

## Report of the Treasurer

### Fire Pensions Administration and Payroll Arrangements

#### Purpose of Report

1. To seek an exception to Contract Standing Orders in respect of the Fire Pensions administration and payroll contract.
- 

#### Recommendation

***The Treasurer recommends that the Committee approves an exception to Contract Standing Orders under paragraph 3.1 (g)***

2. Administration of the Firefighters' Pension Schemes and Pension Payroll is a technically complex matter that has always been carried out by a third party (previously Worcestershire CC); although the legal responsibilities for managing the schemes remains with the Fire Authority.
3. Following a tender process, in 2018 the Authority awarded a contract for these services to West Yorkshire Pension Fund (WYPF).
4. The contract was for three years with an option to extend for a further two years, which was taken up and the current contract expires on 31<sup>st</sup> September 2023.
5. The contract has run very successfully and WYPF have been able to provide a knowledgeable and resilient service and the Authority has played a prominent role in development of an "intelligent client" function.
6. Since award of the contract the landscape of fire pensions has changed:
  - a. At the time of award H&W was the fifth Fire Authority to transfer administration to WYPF, but it now provides services to at least 21 authorities, and is a major influence on national arrangements.
  - b. There are the complications of the McCloud/Sargeant remedy and Immediate Detriment and the imminent issue of Matthews/O'Brien to be dealt with.
  - c. Within the region, Staffordshire moved to WYPF just after H&W and recently Shropshire and Warwickshire Fire Services ran a joint open tender process and as result also awarded to WYPF. This tender attracted only two bids.

- d. As a consequence, there is now a regional pensions collaboration group, within which H&W takes a leading role and has allowed Shropshire and H&W to provide informal mutual support to each other.
7. We would normally retender this pension administration and payroll contract, but present time is not opportune for changing supplier, that is assuming there are potential suppliers able to take on a new customer in the middle of Remedy, and it will divert in service resources from dealing with the complexities of Remedy and Matthews/O'Brien.
8. The estimated annual value of the contract going forward is £30,000. Which base on normal aggregation principles gives a contract value of £120,000.
9. Under paragraph 2.5 of Contract Standing Orders would normally require:
- Either: (a) Minimum of 3 formal open tenders, or (b) Minimum 3 formal select tenders where the CFO is satisfied, having regard to the nature of the contract, that restricting the number of tenderers will not disadvantage the Authority*
10. However, paragraph 3.1 (g) permits a waiver of this regulation:
- Where the Fire Authority considers that there are special circumstances justifying the waiving of Standing Orders and authorises such waiver by resolution.*

## Conclusion

11. For the reasons outlined above it is recommended that the Authority agrees an exception to Contract Standing Orders, to allow the Treasurer. In conjunction with the Head of Legal Services, to extend the contract based on current arrangements for a further appropriate period.

## Corporate Considerations

<b>Resource Implications</b> (identify any financial, legal, property or human resources issues)	Will not exceed current budgetary provision
<b>Core Code of Ethics and Strategic Policy Links</b> (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	No
<b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).	None
<b>Consultation</b> (identify any public or other consultation that has been carried out on this matter)	None

<b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?)	N/a
<b>Data Protection Impact Assessment</b> (where personal data is processed a DPIA must be completed to ensure compliant handling)	Not required – no personal data is identified.