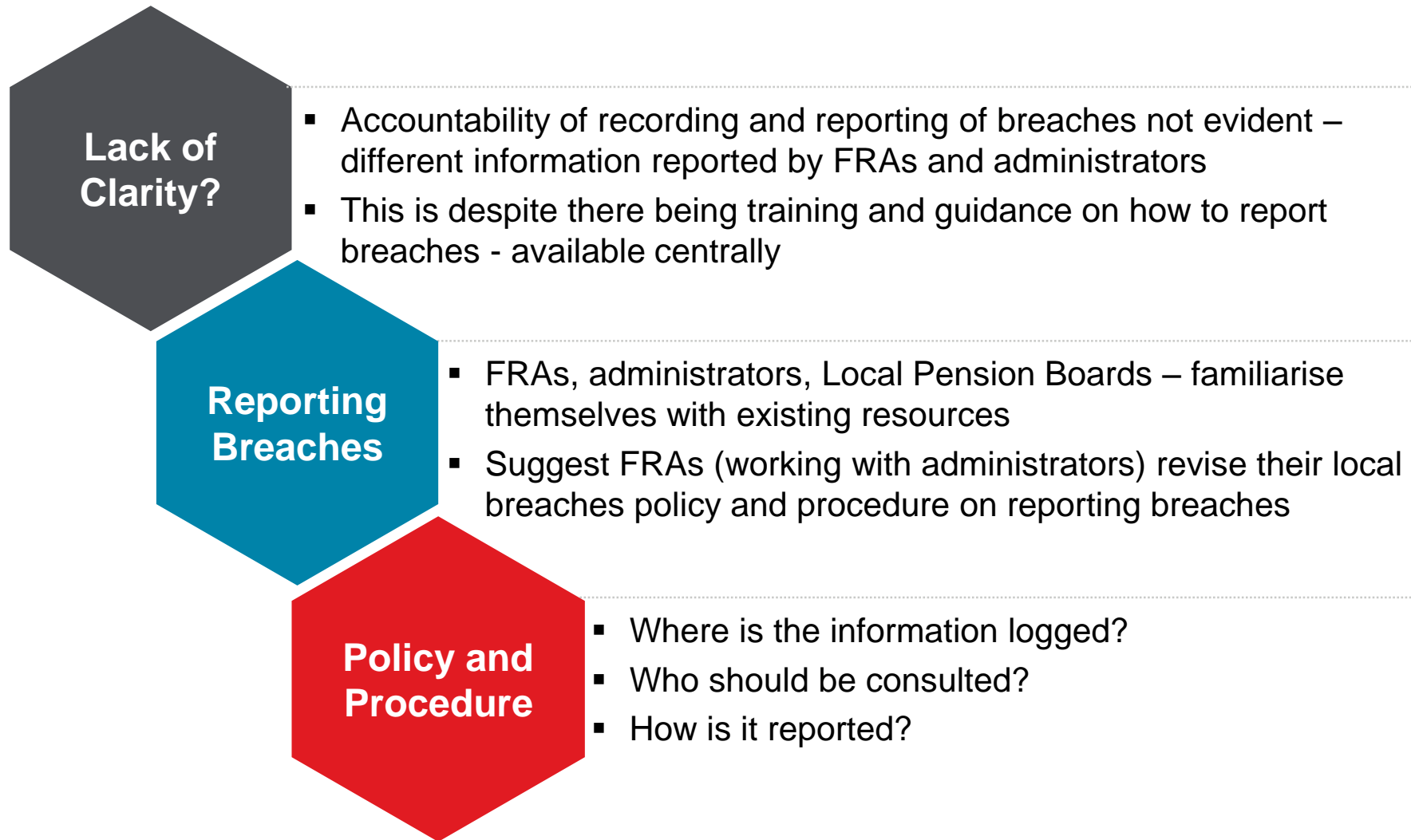
Resource challenges

- Clear resourcing difference across the Scheme
- Recommend continued use of national groups and collaboration across the Scheme to help with those resource challenges

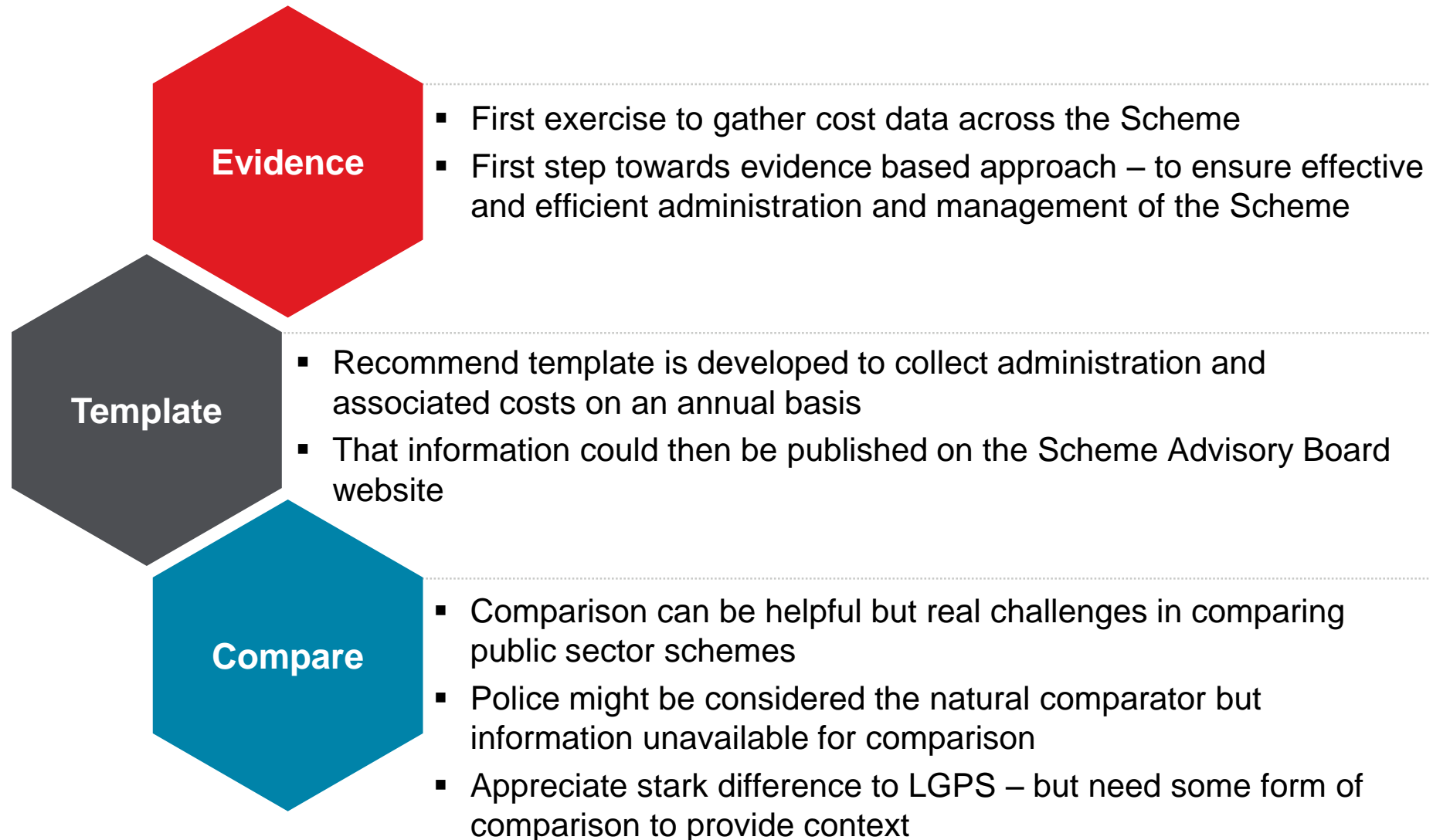
Special projects

- Lack of clarity around resources needed for recent **special projects**
- Recommend FRAs, working with administrators, have clear **business plans** that are regularly reviewed and monitored – this should help highlight resource requirements

Recommendation 6 – Breaches



Recommendation 7 – Develop template for collecting costs



Themes that emerged from evidence



Questions?



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Costs: Lessons learnt

- Never been attempted before
 - More difficult for some FRAs than others, County Councils for example who use shared services
 - Indications that there was no senior management sign off in some cases
 - Complexity appears to add to costs
 - Difficult to find realistic comparators to the Fire Scheme
 - Costs of special projects appear to be proportionately higher than day to day management
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Costs: Next Steps

- The committee recommended to SAB that costs should continue to be collected on an annual basis, in order to establish a discipline in FRAs to understand and recognise costs.
 - The secretariat will work with the Fire Finance Network to discuss how the sector can identify and recognise these costs themselves
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Effectiveness: Lessons Learnt

- Complexity a feature of all surveys
 - 73% of administrators scored the scheme as complex or very complex
 - 66% of employers reported finding decision making difficult, with the reasons mainly stemming from complexity of benefits (64%)
 - Less than half of responding members reported to understand their benefits.
 - Some uncertainty around what was considered to be specifically complex outside of local decision making and discretions
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Effectiveness: Lessons Learnt

- Reporting and relationships
 - Reporting
 - 59% of administrators do not report on the FRAs performance
 - 11% of administrators do not report on their own performance
 - 43% administrators do not report back to LPB
 - There is a variance in frequency of reports from the administrator to the FRA
 - There is a variance in meeting key legal timeframes for information to scheme members
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Effectiveness: Lessons learnt

- Engagement and Communication
 - Perceived complexity appeared to be evident in survey questions about engagement
 - 61% of members responded said they don't or only partly understand their benefits
 - 22 administrators said they were unsure that members understood their benefits
 - However take-up on presentations and surgeries on pension benefits is low
 - 18% of administrators do not run a Fire pensions website and 64% do not offer on-line capabilities
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Effectiveness: Next Steps

- Establish a working group to look at how discretions can be simplified
 - Establish a qualification in FPS administration and introduce CPD accredited training courses
 - Continue to support senior leaders in understanding the role of the scheme manager
 - Establish national performance measures for reporting performance
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Effectiveness: Next Steps

- Continue to support Local Pension Boards in their scrutiny role
 - LGA working on a project to implement www.fpsmember.org in order to complete the trilogy of websites
 - Build glossary of terms to be held centrally
 - Explore greater use of technology through a software suppliers working group
 - Continue to highlight importance of data improvement, SAB to promote monthly postings
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Effectiveness: Next Steps

- Admin and benchmarking committee to develop a template administration strategy
 - To continue to promote use of [breach assessment template](#)
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