

Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme

Pensions Administration Activity and Performance update

14 September 2021

Recommendation(s)

1. The Local Pension Board notes and comments on this report.

1. Executive Summary

- 1.1 This report updates the board on key developments affecting Fire Pensions Schemes administration and the performance of the Pensions Administration Service (PAS).

2. Financial Implications

- 2.1 All financial considerations are dealt with in the body of the report

3. Environmental Implications

- 3.1 None

4. Breaches

- 4.1 There are no recorded breaches to report

5. Internal Dispute Resolution Procedure – IDRP

- 5.1 The IDRP process document has been updated and has been approved by Staff and Pensions Committee. This has been revised to reflect that Stage 1 Decisions are to be decided by an officer nominated by the Chief Fire Officer and stage 2 decisions will be made by the Chief Officer.
- 5.2 There are no new IDRP cases since the last board meeting.

- 5.3 The case reported at the previous meeting as having gone to stage 2 has not been upheld.

6. McCloud/Sergeant update

- 6.1 The project is progressing well and is still within timescale and budget.
- 6.2 An existing member of the PAS team has now been allocated to the part time role in the project team focusing on Fire Pension Schemes. Work is currently under way assessing the number of members in scope and the data required from WCC payroll has been requested.
- 6.3 Monthly project meetings are being held to discuss the data requirements and collection, communications to key stakeholders, benefit processing and rectification that will required.
- 6.4 On 10th June 2021, the Home Office (HO) issued further informal guidance on how to process cases for members who met the criteria for immediate detriment. This states that for members who could have achieved 30 years' service in the 1992 scheme before age 50, benefits should not be paid following immediate detriment guidance. This is because the tax treatment of any repayment of contributions in respect of the contribution holiday due has not been decided.
- 6.5 WCC have considered the position and will continue to pay benefits under immediate detriment in line with the McCloud/Sargeant decision to members who would be entitled to a contribution holiday. The refund of contributions will be dealt with once further guidance is issued. A briefing note that sets out this decision is available below - background papers (3).
- 6.6 WCC have had 4 cases where benefits have been paid based on the 1992 scheme and the refund of contributions that are due for the contributions holiday will be paid when further clarification is received. The members have been informed of this.

7. Outsourcing of the Firefighter Pensions Administration Service and Pensioner payroll

- 7.1 Having identified that there were no pre-arranged contracts available that satisfied the Councils requirements for the provision of Firefighter Pensions Administration Service and Pensioner payroll, tenders were sought. The opportunity was advertised on Contracts Finder and placed on the Council e-tendering portal. An invitation to tender was posted on 1st June 2021.
- 7.2 The tender response deadline was 14th July 2021, and 2 bids were received.

- 7.3 Bids were evaluated according to the published tender evaluation model by a panel of members from across Finance, PAS, HR/Payroll and Warwickshire Fire and Rescue Service. The evaluation model comprised mandatory selection and award stage questions to ensure bids were compliant with WCC requirements, and a cost and quality evaluation to assess the price of the proposed service and tenderers' ability to fulfil the agreed specification. The evaluation process was overseen by the Council's Procurement Team.
- 7.5 Based on this evaluation it is recommended that WCC enters into a contract with West Yorkshire Pension Fund. This will initially be for a period of 5 years with the option to extend for up to a further 2 years.
- 7.6 The successful tender is estimated to provide savings to the service.
- 7.7 Notice of the award has been issued to West Yorkshire Pension Fund and we will now be working with them through the project plan for transferring data ready for the service to transfer from 1st April 2022.

8 Timescales associated with the decision and next steps

- 8.1 With regard to the outsourcing of the administration and pensioner payroll Services, the project for the transfer of data will commence shortly.

Appendices

1. Internal Dispute Resolution Procedure
2. Immediate detriment briefing note July 2021

Background Papers

1. <https://www.fpsregs.org/images/Age-discrimination/Home-Office-informal-immediate-detriment-guidance-10-June-2021.pdf>
2. <https://www.fpsregs.org/images/Age-discrimination/LGA-immediate-detriment-information-note-version-2-June-2021.pdf>

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The report was circulated to the following members prior to publication:

Local Member(s): n/a

Other members: n/a