

Buckinghamshire & Milton Keynes Fire Authority



MEETING	Overview and Audit
DATE OF MEETING	9 March 2016
OFFICER	Lynne Swift, Director of People & Organisational Development
LEAD MEMBER	Councillor Roger Reed
SUBJECT OF THE REPORT	Injury Awards: Final update report
EXECUTIVE SUMMARY	<p>A report to the Fire Authority on 18 February 2015 detailed the results of an investigation into the circumstances in which the Authority had been making compensation payments to former employees for "service related injury" from its Firefighters' Pension Fund, rather than from its Operating Account. This report provides information on the three recommendations that specifically relate to resolutions required by the People and Organisational Development Directorate. These are:</p> <ul style="list-style-type: none"> • A review of the Authority's arrangements for the administration of its pension fund in consultation with the Lead Member for Human Resources and Equality and Diversity (recommendation one) • A review of the processes for handovers between leavers and joiners (recommendation three) • Development of a policy for dealing with injury awards under the 2006 Compensation Scheme (recommendation five) <p>For completeness, recommendations two and four have been actioned and detailed in Annex 1.</p>
ACTION	Information.
RECOMMENDATIONS	It is recommended that the resolution of all of the recommendations accepted by the Authority on 18 February 2015 (as detailed in Annex 1) be noted.
RISK MANAGEMENT	<p>Initial risk assessment has identified potential risks as follows:</p> <p>Timescales: The transfer date of 1 April 2016 to the</p>

	<p>new pension administrator will be challenging to meet given the work involved with the transfer, the requirement for business as usual and the management of national pension projects coinciding with the transfer. With the focussed efforts of HR staff and close working relationships with the current and new pension administrators the deadlines will continue to be met. Buckinghamshire County Council (BCC) have also verbally committed to continue with the current arrangements in the event the transfer date is not met, however all plans indicate the new provider will be fully operational by 1 April 2016. Highlight reports as at January 2016 and February 2016 are attached (Annex 2, Annex 3).</p> <p>Administration: The changes to the pension schemes and resolutions of national pension cases has created huge administration burden and increased bureaucracy.</p> <p>Members of the HR team continually review processes and make revisions to procedures and guidance notes. This will aid improvements to employment related matters and internal understanding on some complex topics. The new provider has a fire service 'expert' with experience on a national technical board which will further aid development and understanding of the different Schemes and any future changes and impacts to the Authority.</p> <p>The Director of People & Organisational Development remains in regular contact with BCC at Director level over services and has agreed priorities to be delivered to ensure a smooth transition to the new pension administrator.</p> <p>A dedicated project plan, regular meetings and risk and issues logs are part of the transfer arrangements to ensure risk is mitigated.</p> <p>Internal audit is being used as a critical friend to support the transition to the new pension administrator, providing an evaluation of the adequacy and effectiveness of the transfer arrangements and governance surrounding the transfer of the administration of the Firefighters' Pension Schemes.</p> <p>An annual pension report to Members on all pension related activities will continue to ensure sound internal controls.</p>
FINANCIAL	The cost for the new pension administration services to

<p>IMPLICATIONS</p>	<p>be paid by the Authority are based on a shared supply for this Authority and Royal Berkshire Fire Authority. The cost for this Authority is based on a forty-one month contract at a circa cost of £50,000. This will be contained within existing budget for pension administration.</p> <p>There may be additional costs to support the successful transfer and these will be known as the project progresses.</p> <p>There are no financial implications arising from recommendations three and five. By having appropriate internal documentation it should prevent any potential future challenges with any associated costs.</p>
<p>LEGAL IMPLICATIONS</p>	<p>None arising from the recommendation.</p>
<p>CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION</p>	<p>The Authority is collaborating with Royal Berkshire Fire Authority on contracting West Yorkshire Pension Fund as the new pension administrator for the Firefighter Pension Schemes. As the administration and management of the Schemes will be shared from April 2016, the two authorities will be able to submit a Joint Pension Board request for approval. Consideration will be given to this later in the year when the new arrangements are fully in place.</p> <p>The Authority continues to seek opportunities to further collaborate on service improvements.</p>
<p>HEALTH AND SAFETY</p>	<p>There are no health and safety implications.</p>
<p>EQUALITY AND DIVERSITY</p>	<p>Appropriate equality assessments and other equality and diversity requirements will be included and accounted for as appropriate.</p> <p>A clause specifically relating to equal opportunities was contained in the Pension Administration tender document.</p>
<p>USE OF RESOURCES</p>	<p>Communication with stakeholders: Stakeholder communication is a significant element to the successful implementation of the new pension administrator. A communications strategy is being established to ensure important information is effectively delivered.</p> <p>The system of internal control: Regular reports will be provided to the Strategic Management Board, Executive Committee, Overview and Audit and Fire Authority as necessary. Pension administration arrangements will also be subject to internal audit</p>

	<p>schedules as appropriate, the last audit taking place in December 2015.</p> <p>The balance between spending and resources: Funding for any additional expenditure will be identified as appropriate. Additional training requirements will need to be established for members of the HR team responsible for pensions. Any additional training requirements will be built into the Authority's annual plan.</p> <p>The arrangements to promote and ensure probity and propriety: Audit arrangements will ensure compliance in accordance with any recommendations from the audit. A new SLA will be introduced as part of the contractual arrangements with the new pension administrator and services will be measured against key performance indicators as detailed in the contract.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background:</p> <ul style="list-style-type: none"> • Report to Fire Authority on 18 February 2015 http://bucksfire.gov.uk/files/4614/2347/0573/Fire_Authority_Agenda.pdf • Report to Executive Committee on 18 November 2015 http://bucksfire.gov.uk/files/7114/4612/0304/ITEM_9_Cover_Report_-_Pensions_Update_Executive_Committee_18.11.15_Annex.pdf
<p>APPENDICES</p>	<p>Annex 1 - Recommendations from the Injury Awards report</p> <p>Annex 2 - Firefighter pensioner payroll and administration transfer highlight report for January 2016</p> <p>Annex 3 - Firefighter pensioner payroll and administration transfer highlight report for February 2016</p>
<p>TIME REQUIRED</p>	<p>10 minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Faye Mansfield, Human Resources Development Manager fmansfield@bucksfire.gov.uk 01296 744623</p>