

Decision Maker: LOCAL PENSION BOARD

Date: 29 February 2024

Decision Type: Non-Urgent Non-Executive Non-Key

Title: PENSIONS ADMINISTRATION STRATEGY (PAS) REPORT

Contact Officer: Martin Doyle – Head of Pensions Shared Service
Tel No: 020 8871 6522
E-mail: martin.doyle@richmondandwandsworth.gov.uk

Chief Officer: Director of Finance

Ward: Borough Wide

1. Reason for report

- 1.1 The Local Pension Board (LPB) is recommended to consider, comment and note the draft Pensions Administration Strategy (PAS) prior to consultation with scheme employers and approval by the Pensions Committee. – the statement is attached as Appendix 1.
- 1.2 Reviewing this document will assist the scheme manager in ensuring the efficient governance and administration of the Scheme.
-

2. **RECOMMENDATIONS**

- 2.1 **Members of the Local Pension Board are asked to consider, comment and note the draft Pensions Administration Strategy (PAS) prior to consultation with scheme employers and approval by the Pensions Committee.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
-

Corporate Policy

1. Policy Status: Existing Policy. The Council's pension fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations for the purpose of providing pension benefits for its employees.
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: No Cost
 2. Ongoing costs: TBC
 3. Budget head/performance centre: Pension Fund
 4. Total current budget for this head: TBC
 5. Source of funding: Contributions to Pension Fund
-

Personnel

1. Number of staff (current and additional): The Local Pension Board comprises of 2 Employer Representatives and two Member Representatives. The Board is supported by the Head of Pensions Shared Service.
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement Local Government Pension Scheme Regulations 2013 (as amended).
 2. Call-in: Not Applicable: No Executive decision.
-

Procurement

1. Summary of Procurement Implications: N/A
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 6,208 current active members, 7,978 deferred pensioners and 6,064 pensioner members (for all employers in the Fund) as at 30 September 2023.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Pensions Administration Strategy (PAS)

- 3.1 Regulation 59 of the LGPS Regulations 2013 provides authority for the Fund to create a PAS which sets out requirements to facilitate best practice and efficient customer service in respect of the following:
- the levels of performance which the Administering Authority and Employers are expected to achieve in carrying out their Scheme functions;
 - ensuring the Administering Authority and Employers comply with statutory requirements in respect of those functions; and
 - improving the communication between the Administering Authority and Employers in order to carry out those functions.
- 3.2 The PAS sets out procedures for improving the way the Administering Authority and the Employers work together to ensure that the administration of the pension scheme meets its statutory requirements. In accordance with Regulation 70 of the LGPS Regulations 2013, additional costs can be levied due to the additional work required as a result of poor quality of information provided by the employer.
- 3.3 Examples where such additional cost that might be recovered from Employers are:
- Persistent failure to provide relevant information to the administration team, scheme member or other interested party causing delay in provision of member benefits; or
 - failure to deduct and pay over correct employee and employer contributions to the respective pension fund within stated timescales.
- 3.4 The regulations require that as part of the implementation process each Employer and interested party is consulted on the PAS. The Pensions Shared Service will start a one month consultation with all Employers report the findings back to the next LPB. The regulations also require that, where a final PAS is produced, a copy is issued to each Employer as well as to the Secretary of State.
- 3.5 Timeliness and accuracy of data are an important element of delivering a high quality service to scheme members. The Administering Authority will shortly introduce a data transfer portal, i-Connect which allows for the automation of transfer of member data from employers' payroll systems to the pensions administration system on a monthly basis, thus reducing the risk of errors in manual inputting; reducing the workload of end-of-year reconciliation and ensuring the maintenance of a stable and accurate membership database. The introduction of the PAS gives the Administering Authority the ability to enforce compliance with i-Connect delivery.

Conclusions

- 3.6 Reviewing the Pensions Administration Strategy (at Appendix 1) will assist the scheme manager in ensuring the efficient governance and administration of the Scheme.

4 POLICY IMPLICATIONS

- 4.1 The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations for the purpose of providing pension benefits for its employees.

5. LEGAL IMPLICATIONS

- 5.1 The Public Service Pensions Act 2013 provides primary legislation for all public service schemes including the LGPS 2014.

Non-Applicable Sections:	Procurement/Personnel/Financial Implications Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Public Service Pensions Act 2013; Local Government Pension Scheme Regulations 2013 (as amended); Code of Practice 'Governance and Administration of Public Service Pension Schemes' The Pensions Regulator Engagement Report "Governance and administration risks in public service pension schemes"