

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	AUDIT SUB-COMMITTEE		
DATE:	9 JUNE 2016	REPORT NO:	CFO/039/16
PRESENTING OFFICER	IAN CUMMINS, TREASURER		
RESPONSIBLE OFFICER:	IAN CUMMINS	REPORT AUTHOR:	IAN CUMMINS
OFFICERS CONSULTED:	SMG		
TITLE OF REPORT:	FIRE PENSION SCHEME(S) - ADMINISTRATION		

APPENDICES:	
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Purpose of Report

1. To request that Members nominate the Deputy Chief Fire Officer post as the officer to act on the Authority's behalf as the Firefighter Pension Scheme (FPS) and Local Government Pension Scheme (LGPS) "Scheme Manager".
2. To request that Members support the termination of the current outsourced contract for the administration of the FPS and agree to discharge this function to Lancashire County Council.

Recommendation

3. That Members approve;
 - a. The Deputy Chief Fire Officer as the delegated officer to act as the Scheme Manager for Firefighters' Pension Scheme(s) and the Local Government Pension Scheme, and
 - b. That the administration of the Firefighter Pension Scheme function is discharged to Lancashire County Council.

Introduction and Background

4. Depending on the role undertaken Authority employees can join one of two public pension schemes, either the Firefighter Pension Scheme (FPS), or the Local Government Pension Scheme (LGPS). The Authority must ensure that the pension administration arrangements for both schemes meet the standards set in the various scheme Regulations and that the service received meets the needs of any current, retired or deferred members.
5. As a qualifying "Scheduled Body" MFRA's non-firefighter employees have an automatic right to join the LGPS. The LGPS is a national scheme and is administered locally for participating employers through regional pension funds. Merseyside Pension Fund (MPF) is responsible for the administration of the

LGPS within the geographical area of Merseyside and hence acts on behalf of the MFRA. MPF is funded by an administration charge to the LGPS.

6. The FPS administration is currently provided to MFRA via a contract with Lancashire County Council's Your Pension Service (YPS) to administer the FPS on its behalf. YPS also provide the FPS administration service for Lancashire and Cumbria fire and rescue authorities.
7. The Government is working with LGPS administering authorities to encourage greater collaboration and the pooling of investments to significantly reduce administration costs. A number of funds are exploring radically different and collaborative ways of working. Lancashire County Pension Fund (LCPF) and the London Pension Fund Authority (LPFA) have agreed to create a partnership to pool LGPS assets and provide an end to end service in the management of pension schemes. The company will be initially known as the Lancashire and London Pensions Partnership (LLPP) and be based in Lancashire. Lancashire County Council have advised the Authority that the LLPP will become the vehicle for the delivery of shared services such as those currently provided by YPS for the administration of the FPS for MFRA.
8. Therefore as the current MFRA FPS administration contract is with YPS, MFRA must either:-
 - a. Novate the current YPS contract to the new company LLPP, or
 - b. Terminate the YPS contract and either:
 - i. MFRA agree that Lancashire County Council discharge the FPS administration function on its behalf, or
 - ii. MFRA re-procure the service and undertake a full procurement exercise.
9. The most simple and efficient route to take is for the Authority to enter into a discharge of function arrangement with Lancashire County Council for the administration of FPS on behalf of MFRA (option b.i. above). The charge for the service will remain unchanged at £100k p.a. Members are asked to approve option b.i. Lancashire and Cumbria fire and rescue authorities have agreed to discharge the administration of the FPS function to Lancashire County Council.
10. To assist with the administration of the FPS and the LGPS the pension Regulations provide for some discretionary decisions (for example the buy back by an employee of pension contributions lost through industrial action). Most of these discretions are required to allow the Scheme Manager or local body the ability to administer the scheme efficiently and effectively. The Authority is the Scheme Manager for the FPS, however it can if it so decides agree to nominate an officer to act on its behalf. The Authority had previously designated the post of Deputy Chief Executive (DCE) to act as the Scheme Manager. As Members are aware the post of DCE has been deleted and therefore this report is seeking Members approval to amend the nominated post to act as the Scheme Manager to the Deputy Chief Fire Officer post with immediate effect.

Equality and Diversity Implications

11. None directly arising from this report.

Staff Implications

12. None directly arising from this report.

Legal Implications

13. MFRA has the power to arrange for the discharge of its functions by Lancashire under section 101 of the Local Government Act 1972.

Financial Implications & Value for Money

14. Currently MFRA have a contract with YPS for FPS administration services. The charge for this service is £100k p.a. If Members support the termination of the YPS contract and agree to discharge FPS administration to Lancashire County Council the cost of the service will remain unchanged.

Risk Management, Health & Safety, and Environmental Implications

15. None directly arising from this report.

Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Firefighters*

16. None directly arising from this report.

BACKGROUND PAPERS

None.

GLOSSARY OF TERMS

MFRA	Merseyside Fire and Rescue Authority is the physical and legal entity. When writing reports MFRA is the “object”.
FPS	Firefighter Pension Scheme
LGPS	Local Government Pension Scheme
MPF	Merseyside Pension Fund
YPS	Your Pension Service
LCPF	Lancashire County Pension Fund
LPFA	London Pension Fund Authority

LLPP **Lancashire and London Pensions Partnership**

DCE **Deputy Chief Executive**