

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD

27 October 2022

Employer Compliance & Performance

Purpose of the Report

1. To update the Board on the officer strategy in relation to the monitoring of employer compliance and performance, which in turn will ensure that the Board can fulfil its core function on this matter, as set out in its own terms of reference.

Background

2. In January 2019 the Board assessed its achievements against its core functions, as outlined in paragraphs 80 & 81 of its own terms of reference. A terms of reference which follows the national standards contained in guidance issued by the national LGPS Scheme Advisory Board.
3. The assessment for the period 2015 & 2018 showed that in the majority of areas the Board was compliant with its core functions and sub-tasks, although it acknowledged that there were certain areas of non-compliance, notably in relation to the Board's ability to review individual employer performance, largely due to a lack of data available to it.
4. Under paragraph 80 there are three key areas the Board should consider in relation to employer compliance and performance. These are:
 - a) The compliance of scheme employers with their duties under the Regulations and Relevant Legislation:
 - b) Reviewing scheme members and employers' communications as required by the Regulations and Relevant Legislation: and
 - c) The complete and proper exercise of employer and administering authority discretions.
5. Since 2019 officers have sought to develop the controls and data arrangements required to ensure that a comprehensive set of employer performance measures are in place. These include the continued development of the Pension Administration Strategy and its associated documents, such as the employer charging policy, the introduction of i-Connect and the new Employer Contribution and Data Working Group which monitors contribution payments against the data received, as well as the correct rates at which employers should pay.
6. Currently, the Board's available information is provided via the quarterly Administration KPIs and the Key Financial Controls reports, which will be further supported by the proposed Fund KPI reporting template. However, a comprehensive record of employer compliance and performance has remained outstanding.

Considerations for the Board

7. To remedy this situation officers, propose to communicate with the Fund's scheme employers with the roll out of an employer scorecard from the beginning of next year. The scorecard will be rolled out in phases and its aim is to notify each individual employer on

a Red, Amber or Green (RAG) basis how they fair in relation to their compliance and performance requirements. The proposed phases are:

- a) i-Connect performance and employer contact information (see draft design in Appendix 1)
- b) Non-i-Connect processing (This covers KPI information like leaver processing drawn from the Fund's administration database): and
- c) Employer documentation.

8. It should be noted that this scorecard is still in a developmental stage, however with time and development it is anticipated that it will give the Board the visibility it core function requires. Officers will keep the Board apprised of the development of this scorecard as it is rolled out during the course of 2023.

Environmental Impact of the Proposal

9. Not applicable.

Financial Considerations & Risk Assessment

10. There are no financial considerations.

Legal Implications

11. There are no material legal implications from this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications at this time.

Proposals

13. To note the progress made by officers in fulfilling the Board's core function of overseeing employer compliance and performance.

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