

LEICESTERSHIRE

FIRE and RESCUE SERVICE

Status of Report: Public

Meeting: Pensions Board

Date: 3rd February 2020

Subject: Administration of the Firefighters' Pensions Scheme

Report by: The Treasurer/Scheme Manager

Author: Alison Greenhill

For: Discussion

1. Purpose of report

1.1 The purpose of this report is to provide the Pensions Board with and update on the project to appoint a new administrator of the Firefighters' Pensions Scheme. The board is asked to read and note the content of this report.

2. Background

2.1 The current administrators, Leicestershire County Council, submitted a contract termination notice with effect from 31st March 2020 citing the increasing complexity of regulations arising from the McCloud Supreme Court judgement.

2.2 A project team was established in collaboration with Derbyshire and Nottinghamshire Fire and Rescue Services with the objective of appointing a new supplier.

2.3 Time constraints prevented us from initiating an open tender under OJEU rules and there are no existing procurement frameworks. This limited options to either delegation or direct award via waiver subject to contract value thresholds.

2.4 The Local Pensions Partnership (LPP) is a joint venture by the London Pensions Fund Authority and Lancashire County Council providing fire pensions administration. LPP agreed in principle to a commercial contract but further scoping determined that the contract value would have breached OJEU thresholds.

2.5 Leicestershire County Council agreed to extend their contract until December 2020 to allow us time to conduct an open tender.

3. Project update

3.1 An overview of the project can be found in Appendix 1

4. Financial Implications

4.1 There are no financial implications arising directly from this report. Any financial implications for the Authority will be reported to the Corporate Governance Committee.

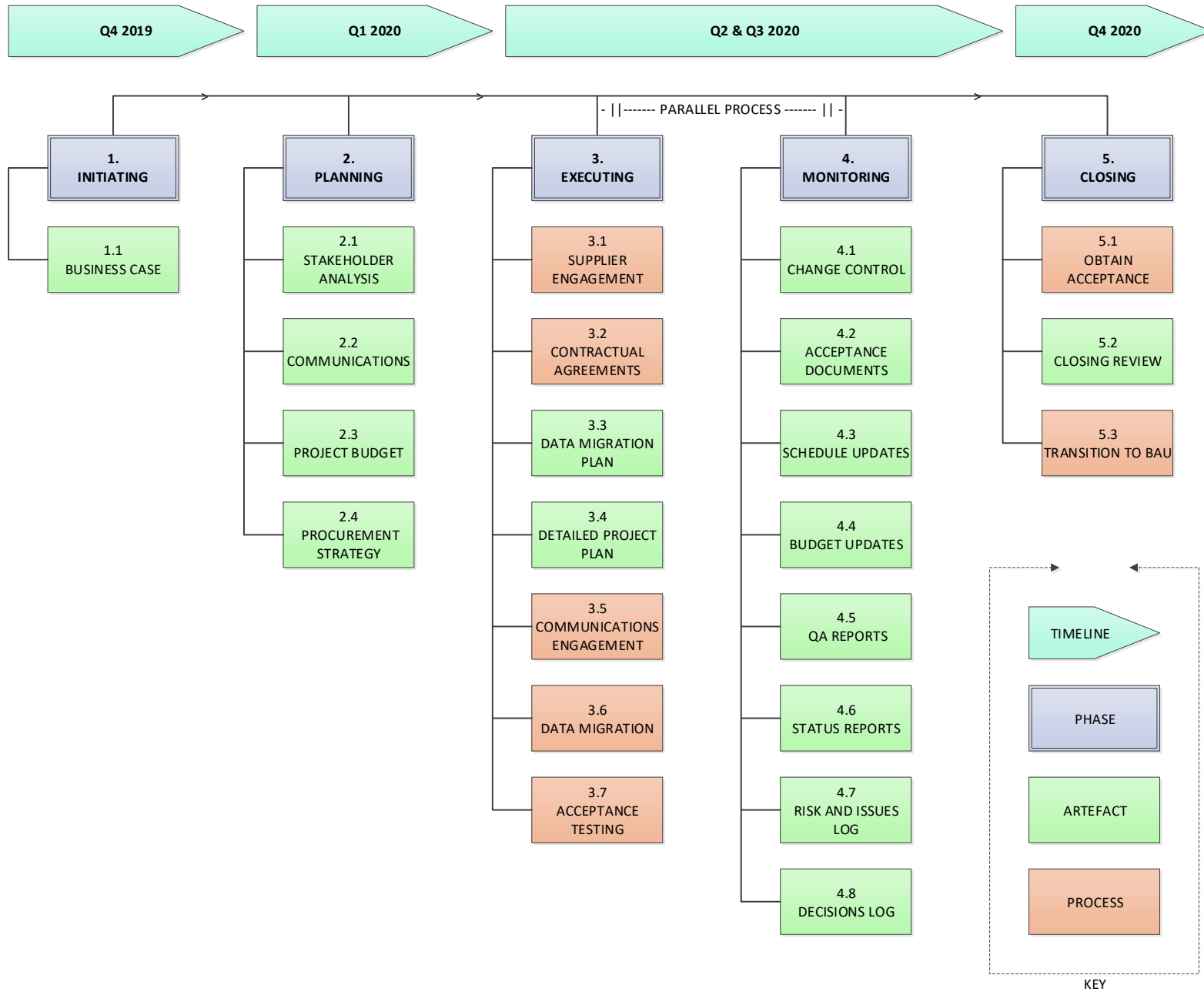
5. Legal Implications

5.1 The Public Service Pensions Act 2013 introduced a framework for the governance and administration of public service pension schemes. This report aims to fulfil the requirement for Pension Board members to assist the Scheme Manager in ensuring that effective administration arrangements are in place.

Alison Greenhill

SCHEME MANAGER

WORK BREAKDOWN STRUCTURE (WBS)



WORKSTREAM UPDATE

WBS	Workstream	Start Date	End Date	Stage in Lifecycle	Workstream Lead	RAG Rating	Update
1.1	Business Case	Nov 2019	Dec 2019	Completed	Jon Lau		Business case completed and signed-off by project board.
2.1	Stakeholder Analysis	Oct 2019	Dec 2020	Ongoing	Jon Lau		Stakeholder register completed and maintained with regular updates.
2.2	Communications	Oct 2019	Dec 2020	Ongoing	Sean Connor		Communications planned to relevant stakeholders.
2.3	Project Budget	Oct 2019	Dec 2020	Ongoing	Jon Lau		Notional and actual project costs to be apportioned between the three Fire Authorities.
2.4	Procurement Strategy	Oct 2019	Mar 2020	Ongoing	Jon Lau		Procurement options fully scoped. An open tender will be conducted under OJEU rules, assisted by the Procurement Team at Leicester City Council.

RISK AND ISSUE SUMMARY

Closed Risks: 7

Open Risks: 3

Risk No.	Date Raised	Risk Owner	Description of Risk	Impact of Risk	Impact (I)	Probability (P)	Score (I x P)	Rating	Mitigating Actions
R-7	18/12/19	Fire Authorities	<p><u>Revenue costs may escalate</u></p> <p>The existing administrators have one software licence shared between the three Fire Authorities and the LGPS. The software supplier has indicated this arrangement will change upon transition to a new supplier so that each authority will require their own individual licence.</p>	Increased financial liability.	4	4	16	High	The contract will be awarded to the most economically advantageous tender. Software costs will be built into the pricing schedule which forms part of the evaluation. Tenderers will be responsible for negotiating the licence fees with the suppliers.
R-8	18/12/19	Fire Authorities	<p><u>Pressure on staff resources</u></p> <p>The project will add extra pressures on staff resources.</p>	Diverting time and resources from usual activities.	4	5	20	High	All three Authorities to contribute staff to the project and work to be distributed as evenly as possible.
R-9	18/12/19	Scheme Managers	<p><u>Differences in data</u></p> <p>The format of data provided to the Administrators differs between Authorities.</p>	Potential difficulties and errors during data migration.	4	4	16	High	<p>Build data migration requirements into specification.</p> <p>There is also an option (at cost) to outsource the migration to Aquila Heywood.</p>

Closed Issues: 0

Open Issues: 0