



Firefighters' Pension Scheme: Consultation on draft template FPS Administration, Management, and Governance strategy

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1 Topic of consultation

Introduction of a <u>template pension administration strategy</u> to complement any formal service level agreement in place by clearly setting out the roles and expectations of scheme managers and administrators, helping to formalise standards between both parties, as well as improving communication and engagement.

2 Scope of consultation

This consultation seeks responses from interested parties on the draft document. In particular we would like to hear from administrators, scheme managers, and Local Pension Boards. The consultation applies in England only.

The consultation will run from 30 June to 31 August 2020.

Please send any enquiries to <u>bluelight.pensions@local.gov.uk</u>. Responses should be sent to the same address.

3 Background

In 2018, the SAB commissioned a <u>review of FPS administration and management</u>. Following a procurement process, Aon were the successful bidder and carried out a survey of employers, administrators, and members in order to publish a comprehensive report on the cost and efficiency of running the schemes.

One of the recommendations arising from review was the development and implementation of a pension administration strategy.

One of the key proposals was that the strategy should include "expected timescales or key performance indicators which could be aligned with the provision of an effective and efficient administration service"¹.

Pension administration strategies are not commonly held for FPS, as each FRA is the single employer and scheme manager, and administration is generally contracted out. In addition, there is no legislative requirement for a strategy to be in place.

However, Aon identified that implementation of an administration strategy, to complement any formal service level agreement in place by clearly setting out the roles and expectations of scheme managers and administrators, would help to formalise standards between both parties, as well as improving communication and engagement. A clear preference emerged from the SAB administration and benchmarking committee (the "Committee") that this should incorporate administration, management, and governance of the schemes.

A <u>template strategy</u> has been drafted in collaboration with the Fire Communications Working Group (FCWG) and the Committee. We are now seeking stakeholders' views on the document.

4 Consultation questions

- 4.1 Do you agree with the employer duties and responsibilities listed? If not, please outline why.
- 4.2 Do you agree with the administrator duties and responsibilities listed? If not, please outline why.
- 4.3 Are there any additional functions/ tasks which should be added to section 8: Service standards?
- 4.4 Are the standard timescales listed in Appendix 1 reasonable and in line with statutory deadlines?
- 4.5 Will you adapt and implement the template strategy for your authority in line with best practice? If not, please explain why.
- 4.6 Please detail any other comments not covered by the above.

¹ Firefighters' Pension Scheme - Administration and Benchmarking Review [Page 69]