

Meeting of the Board 10 December 2020

## SAB survey of FRA arrangements

### Background

1. At the Board meeting of 17 September 2020, the secretariat presented a paper on the FPS administration market and complexity of current arrangements<sup>1</sup>.
2. Each Fire and Rescue Authority (FRA) is considered the scheme manager and is responsible for the operation and management of the scheme. This includes appointing an administrator to undertake the administration.
3. There are currently [18 administrators operating across the 45 FRAs](#) in England. This is expected to reduce to 16 in 2021 as more administrators have decided to leave the marketplace, potentially due to the rising complexity of the FPS. Complexity is likely to be exacerbated by the implementation of age discrimination remedy.
4. The FPS is an unfunded, single employer scheme, which means each FRA is solely responsible for their individual scheme and the cost of running this has to be paid from the operating account. The average cost of administration per member following analysis by Aon was £120.33 including special projects<sup>2</sup>.
5. Procurement options when tendering for new administration services are limited.
6. The Board heard several considerations for reducing administration-related risk to FRAs. In order to make informed recommendations, it was agreed that the Board would need to understand more about the provision of current contracts and the future of the market.
7. The secretariat took an action to draft a survey to collect data and evidence from FRAs on their current arrangements and assess appetite for change and indicative future preferences.

### Sargeant and Matthews

8. As acknowledged, implementation of age discrimination remedy (Sargeant) is likely to increase administrative and operational pressure on FRAs. There will be additional data requirements and adjustments to processes for collecting contributions and calculating tax liabilities. Communication material and strategies will need to be developed and it is reasonable to envisage a need for an enhanced level of knowledge and capacity over the next three to four years.

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<sup>1</sup> [17 09 2020 - ITEM 5.2 Pension administration market and complexity](#)

<sup>2</sup> [Appendix One - FPS administration and benchmarking review](#)

9. In addition, a second options exercise in relation to [FPS 2006 special members](#) (Matthews) is expected to take place, in which eligible individuals will be able to elect to extend membership beyond 1 July 2000 to any employment as a retained firefighter prior to that date.
10. Legal discussions have commenced between central government, the LGA on behalf of FRAs and trade union legal representatives to consider who is in scope and the details of the settlement exercise.
11. No timescales are known at this stage. However, Matthews will have a considerable impact in terms of time and resources needed. This was commented on at paragraph 149 of the [Board's response to the HMT consultation](#) on remedy of age discrimination.
12. In order to assess FRAs' preparedness for these two exercises, the secretariat recommends that the survey of administration arrangements is combined with a survey on the arrangements for delivering remedy for Sargeant and Matthews.

## Survey

13. A draft survey has been developed in Excel and has been circulated to the Board for comment. The question set has been modelled on a remedy self-assessment provided to Police forces by NPCC.
14. The secretariat recommends that a 12-month Survey Monkey plan is purchased to deliver the questionnaire to FRAs. The plan allows unlimited surveys, questions, and responses, and allows users to analyse, filter, and export results at any time.
15. The results of the survey will be used to determine whether FRAs have a preferred future model of administration and consider whether this is desirable and achievable.
16. On implementation of remedy, the outcomes will illustrate how prepared FRAs are, what plans are in place, and where support is most needed.
17. The scope of the survey will include FRAs in England only. The survey will be issued in January 2021 and will run for an initial period of four weeks.

## Actions for Board members

18. The Board to provide comments on the draft questionnaire.
19. The Board to agree to circulation of the finalised survey in line with paragraphs 14 and 17.

Board Secretary  
10 December 2020