

Croydon Council

REPORT TO:	Local Pension Board 19 October 2017
SUBJECT:	Public service governance and administration survey
LEAD OFFICER:	Nigel Cook, Head of Pensions and Treasury
CABINET MEMBER	Councillor Simon Hall Cabinet Member for Finance and Treasury
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: Sound Financial Management: The Pension Board is charged with helping deliver the effective administration of the Local Government Pension Scheme. The Pension Regulator represents another key component in the system of checks and controls.	
FINANCIAL SUMMARY: Poor administration may ultimately lead to incorrect calculation or payment of benefits or indeed financial penalties.	
FORWARD PLAN KEY DECISION REFERENCE NO.: N/A	

1 RECOMMENDATIONS

1.1 The Board is asked to note the findings of the Public Service Governance and Administration Survey undertaken by the Pension Regulator referenced by this report.

2 EXECUTIVE SUMMARY

- 2.1 This report invites the Board to consider the Pension Regulator's findings following the most recent survey of public sector pension schemes.

3 DETAIL

- 3.1 The Pensions Regulator is charged with regulating the governance and administration of public service pension schemes, which provide pensions for civil servants, the judiciary, local government, teachers, health service workers, members of fire and rescue services, members of police forces and members of the armed forces.

- 3.2 The Regulator's Code of Practice no. 14 sets out the standards of conduct and practice expected. Where standards are not being met and issues are not being resolved it considers enforcement action, including the use of improvement notices and civil penalties. To provide a focus for the work programme of the Regulator's office a survey of public service pension schemes was undertaken in autumn 2016 to assess how they were being run. This built on a previous survey in summer 2015, and delved deeper into key risks and why some schemes are still struggling to improve.

- 3.3 This survey achieved a 90% response rate, covering 98% of membership, which support robust conclusions. The survey supports the assessment that the top risks in this landscape are:

- Scheme Governance;
- Record-keeping;
- Internal controls; and
- Member communications.

- 3.4 The report appended sets out how the Regulator has interpreted the findings, their expectations of those involved in running the schemes and what the Regulator's office will be doing over the next year to address these issues. The Board is invited to note these findings and consider an appropriate response.

4 FINANCIAL CONSIDERATIONS

- 4.1 This report provides information relating to the administration of the LGPS. Poor performance from the administering authority may result in financial penalties or incorrect calculation and payment of benefits. Failure on behalf of other Scheme Employers to meet the requirements of the administration strategy can result in the levying of fines.

5 FREEDOM OF INFORMATION/DATA PROTECTION CONSIDERATIONS

- 5.1 This report does not contain any information which will not be made publically available by being published on the Council's Pension Fund website.

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Appendices

Appendix A: Public service governance and administration survey Summary of results and
commentary, May 2017