

Review of Pension Administration Strategy

Purpose of the Report

1. The purpose of this report is to allow the Committee to review the updated Pension Administration Strategy.

Background

2. Under the Local Government Pension Scheme (LGPS) Regulations 2013, each LGPS Fund in England and Wales is empowered to produce and implement a Pension Administration Strategy, with an accompanying Service Level Agreement, which will apply to all employers in its Fund.
3. The aim of this attached draft strategy is to set out the quality and performance standards expected of all Scheme employers within the Wiltshire Pension Fund (WPF) and of the Fund itself. It seeks to promote good working relationships, improve efficiency and enforce quality between Scheme employers and the Administering Authority. It also provides details on how performance levels will be monitored and the action that might be taken if they fall below the stated expectations.
4. This strategy is updated from its 2015 version and ensures the governance and administration requirements of the Pension Regulator (tPR) are properly addressed which now fall to the Fund and its employer organisations.
5. The current draft of the Pension Administration Strategy went out to consultation with Scheme employers and no material feedback was received.
6. The updated Strategy was taken to the Local Pension Board on 14 November 2019. The Board made two recommendations:
 - a). Additional requests for resources should consider the ability to deliver the Administration Strategy;
 - b). To investigate whether employers should be expected to sign up to the strategy
7. Officers accept the first recommendations and have considered the second recommendation. As the consultation received no material feedback, officers consider the response to signify acceptance of its contents. Furthermore, it is impractical to try to gain individual agreement from around 190 employers and it raises the question of how it applied if an employer refuses to sign it. Furthermore, there is no legislative requirement to do so (the Regulations just require a consultation to take place). Hence, officers have decided not to seek individual agreement from employers.

Considerations for the Committee

The key points of the Pension Administration Strategy

8. The following key changes have been made to this Strategy:
 - a). All relevant Fund and employer targets have been reviewed and updated to ensure they operate within the Disclosure Regulations (as relevant).

- b). All major Fund and employer processes are now covered.
 - c). The Strategy includes a clear escalation policy which includes references to additional administration charges, hierarchical escalation and reporting to the Pension Regulator.
 - d). The Strategy now links to the Business Plan, KPI timeframes and the way work is actually managed within the pension administration team.
 - e). Specific targets have been included to relation to employers who use the Fund's i-Connect software (which has now gone live with a small group of employers will be gradually rolled out over all employers over the next year and half).
- 9. Officers will now report the performance of employers against the new KPIs identified and will explicitly separate the Fund's largest five employers (and also group together all other employers as one).
 - 10. Officers are currently aligning their internal processes to make sure they work towards the timelines identified, including chasing employers for data. It is essential that the Administration Strategy is properly integrated into the way employers and Fund work in order for it to be effective in achieving its objectives.
 - 11. The planned implementation date is from 1 January 2020 and will be published on the WPF website and circulated to all Scheme employers and external payroll providers.
 - 12. Officers have self-assessed the compliance of this Strategy against Regulation 59 of the LGPS Regulations 2013.

Environmental Impact of the Proposal

- 13. There is no known environmental impact of this proposal.

Financial Considerations & Risk Assessment

- 14. There are no direct financial implications involved with the implementation of this Strategy. However, in the longer term this Strategy should lead to more efficient benefits administration operation and the ability to redirect resources for the benefit of scheme members.
- 15. This implementation of this Strategy assists in addressing risks PEN008, PEN010, PEN035.

Legal Implications

- 16. There are no material legal implications arising from the proposals.

Safeguarding Considerations/Public Health Implications/Equalities Impact

- 17. There are no known implications at this time.

Reasons for Proposals

- 18. This is a significant strategy with respect to the level of success and efficiency of the day to day administration of the Fund and its subsequent effects on providing an effective service to members.

Proposals

19. The Committee is asked to approve the Wiltshire Pension Fund Administration Strategy.

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Unpublished documents relied upon in the production of this report: NONE