



Pensions Board
13 December 2018

Report from the Chief Finance Officer

Pensions Administration Strategy

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| Wards Affected: | N/A |
| Key or Non-Key Decision: | N/A |
| Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small> | Open |
| No. of Appendices: | 1 |
| Background Papers: | ▪ N/A |
| Contact Officer(s): <small>(Name, Title, Contact Details)</small> | Ravinder Jassar, Head of Finance |

1.0 Purpose of the Report

1.1 This report presents the revised Pensions Administration Strategy for the Brent Pension Fund.

2.0 Recommendation(s)

2.1 The board is asked to note the report.

3.0 Background

3.1 A Pensions Administration Strategy (PAS) is a statement that outlines the policies and performance standards towards providing a high quality, effective and efficient pensions administration service. The aim of the strategy is to ensure that both the Fund and its employers are fully aware of their responsibilities under the Scheme and to set acceptable levels of performance.

3.2 Delivery of such an administration service is not the responsibility of one person or one organisation, but is rather the joint working of a number of different stakeholders, which between them are responsible for delivering the pensions administration service to meet the diverse needs of the membership. Therefore, it is important that it is developed in consultation with employers within the Fund to promote good working relationships, improve efficiency and ensure agreed standards in quality

- 3.3 Brent's Pensions Administration Strategy was last updated in 2014. Given the regulatory changes within the LGPS since that time, the intervention of the Pensions Regulator in 2017 and the transition to LPP from October 2018 it is an opportune time to update the statement. In addition it is important to have an overarching strategy statement that underpins all of the improved governance arrangements that have been implemented in the last twelve months, for example the Record Keeping Plan, the Breaches Policy and the Risk Management Strategy.
- 3.4 In producing a revised strategy officers worked closely with LPP and the Pension Board, at its last meeting, agreed the following high level principles:
- Consultation with employers to be undertaken to obtain feedback and other relevant comments. This includes presenting the strategy to the next Employers' Forum and contacting each individual employer for comments.
 - The ultimate aim of this strategy is to educate employers to provide accurate and timely data to the Fund which will improve the service provided to scheme members. The administering authority will seek, at the earliest opportunity to work closely with employers in identifying areas of poor performance and provide the necessary training and development to put in place appropriate processes to improve the level of service into the future. In the event of continued poor performance and a lack of any evidence of measures being taken to achieve improvement by an employer the Fund will seek to recover any additional costs arising and in some cases charge for other services (for example failure to pay over monthly contributions or failure to notify the Fund of key information such as starters and leavers). Charging is a last resort but the Fund reserves the right to levy a charge(s) on a scheme employer whose performance repeatedly falls short of expectations. It is also The Pensions Regulators' expectation that actions such as this are taken for non-compliance of legal obligations.

4.0 Revised Pensions Administration Strategy

- 4.1 On receipt of the new proposed strategy a number of comments were received, primarily from schools. The main concern was, as expected, the concept of charging for non-compliance and that it appeared the revised strategy introduced new work for school business managers. Regarding the latter, it was clarified that the revised PAS (and the move to LPP) did not introduce any new work for schools other than move from a manual process to an online process where training would be provided.
- 4.2 Following this feedback it was agreed to revise the PAS to clarify to employers the legal and regulatory framework within which pension's administration operates. It was also agreed to be more explicit that charging would be a last resort and that this option would only be pursued in exceptional circumstances where performance repeatedly falls short of expectations. The first port of call would always be to engage and educate employers before such action would be considered.
- 4.3 The revised PAS is attached as Appendix A and the board is asked to comment and provide feedback. It is envisaged that the revised strategy will be sent to employers in mid-December.

5.0 Financial Implications

5.1 There are no specific financial implications associated with noting this report.

6.0 Legal Implications

6.1 None arising directly from this report

7.0 Equality Implications

7.1 None arising directly from this report

8.0 Consultation with Ward Members and Stakeholders

8.1 Not applicable for this report.

9.0 Human Resources/Property Implications (if appropriate)

9.1 None arising directly from this report

Report sign off:

Conrad Hall, Chief Finance Officer