

Croydon Council

REPORT TO:	PENSION COMMITTEE 8 December 2015
AGENDA ITEM:	9
SUBJECT:	Pensions Administration Strategy Consultation
LEAD OFFICER:	Director of Finance and Assets (Section 151 Officer)
CABINET MEMBER	Councillor Simon Hall Cabinet Member for Finance and Treasury
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: Sound Financial Management: This report informs the Pension Committee about the consultation on the contents and form of the Pensions Administration Strategy.	
FINANCIAL SUMMARY: This report is to update the Pension Committee on the outcome of consultation on the Pensions administration strategy. The aim of this strategy is to set out the quality and performance standards expected of the Croydon Council in its role of administering authority and scheme employer, as well as all other scheme employers within the Croydon Pension Fund. It seeks to promote good working relationships, improve efficiency and enforce quality amongst the scheme employers and the administering authority.	
FORWARD PLAN KEY DECISION REFERENCE NO.: N/A	

1. RECOMMENDATIONS

1.1 The Committee is asked to consider the response received to the consultation and the officer recommendation in response to this and approve the revised Pensions Administration Strategy at Appendix A to this report.

2. EXECUTIVE SUMMARY

2.1 The delivery of a high quality pensions administration service is not solely the responsibility of the administering authority, but depends on the joint working of

the administering authority with a number of individuals in different organisations and other Scheme Employers to ensure scheme members, and other interested parties, receive the appropriate level of service and to ensure that statutory requirements are met.

3. DETAIL

3.1 The Local Government Pension Scheme Regulations 2013 (Regulation 59(1)) states that a Local Government Pension Scheme (LGPS) administering authority may prepare a written statement ("the pension administration strategy"). This strategy sets out the administering authority's policies in respect of:

- (a) procedures for liaison and communication with Scheme employers;
- (b) the establishment of levels of performance which the administering authority and its Scheme employers are expected to achieve in carrying out their Scheme functions by setting performance targets or negotiating service level agreements or such other means as the administering authority considers appropriate;
- (c) procedures to ensure compliance with statutory requirements by the administering authority and Scheme employers;
- (d) procedures for improving the communication of information about members by the administering authority and its Scheme employers;
- (e) the circumstances in which the administering authority may consider giving written notice to any of its Scheme employers under regulation 70 (additional costs arising from Scheme employer's level of performance) on account of that employer's unsatisfactory performance in carrying out its Scheme functions;
- (f) the publication by the administering authority of annual reports dealing with performance levels;
- (g) such other matters arising from its pension administration strategy as it considers appropriate; and
- (h) any other matters suitable for inclusion in the strategy.

3.2 The administering authority must:

- (a) keep its pension administration strategy under review; and
- (b) make such revisions as are appropriate following any material change in its policies in relation to any of the matters contained in the strategy.

3.3 The aim of this strategy is therefore to set out what can be expected from the administering authority and other Scheme employers in terms of the quality of the service provided and to establish performance standards. In this way it seeks to promote good working relationships, improve efficiency and enforce quality amongst the scheme employers and the administering authority. The current strategy was drafted in 2008 and has been regularly reviewed since. With the introduction of the new 2014 Local Government Pension Scheme the strategy has been updated to reflect the new scheme arrangements.

3.4 The strategy sets out the information required in accordance with regulation 59(1) and forms the basis of the day to day relationship between Croydon Council as the administering authority and the Scheme employers of the London

Borough of Croydon Pension Fund. It also sets out the circumstances under regulation 70 of the LGPS Regulations where additional costs are incurred as a result of the poor performance of a Scheme employer, together with the steps that would be taken before any such action were taken.

- 3.5 This strategy has been developed following consultation with Scheme employers and other interested parties. It takes account of Scheme employers' current pension knowledge, perception of current administration standards and specific training needs to ensure the level of service can be delivered to the required standard.
- 3.6 As required by the LGPS Regulations the draft revised strategy was sent out to all employers in the Fund for consultation, this consultation closed on the 17th November 2015, which allowed a month for responses.
- 3.7 One response was received. St. Cyprian's Greek Orthodox Academy asked whether the timeframe for responding to queries be extended from 5 to 10 working days because payroll and certain pensions administration is provided at arm's length. Officers' recommendation is that this extended timeframe is not adopted for the sake of consistency and ensuring a high standard of service delivery.
- 3.8 Following adoption of the revised strategy the administering authority will publish the document on the Croydon website and notify all Scheme employers that this has happened.

Pension administration strategy

- 3.9 The full text of the revised strategy is appended to this report.

4. RECOMMENDATIONS

- 4.1 The recommendation of this report is that the Pension Committee approve the revised strategy, to enable it come into force from the 1st January 2016

5 FINANCIAL CONSIDERATIONS

- 5.1 There are no further financial considerations flowing from this report.

6. OTHER CONSIDERATIONS

- 6.1 Other than the considerations referred to above, there are no customer Focus, Equalities, Environment and Design, Crime and Disorder or Human Rights considerations arising from this report

7. COMMENTS OF THE SOLICITOR TO THE COUNCIL

- 7.1 The Council Solicitor comments that the Borough of Croydon Council may prepare a written statement setting out their policies as the administering authority and scheme employer under the Local Government Pension Scheme Regulations 2013 (Regulation 59(1))

(Approved by: Gabriel MacGregor Head of Corporate Law on behalf of the Council Solicitor and Monitoring Officer)

CONTACT OFFICER: Nigel Cook, Head of Pensions Investment and Treasury, Chief Executives department, Ext. 62552.

BACKGROUND DOCUMENTS: The revised strategy is attached at Appendix A