

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND RISK COMMITTEE

20 MARCH 2023

1. PENSION SCHEME KEY PERFORMANCE INDICATORS

Report of the Clerk to the Authority

RECOMMENDED

- 1.1. THAT Members provide feedback on the proposed Key Performance Indicators (KPIs) for the West Midlands Firefighters' Pension Scheme.
- 1.2. THAT Members agree to delegate responsibility for final sign off of the KPI structure to the Chair of the Audit and Risk Committee.

2. PURPOSE OF REPORT

- 2.1 To gain Member input to the draft KPIs to be further refined and agreed ahead of the next Audit and Risk Committee and then reported on twice annually thereafter.

3. BACKGROUND

- a. As part of the recent Pension Regulator report, the Scheme Manager, Pension Board and Administrators were recommended to put in place more robust KPIs, with supporting narratives, to be reported by administrators to both the Scheme Manager and Pension Board on a regular basis.
- b. This recommendation was subsequently included within the agreed Pension Regulator Action Plan as actions N1 and N2.
- c. The proposed Key Performance Indicators are included within **Appendix A**. The majority are based upon existing statutory requirements, where the scheme should already be

achieving 100% within the timescale. It is proposed that targets initially be set at 100% of the statutory timeline, with a review in 12 months to determine if more stretching timelines are desirable once a baseline for existing performance is known.

- d. The KPIs are currently in draft, and Members are invited to suggest changes or additions to either the indicators or the targets associated with them. Following this feedback, the Pensions Administration team will work to put in place systems to gather the required information to report against these KPIs. It is proposed that the Audit and Risk Committee, as Scheme Manager, delegate responsibility to the Chair of Audit and Risk to work with the administrators to deliver the final set of KPIs ahead of the next Audit and Risk Committee.
- e. Once agreed, it is proposed that these be reported into both the Scheme Manager and Pensions Board on a six monthly basis. Again, member feedback on this draft reporting schedule would be welcomed.

4. **EQUALITY IMPACT ASSESSMENT**

- 4.1 No initial equality impact assessment has been undertaken as there are no expected equality impacts from these KPIs.

5. **LEGAL IMPLICATIONS**

- 5.1 Many of the KPIs are based on statutory timelines. Where the Scheme is failing to meet these, it may be necessary to report to The Pension Regulator.

6. **FINANCIAL IMPLICATIONS**

- 6.1 There are no direct financial implications associated with the planned KPIs but recording and reporting on them will have an associated cost in terms of staff time and resources.

7. **ENVIRONMENTAL IMPLICATIONS**

- 7.1 No Environmental Impact assessment has been undertaken as it is proposed to provide all information electronically.

BACKGROUND PAPERS

None.

The contact for this report is Tom Embury, Deputy Clerk to the Authority

Karen Gowreesunker
CLERK TO THE AUTHORITY

APPENDIX A – DRAFT Key Performance Indicators

Indicator	Description	Statutory Time Limit	Number per annum	Target	Actual vs Target	Actual Avg. Time taken
New starters	Basic scheme information provided to new starters	1 month for Automatic Enrolment Job Holder	TBD	100%		
Basic information	Basic scheme information for relevant person other than a new starter	2 months unless provided in previous 12	TBD	100%		
Constitution of scheme	Request for information about constitution of the scheme from relevant person	2 months unless provided in previous 12	TBD	100%		
Transfer Credits	Information about transfer credits to member or prospective member	2 months unless provided in previous 12 or included in ABS.	TBD	100%		
Active ABS issued	Provision of Annual Benefit Statement for Active Scheme Member	31 August (where year-end on time)	TBD	100%		
Deferred ABS issued	Provision of Annual Benefit Statement for Deferred Scheme Member	31 May (or in line with active ABS)	TBD	100%		
Pension saving statements	A statement of the amount of pension saving in the pension scheme for a tax year	6 October	TBD	100%		
Benefit request pre-retirement	Request for information from member (active, deferred, pension credit) regarding amount of benefit where retirement not imminent	2 months unless provided in previous 12 or included in ABS.	TBD	100%		
Retirement information – Pension Age	Information to person retiring at pension age regarding amount of benefit about to become payable to them	Before the date on which the benefit becomes payable and no later than 1 month after.	TBD	100%		
Retirement information –	Information to person retiring before pension age	Within 2 months of benefit	TBD	100%		

before Pension Age	regarding amount of benefit about to become payable to them	becoming payable				
Divorce estimates	Estimate of pension benefits and costs associated with a divorce	3 months	TBD	100%		
Transfers in	Processing transfers into the FPS	2 months	TBD	100%		
Transfer out estimates	Calculating total cash equivalent value of scheme benefits.	3 months	TBD	100%		
Transfers out	Processing transfers out of the FPS	6 months	TBD	100%		
Refunds paid	Payment of any required refund	2 months	TBD	100%		
Deferred benefits calculated	Calculation of deferred benefit at pension age	2 months	TBD	100%		
Death notification processed	Processing changes following receipt of information on death of member (or beneficiary)	Within 2 months of the date scheme become aware of death	TBD	100%		
Acknowledgment and initial response to inquiries	Acknowledgement of email, postal or phone inquiries	Three working days	TBD	95%		
	Initial response (may not be to provide final answer)	Ten working days				
Payment advice	Provision of payment advice when payments are likely to change by +/- £10 per month	Three days before payment date	TBD	95%		