

Meeting: **Local Pension Board**

Date/Time: **Monday, 12 March 2018 at 9.30 am**

Location: **Gartree Committee Room, County Hall, Glenfield.**

Contact: **Matthew Hand (0116 305 2583)**

Email: **matthew.hand@leics.gov.uk**

AGENDA

<u>Item</u>	<u>Report by</u>	
1. Minutes of the meeting held on 4 December 2017.		(Pages 3 - 6)
2. Question Time.		
3. Questions asked by members under Standing Order 7(3) and 7(5).		
4. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.		
5. Declarations of interest in respect of items on the agenda.		
6. Pension Fund Administration Report - October to December 2017 Quarter.	Director of Corporate Resources	(Pages 7 - 12)
7. Local Pension Board Members - Knowledge and Understanding (Training Update).	Director of Corporate Resources	(Pages 13 - 20)
8. Administration and Communication Strategy Review.	Director of Corporate Resources	(Pages 21 - 58)
9. Record Keeping - Data Improvement Plan.	Director of Corporate Resources	(Pages 59 - 64)



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|---|---------------------------------------|-----------------|
| 10. General Data Protection Regulations. | Director of
Corporate
Resources | (Pages 65 - 72) |
| 11. Risk Management and Internal Controls. | Director of
Corporate
Resources | (Pages 73 - 78) |
| 12. Any other items which the Chairman has decided to take as urgent. | | |
| 13. Date of next meeting.

Monday 18 June 2018 at 9.30am. | | |
| 14. Exclusion of the press and public.

The public are likely to be excluded during consideration of the remaining item in accordance with Section 100(A)(4) of the Local Government Act 1972 (Exempt Information). | | |
| 15. Pension Administration System Tender.

(Exempt under paragraphs 3 and 10 of Schedule 12A) | Director of
Corporate
Resources | (Pages 79 - 90) |

TO:

Employer representatives

Mr. D. Jennings CC
Mr. P. Bedford CC
Cllr. D. Alfonso

Employee representatives

Ms. D. Haller
Ms. A. Severn – Morrell
Mrs. D. Stobbs



Minutes of a meeting of the Local Pension Board held at County Hall, Glenfield on Monday, 4 December 2017.

PRESENT

(in the Chair)

Cllr. D. Alfonso
Mr. P. Bedford CC
Ms. D. Haller

Mr. D. Jennings CC
Ms. D. Stobbs

26. Minutes of the previous meeting.

The minutes of the meeting held on 18 September 2017 were taken as read, confirmed and signed.

27. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

28. Questions asked by members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

29. Urgent Items.

There were no items for consideration.

30. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting. No declarations were made.

31. Pension Fund Administration Report - July to September 2017.

The Board considered a report of the Director of Corporate Resources regarding the performance of the Pension Section against its performance indicators. A copy of the report, marked '6', is filed with these minutes.

Following questions from members the following points were noted;

- The Pension Section had met the HMRC statutory deadline for Annual Allowance Pension Tax Statements for 2016/17. The Section continued to work with the Fund's employer bodies to work through the complexities of providing the necessary data accurately;

- Arrangements to replace the Authority's Pension administration system were ongoing. The Board would consider an update at its next meeting which would include details regarding the outcome of the tender exercise, the process by which the new provider's performance would be measured and the contract termination arrangements should the system's performance become a concern.

RESOLVED:

That the report be noted.

32. Record Keeping- Data Improvement (Monthly Posting)

The Board considered a report of the Director of Corporate Resources which provided information relating to the Pension Sections data keeping and intended improvements in how it obtained and managed its information. A copy of the report, marked '7', is filed with these minutes.

The Director reported that one such improvement would be the request for employee pension data, information used to calculate members annual benefit statements and future benefits, to be sent to the Pension Section by the Fund's employing bodies on a monthly basis rather than annually which would enable data queries to be identified and resolved more efficiently.

RESOLVED:

That the report be noted.

33. Risk Management and Internal Controls.

The Director of Corporate Resources presented a report, the purpose of which was to detail concerns relating to the risk management and internal controls of the Fund in relation to its administration. A copy of the report is filed with these minutes, marked '8'.

The Director reported that the Leicestershire Fund managed its own risks and presented a register of the associated risks annually to the Board as recommended under the Regulator's Code of Practice. He added that risks were scored based on impact and likelihood, with risks which accumulated a combined score of 15 or more being escalated within the Council for further investigation. All pension risks were currently scored below 15.

RESOLVED:

That the report be noted.

34. Local Government Pension Scheme Complaints Procedure.

The Board considered a report of the Director of Corporate Resources which Informed members of the arrangements in place to manage formal complaints made by members of the fund concerning its administration. A copy of the report marked '9' is filed with these minutes.

The Board recognised the good work of the Pension Section to resolve the majority of complaints informally, resulting in only a small number of complaints against the Authority having to be escalated to formal Dispute Resolution Procedures.

RESOLVED:

That the report be noted.

35. Brewster Ruling.

The Director of Corporate Resources presented a report concerning a recent ruling by the Supreme Court regarding access to a deceased members Northern Ireland Local Government Pension Scheme (LGPS) pension by a co-habiting partner and the subsequent implications for the administration of the Leicestershire Pension Fund. A copy of the report marked '10' is filed with these minutes.

The Director reported that the claimant, Ms Brewster, had originally been denied access to her co – habiting partner's Northern Ireland LGPS Pension due to the absence of a completed nomination form however the court ruled that Ms Brewster had been wrongfully discriminated against and a completed nomination form was not required for married or civil partner survivors.

Following the Brewster ruling the Department for Communities and Local Government had issued a letter dated 17 August 2017 concerning the implications on the England and Wales LGPS. The Leicestershire Pension Fund acted on this and subsequently identified one outstanding case which had now been settled. The Board noted that whilst the ruling had concluded there was no legal requirement for a co-habiting nomination form to be completed, the Pensions Section would continue to encourage fund members to do so for administration purposes.

RESOLVED:

That the report be noted.

36. Date of next meeting.

Monday 12 March 2018 at 9.30am.

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LOCAL PENSION BOARD

12 MARCH 2018

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

**PENSION FUND ADMINISTRATION REPORT – OCTOBER TO DECEMBER 2017
QUARTER**

Purpose of the Report

1. The purpose of this report is to inform the Board of relevant issues in the administration of Fund benefits, including the performance of the Pensions Section against its Performance Indicators.

Background

2. The Pensions Section is responsible for the administration of Local Government Pension Scheme benefits of the Leicestershire Pension Fund's 90,000 members.

Performance Indicators

3. Attached as an appendix to this report are the performance indicators for the Pensions Section, which form part of the Section's Service Plan and have been agreed by the Director of Finance. These indicators are split into 2 broad categories – how quickly processes are carried out and how customers feel they have been kept informed and treated by staff.

Performance of Pensions Section

4. The results for the October to December 2017 quarter are detailed within the Appendix. Customer satisfaction remains good and overall performance figures remain positive in the quarter.

Administration

5. General Workloads

The tables show the position in five key work areas, October to December.

October 2017

Area	Cases completed in the period	Remaining cases at the end of the period	KPI Maximum - cases at the end of the period
Preserved benefits	289	819	900
Aggregations	226	225	1000
Interfunds in	19	181	150
Retirements	377	464	500
Deaths	46	85	100

November 2017

Area	Cases completed in the period	Remaining cases at the end of the period	KPI Maximum - cases at the end of the period
Preserved benefits	292	711	800
Aggregations	77	555	650
Interfunds in	48	191	150
Retirements	374	475	500
Deaths	76	76	100

December 2017

Area	Cases completed in the period	Remaining cases at the end of the period	KPI Maximum - cases at the end of the period
Preserved benefits	261	650	750
Aggregations	132	576	450
Interfunds in	38	209	150
Retirements	345	488	600
Deaths	54	85	100

6. The main point to note is;

- The delayed new starter interfaces from the County and City were run in December 2017 and January 2018. This has significantly increased the aggregation cases. As at the 31 January 2018 the number of remaining cases was 855. The KPI target for aggregations at the 31 January 2018 is 300. The Pension Section is recruiting for a temporary Pension Assistant to work primarily on aggregations.

GMP reconciliation

7. The work on the national GMP reconciliation exercise continues. After working for 40 years in the Pension Section the member of staff working on this project retires in March 2018. Her replacement has been recruited from within the Pension Section and both colleagues are working together to guarantee a successful handover of the project.

The current position for the GMP project is detailed in the table below;

Membership Type	Cases with Pensions	Cases with HMRC	Stalemate Cases*
Pensioner and Preserved	523	276	0
Active	31,542	0	0

*After investigation by the Fund and HMRC the case cannot be resolved.

Recommendation

8. It is recommended that the Board notes the report.

Equality and Human Rights Implications

None specific

Appendix

Quarterly Results – October to December 2017

Officers to Contact

Ian Howe – Pensions Manager - telephone (0116) 305 6945

Chris Tambini – Director of Finance - telephone (0116) 305 6199

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LOCAL PENSION BOARD

12 MARCH 2018

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

LOCAL PENSION BOARD MEMBERS – KNOWLEDGE AND UNDERSTANDING (TRAINING UPDATE)

Purpose of the Report

1. The purpose of this report is to provide the Local Pension Board with an update on training sessions which have been provided to members of the Board.

Background

2. Members of the Local Pension Board are aware that in April 2015 governance rules were introduced which meant there was a requirement for pension schemes to have a Local Pension Board.
3. There is a requirement for members of the Board to have a working knowledge of the scheme's regulations, relevant policy documents, a sufficient understanding of the law relating to pensions and any other matters which are prescribed in regulations in order to enable the member to properly exercise their function as a member of the Board.
4. The Pension Regulator developed an e-learning programme, 'the public service toolkit on-line learning', and Board members have been recommended to complete this in order to gain a better knowledge and understanding.
5. To further assist Board members with their knowledge and understanding, additional training sessions have been provided by officers covering a variety of relevant areas.
6. The Pensions Manager records member training on the training log which has been attached as an appendix.
7. Some members of the Board have attended Local Government Association Board Member training. These events have taken place over three days.

Recommendation

8. The Board is asked to note the report.

Equality and Human Rights Implications

9. None specific

Appendix

Training log as at 31 January 2018.

Officers to Contact

Ian Howe – Pensions Manager - telephone (0116) 305 6945

Chris Tambini – Director of Finance - telephone (0116) 305 6199

APPENDIX A

LOCAL PENSION BOARD – TRAINING LOG (January 2018)

Topic	Good level of Knowledge & Understanding	Date Report or Presentation/Training Provided
Background to Legislative Framework		
Key provisions of the Public Service Pensions Act 2013	✓	Training 14/12/15
Overview of roles and responsibilities associated with the Local Government Pension Scheme	✓	Training 14/12/15, Training 16/6/16, 4/12/2017
Roles and Responsibilities of the Local Pension Board		
Assisting the Scheme Manager – governance and administration	✓	Report 19/6/15, Training 9/12/15
Potential conflicts of interest	✓	Each meeting
Reporting of breaches	✓	Report 9/10/15, Report 3/10/16
Knowledge and understanding	✓	Report 14/12/15, Training 16/6/16
Roles and Responsibilities of the Scheme Manager		
Pension Regulations	✓ (some)	Presentation 19/6/15, Training 8/2/2016
Legislation	✓ (some)	Training 9/12/15
Calculation and payment of benefits	✓	Presentation 19/6/15 (further training agreed), Training 8/2/16
Annual Benefit Statements	✓	Report 9/10/15, Report 14/12/15
Discretions	✓	Training 7/11/16
Internal dispute resolution (stage 1,2, TPAS, Ombudsman)	✓	Training 16/6/16
Record keeping	✓	Training 7/11/16
Internal controls and risk management	✓	Report 9/10/15, Report 3/10/16
Reporting of breaches	✓	Report 9/10/15, Report 3/10/16
Administration of Local Pension Board	✓	Training 8/2/16

Managing potential conflicts of interest	✓	Training 8/2/16
Admission Bodies – Bonds/Guarantees	✓	Discussed at the Local Pension Board meeting 16/6/16, Training 7/11/16
<u>Topic</u>	Good level of Knowledge & Understanding	Date Report or Training Provided
Roles and Responsibilities of the Scheme Employers		
Providing pension information to the administering authority	✓	Report 4/3/2016, Report 16/6/16
Year-end	✓	Report 4/3/2016, Report 16/6/16
Automatic enrolment	✓	Training 7/11/16
Deduction and payment of contributions	✓	Training 7/11/16
Internal dispute resolution (stage 1)	✓	Training 16/6/16 (further training required in roles and responsibilities for scheme employers)
Roles of Advisers and Other Key Persons / Bodies		
Officers of the Authority	✓	Training 16/6/16, 4/12/17
Auditors	✓	Training 16/6/16, 4/12/17
National Scheme Advisory Board	✓	Training 16/6/16, 4/12/17
Department for Communities and Local Government	✓	Training 16/6/16, 4/12/17
Local Government Association	✓	Training 16/6/16, 4/12/17
Pensions Advisory Service	✓	Training 16/6/16, 4/12/17
Pensions Ombudsman	✓	Training 16/6/16, 4/12/17
The Pensions Regulator	✓	Report 9/10/15, Training 9/12/15, Training 16/6/16, 4/12/17
Additional Voluntary Contribution (AVC) Provider - Prudential	✓	Report and training 8/12/16, 4/12/17
Investments		
Actuarial Valuation	✓	Pension Board Meeting – to hear

		from the Pension Fund Actuary 26/2/2016
Different Asset Classes	✓	Training 14/12/15
Decision-making process	✓	Training 14/12/15
Risk vs. Reward	✓	Training 14/12/15
LGPS Asset Pooling	✓	Training 14/12/15

Summary of Events/Training

19 June 2015 - Reports

Role of the Local Board

External audit plan

Internal audit arrangements

Quarterly administration report (introduction)

19 June – Presentation

Introduction to Pensions

9 October 2015 – Reports

Quarterly administration report (annual benefit statements, partnership working)

Managing pension section workloads

Joint administration and communication strategy

Reporting breaches of the law to The Pension Regulator

Risk register

13 November 2015 – Pension Board Reports

Invited to attend the Pension Board (investments)

9 December 2015 – Training

Governance regulations

TPR

Statutory deadlines

Pension taxation

14 December 2015 – Reports and Training

Quarterly administration report (exit cap, GMP rec and valuation)

Annual benefit statements

Board members – knowledge and understanding

Local pension board and Local pension committee – key roles and responsibilities (training item)

8 February 2016

Administration of Local Pension Boards, Managing potential conflicts of interest (training item – M Hand)

State scheme changes, GMPs and GMP reconciliation

26 February 2016

Invited to attend the Pension Board – Pension Fund Actuary, Year-end and the Actuarial Valuation

16 June 2016

Roles of advisers and other key persons/bodies (including the Pension Ombudsman – IDRPs)

LGA Trustee Training event details (3 days split over Oct, Nov, Dec 2016) Ms D Stobbs, Ms D Haller, Ms A Severn-Morrell

3 October 2016 – Reports

Risk management and internal controls

Pension fund governance and administration

7 November 2016 – Training

Record keeping

Deduction and payment of contributions

Automatic enrolment

Admission bodies – bonds and guarantors

Discretions

8 December 2016 – Reports and Training

Additional Voluntary Contributions (AVCs) - Prudential

13 March 2017 – Training

Service Plan; system tender, IConnect, GMP rec, SLA

12 June 2017 – Report

Year End and statutory deadlines

18 September 2017 – Reports and Training

Record keeping

Pension Taxation – Annual and Lifetime Allowance

4 December 2017 – Training

Roles of advisers and other key persons/bodies

LGA Trustee Training event details (3 days split over Oct, Nov, Dec 2017) Cllr Jennings, Cllr Bedford

IH 31/01/2018



LOCAL PENSION BOARD

12 MARCH 2018

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

ADMINISTRATION AND COMMUNICATION STRATEGY REVIEW

Purpose of the Report

1. The purpose of this report is to inform the Board about proposed changes to the Pension Funds Administration and Communication strategy.

Background

2. The Local Government Pension Scheme Regulations 2013 requires the Pension Section to have an Administration and Communication strategy.
3. The Pension Sections current version was implemented in April 2016. Following some pension administrative changes at both national and local level a review of the Fund's strategy has been undertaken.
4. The aim of the administration element of the strategy is to set out the quality and performance standards expected of Leicestershire County Council in its role as administering authority and the Fund's employer responsibilities.
5. The communication strategy element details how the Pension Section communicates with a number of different parties including scheme members and employers.
6. At the end of the strategy document it includes the Pension Section's performance targets and service level agreement. This section is especially important as it details timescales to be achieved by the Pension Section and Fund employers with potential financial implications if these are not achieved.

Changes to the Current Version

7. There are three key changes to the 2016 version.

Administrative charges to members

8. Whilst the Pension Section has charged scheme members for divorce calculations for a number of years and additional estimates since April 2017,

these charges have not been incorporated into the strategy document. For completeness the charges for 2018/2019 are included.

9. The Strategy allows for future increases to the charges, linked to annual CPI rises.

General Data Protection Regulations

10. The General Data Protection Regulations (GDPR) come into force in May 2018. The administering authority and employers are both deemed “data controllers” under GDPR so there is no requirement for data sharing requirements to be in place. However, there will be a requirement for certain documents to be available; privacy statement, fair processing notice and memorandum of understanding document for employers. Documents are being produced at a national level for Local Government Pension Funds and are expected to be available by the end of March. Once these are available it is proposed to include these as an appendix to the strategy before it is sent to employers for consultation.

IConnect – Monthly Posting

11. The administering authority is extremely keen to continue the very positive work already taking place with employers on the implementation of monthly postings. This is not mandatory, but the Funds data improvement plan is a Pensions Regulator requirement, and to achieve this monthly posting is a key requirement.

Consultation

12. Under the regulations a consultation exercise is required with employers before the strategy can be finalised.
13. The Pension Section will send all the Fund’s employers a bulletin introducing the revised version, explaining that there is a four week consultation for comments. These comments will then be considered and incorporated where necessary. A final version will be brought back to the Local Board for approval.
14. The regulations do not make it mandatory for employers to sign up to the strategy, but as with previous versions, employers are invited and encouraged to do so.

Recommendation

15. It is recommended that the Board notes the revised Administration and Communication Strategy for consultation.

Equal Opportunities Implications

16. None specific

Appendix

Joint Pensions Administration and Communication Strategy

Officers to Contact

Ian Howe – Pensions Manager –telephone (0116) 305 6945

Chris Tambini – Director of Finance - telephone (0116) 305 6199

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Leicestershire Local Government Pension Scheme

Joint Administration and Communication Strategy

Sections

1. Administration Strategy
2. Communication Strategy
- 3. General Data Protection Regulations (GDPR)**
4. Performance Targets
5. Service Level Agreements

This document details two strategies, the administration and communication strategies for Leicestershire Local Government Pension Scheme.

It also details the Pension Section performance targets and service level agreement for the Scheme's employers.

It is already in place with a number of the employers in the Leicestershire Fund but this revised version incorporates administration charges, General Data Protection Regulations (GDPR) applicable from May 2018 and IConnect monthly posting.

These changes are detailed on pages; 15, 17, 18, 21, 27 and 31.

SECTION 1

ADMINISTRATION STRATEGY

INTRODUCTION

An administration strategy, as allowed for by the Local Government Pension Scheme, is seen as one of the tools which can help in delivering a high quality administration service to the scheme member and other interested parties. Delivery of a high quality administration service is not the responsibility of one person or organisation, but is rather the joint working of a number of different parties.

This is the pension administration strategy statement of the Leicestershire County Council Pension Fund (LCCPF), administered by Leicestershire County Council (the administering authority). Employers in the Leicestershire Pension Fund have been consulted on regarding this document.

The strategy statement sets out the quality and performance standards expected of Leicestershire County Council in its role of administering authority and scheme employer, as well as all other scheme employers within the Leicestershire Fund. It seeks to promote good working relationships, improve efficiency and enforce quality amongst the scheme employers and the administering authority.

BACKGROUND

The LGPS represents a significant benefit to scheme members. Much of the success in promoting the scheme amongst scheme members and ensuring a high quality service delivery depends upon the relationship between the administering authority and scheme employers in the day to day administration of the scheme. Good quality administration can also help in the overall promotion of the scheme and remind or alert employees to the value of the LGPS, thereby helping with recruitment, retention and motivation of employees.

The Fund comprises over 180 scheme employers with active members, and approximately 90,000 scheme members in relation to the Local Government Pension Scheme (LGPS). The efficient delivery of the benefits of the LGPS is dependent on sound administrative procedures being in place between a number of interested parties, including the administering authority and scheme employers.

IMPLEMENTATION

The strategy statement has been in place since 1 April 2016 with a number of the Fund employers. **This amended version provides changes to the original document.** This strategy statement sets out the expected levels of performance of both the administering authority and the scheme employers within the Leicestershire Fund, as well as details on how

performance levels will be monitored and the action that might be taken where persistent failure occurs.

Any enquiries in relation to this pension administration strategy statement should be sent to:

Ian Howe - Pension Manager

Leicestershire County Council Pension Fund

County Hall

Glenfield

Leicester LE3 8RB

ian.howe@leics.gov.uk

Telephone: 0116 305 6945

REGULATORY FRAMEWORK

The implementation of an Administration Strategy has regulatory backing in the form of the Local Government Pension Scheme Regulations 2013. These provide the conditions and regulatory guidance surrounding the production and implementation of an Administration Strategy.

Regulation 59(1) enables an LGPS administering authority to prepare a document ("the pension administration strategy") which contains such of the matters mentioned below as they consider appropriate:-

- Procedures for liaison and communication with their relevant employing authorities.
- The establishment of levels of performance which the administering authority and the relevant employing authorities are expected to achieve in carrying out their functions under the LGPS by-
 - (i) the setting of performance targets;
 - (ii) the making of agreements about levels of performance and associated matters;
or
 - (iii) such other means as the administering authority consider appropriate;
- Procedures which aim to secure that the administering authority and the relevant employing authorities comply with the statutory requirements in respect of those functions and with any agreement about levels of performance.
- Procedures for improving the communication by the administering authority and the relevant employing authorities to each other of information relating to those functions.
- The circumstances in which the administering authority may consider giving written notice to a relevant employing authority on account of that employer's unsatisfactory performance in carrying out its functions under these Regulations when measured against levels of performance.
- Such other matters as appear to the administering authority to be suitable for inclusion in that strategy.

In addition, regulation 59(6) of the Administration Regulations also requires that, where a pension administration strategy is produced, a copy is issued to each of their relevant employing authorities as well as to the Secretary of State. Similarly, when the strategy is revised at any future time the administering authority (after say a material change to any policies contained within the strategy) must notify all of its relevant employing authorities and also the Secretary of State.

It is a requirement that, in preparing or revising any pension administration strategy, that the administering authority must consult its relevant employing authorities and such other persons

as it considers appropriate. A consultation took place with the Fund's employers in 2016 and following feedback changes were incorporated. **A further consultation is required for the revised version.** Regard must be had by both the administering authority and employing authorities to the current version of any pension administration strategy when carrying out their functions under the LGPS Regulations.

In addition, regulation 70 of the Administration Regulations allows an administering authority to recover additional costs from a scheme employer where, in its opinion, they are directly related to the poor performance of that scheme employer. Where this situation arises the administering authority is required to give written notice to the scheme employer, setting out the reasons for believing that additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.

The following strategy statement, therefore, sets out the information required in accordance with regulation 59(1) and forms the basis of the day to day relationship between Leicestershire County Council as the administering authority and the employing authorities of the Leicestershire Pension Fund. It also sets out the circumstances under regulation 70 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.

Leicestershire Local Pension Board

Pension governance rules introduced Pension Boards from April 2015.

The Leicestershire Local Pension Board is a statutory committee of the County Council appointed to assist the County Council, as administering authority, in securing compliance with legislation and any requirements imposed by The Pensions Regulator. It also assists in ensuring effective and efficient governance and administration of the scheme.

RESPONSIBILITIES AND PROCEDURES

Procedures for liaison and communication with employers

The delivery of a high quality administration service is not the responsibility of just the administering authority, but depends on the joint working of the administering authority with a number of individuals in different organisations to ensure scheme members, and other interested parties, receive the appropriate level of service or ensure that statutory requirements are met.

Where new employers join the Fund or existing employers require assistance understanding their role and responsibilities guidance will be provided.

The previous strategy statement 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. **The proposed changes will also require consultation with employers.**

Establishing levels of performance

Performance standards

The LGPS prescribes that certain decisions be taken by either the administering authority or the scheme employer, in relation to the rights and entitlements of individual scheme members. In order to meet these obligations in a timely and accurate manner, and also to comply with overriding disclosure requirements, the Leicestershire Pension Fund should agree levels of performance between itself and the scheme employers which are set out in the service level agreement included in this strategy statement.

Quality

Overriding legislation

In carrying out their roles and responsibilities in relation to the administration of the Local Government Pension Scheme the administering authority and scheme employers will, as a minimum, comply with overriding legislation, including:

- Pensions Act 1995 and associated disclosure legislation;
- Freedom of Information Act 2000;
- Age Discrimination Act 2006;
- Data Protection Act 1998 and General Data Protection Regulations from May 2018;
- Disability Discrimination Act 1995;
- Finance Act 2004; and
- Health and Safety legislation.

Where agreed, the administering authority and scheme employers will comply with local standards which go beyond the minimum requirements set out in overriding legislation. Such best practice standards are outlined in the section on timeliness set out below.

Internal standards

The administering authority and scheme employers will ensure that all functions/tasks are carried out to agreed quality standards. In this respect the standards to be met are:

- compliance with all requirements set out in the on line employer procedural guide;
- work to be completed in the required format and/or on the appropriate forms contained within the on line employer procedural guide;
- **monthly data will be submitted by employers to the Pension Fund using IConnect wherever possible;**
- information to be legible and accurate;
- communications to be in a plain language style
- information provided to be checked for accuracy by an appropriately trained member of staff;
- information provided to be authorised by an agreed signatory; and
- actions carried out, or information provided, within the timescales set out in this strategy document.

Timeliness and accuracy

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the scheme. The scheme itself sets out a number of requirements for the administering authority or scheme employers to provide information to each other, scheme members and prospective scheme members, dependants, other pension arrangements or other regulatory bodies. Locally agreed performance standards have been proposed which cover all aspects of the administration of the scheme, where appropriate going beyond the overriding legislative requirements. These locally agreed standards for the Leicestershire Pension Fund are attached to this strategy.

For the avoidance of doubt "accuracy" in this Strategy is defined as when we have received a completed form with no gaps in mandatory areas and with no information which is either contradictory within the document or which we need to query.

The timeliness relates to a date of event being either the date the member started or left the LCCPF or any other material change that affects a scheme member's pension record.

Procedures for ensuring compliance with statutory requirements and levels of performance

Ensuring compliance is the responsibility of the administering authority and scheme employers. We will work closely with all scheme employers to ensure compliance with all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, or in this Administration Strategy. We will also work with employers to ensure that overall quality and timeliness is continually improved. Various means will be

employed, in order to ensure such compliance and service improvement, seeking views from as wide an audience as possible. These include:

Audit

The Leicestershire Pension Fund will be subject to annual audit of its processes and internal controls. The Leicestershire Pension Fund and scheme employers will be expected to fully comply with any requests for information from both internal and approved external auditors. Any subsequent recommendations made will be considered by Leicestershire County Council and where appropriate duly implemented (following discussions with scheme employers where necessary).

Performance monitoring

The Employing Authority may monitor performance against specific tasks set out in the service level agreement and return the information to the Leicestershire County Council Pension Section on an agreed basis.

Leicestershire County Council will monitor its own performance of the administering authority in carrying out its responsibilities in relation to the scheme.

Improving employer performance (where necessary)

The Pension Section will seek, at the earliest opportunity, to work closely with employers in identifying any areas of poor performance, provide the opportunity for necessary training and development and put in place appropriate processes to improve the level of service delivery in the future.

Where persistent and ongoing failure occurs and no improvement is demonstrated by an employer, and /or unwillingness is shown by the employer to resolve the identified issue, the following sets out the steps we will take in dealing with the situation in the first instance;

- LCC Pensions will contact and/or meet with the employer to discuss the area(s) of poor performance and how they can be addressed.
- Where no improvement has been demonstrated by the employer, or where there has been a failure to take agreed action by the employer, LCC Pensions will issue a formal written notice to the employer setting out the area(s) of poor performance that has been identified, the steps taken to resolve those area(s) and giving notice that the additional costs may now be reclaimed.

- LCC Pensions will clearly set out the calculations of any loss or additional costs resulting to the LCCPF/Administering authority, taking account of time and resources in resolving the specific area of poor performance; and
- LCCPF make a claim against the scheme employer, setting out the reasons for doing so, in accordance with the Regulations.

CIRCUMSTANCES WHERE THE ADMINISTERING AUTHORITY MAY LEVY COSTS ASSOCIATED WITH THE EMPLOYING AUTHORITIES POOR PERFORMANCE

Regulation 70 of the Local Government Pension Scheme Regulations 2013 provides that an administering authority may recover from an employing authority any additional costs associated with the administration of the scheme incurred as a result of the poor level of performance of that employing authority. Where an administering authority wishes to recover any such additional costs they must give written notice stating:-

- The reasons in their opinion that the scheme employer's poor performance contributed to the additional cost;
- The amount of the additional cost incurred;
- The basis on how the additional cost was calculated; and
- The provisions of the pension administration strategy relevant to the decision to give notice.

CIRCUMSTANCES WHERE COSTS MIGHT BE RECOVERED

Any additional costs to the Leicestershire Pension Fund in the administration of the LGPS that are incurred as a direct result of poor performance will be recovered from the scheme employer or third party service provider, depending on the party which is responsible. The circumstances where such additional costs will be recovered from the employing authority are:

- persistent failure to provide relevant information to the administering authority, scheme member or other interested party in accordance with specified performance targets (either as a result of timeliness of delivery or quality of information);
- failure to pass relevant information to the scheme member or potential members, either due to poor quality or not meeting the agreed timescales outlined in the performance targets;

- failure to deduct and pay over correct employee and employer contributions to the Leicestershire Fund within the stated timescales;
- instances where the performance of the scheme employer results in fines being levied against the administering authority by the Pension Regulator, Pensions Ombudsman or other regulatory body.

CALCULATION OF COSTS INCURRED

For a persistent failure to resolve an isolated case satisfactorily the Fund will recharge costs from the point in time at which we write a formal letter to the scheme employer until the case is resolved, at a rate of £50 for each hour an officer spends trying to resolve the matter.

For persistent and ongoing failure to meet targets, following the intervention to assist the employer concerned, the Fund will recharge the additional costs due to the employer's poor performance at the rate of £50 per hour spent, from the point in time that the formal letter was sent, until performance improves.

Where the performance of the scheme employer results in fines or additional costs being levied against the Fund will recharge the full costs it has incurred to the relevant employer.

REVIEW PROCESS

We will review our administration strategy to ensure it remains up to date and meets the necessary regulatory requirements at least every two years.

CONSULTATION

In preparing the original administration strategy the Pension Section consulted with the relevant employing authorities and other persons considered appropriate. **A new consultation will take place on the proposed changes to the original document.**

Once finalised the relevant employing authorities will be notified in writing of the final changes and where a copy of the revised strategy may be obtained.

SECTION 2

COMMUNICATION STRATEGY

INTRODUCTION

This is the Communications Policy Statement of the Leicestershire County Council Pension Fund.

The Fund liaises with over 180 employers and approximately 90,000 scheme members in relation to the Local Government Pension Scheme. The delivery of the benefits involves communication with a number of other interested parties. This statement provides an overview of how we communicate and how we measure whether our communications are successful.

The communication strategy has been in place since 1 April 2016 with a number of the Fund employers. **This amended version provides changes to the original document.** Any enquiries in relation to this Communication Policy Statement should be sent to:

Pensions Manager
Leicestershire County Council
County Hall
Glenfield
Leicester, LE3 8RB

REGULATORY FRAMEWORK

This policy statement is required by the provisions of Regulation 61 of the Local Government Pension Scheme Regulations 2013. The provision requires us to:

"....prepare, maintain and publish a written statement setting out their policy concerning communications with:

- (a) members;*
- (b) representatives of Members;*
- (c) prospective Members;*
- (d) employing Authorities."*

In addition it specifies that the statement must include information relating to:

- "(a) the provision of information and publicity about the Scheme to members, representatives of members and employing authorities;*
- (b) the format, frequency and method of distributing such information or publicity; and*

(c) the promotion of the Scheme to prospective members and their employing authorities."

Responsibilities and Resources

Within the County Council's Pensions Section the responsibility for communication material is performed by the Pension Manager with the assistance of one or more senior pension officers.

The team write and design all communications including any web based or electronic material. They are also responsible for arranging all forums, workshops and meetings covered within this statement. Though we write all communication within the section, all design work is carried out by the Council's publications team. We also carry out all the arrangements for forums, workshops and meetings covered within this statement.

Printing is carried out internally by the Council's printing department or externally where this is more cost effective.

COMMUNICATION WITH KEY AUDIENCE GROUPS

Our audience

We communicate with a number of stakeholders. For the purposes of this communication policy statement, we are considering our communications with the following audience groups:

- active members;
- deferred members;
- pensioner members;
- prospective members;
- employing authorities (scheme employers and admission bodies);
- union representatives;
- elected members/the Local Pension Committee/Local Pensions Board;
- media, and
- other stakeholders.

In addition there are a number of other stakeholders with whom we communicate on a regular basis, such as Her Majesty's Revenues and Customs, the Department for Communities

and Local Government, the Pensions Advisory Service, and other pension providers. We also consider as part of this policy how we communicate with these interested parties.

General communication

General day to day communication will continue to be paper based. However, we will complement this by use of electronic means such as e-mail and our information website: www.leicestershire.gov.uk/pensions.

However in accordance with County Council policy, large scale communications, such as annual statements, P60s and pension payslips will be provided electronically whenever possible. Members and pensioners can request exemption from this upon written/telephone request, and give instruction that communications continue to be paper based. It is therefore the default that annual benefit statements can be found on-line with a modeller for scheme members to run their own estimates. The Pensions Online system can be found at: www.leicestershirepensionfund.org

Branding

As the Pension Fund is administered by Leicestershire County Council, literature and communications will conform with the branding of the Council.

Accessibility

We recognise that individuals may have specific needs in relation to the format of our information or the language in which it is provided. Demand for alternative formats/languages is not high enough to allow us to prepare alternative format/language material automatically.

POLICY ON COMMUNICATION WITH ACTIVE, DEFERRED AND PENSIONER MEMBERS

Our objectives with regard to communication with members are:

- for the LGPS to be used as a tool in the attraction and retention of employees.
- to better educate and explain to members the benefits of the LGPS.
- to provide more opportunities for face to face communication.
- as a result of improved communication, for queries and complaints to be reduced.
- for our employers to be employers of choice.
- to improve the take up of the LGPS by employees.
- to reassure stakeholders.

Our objectives will be met by providing the following communications, which are over and above individual communications with members (for example, the notifications of scheme benefits or responses to individual queries). The communications are explained in more detail beneath the table:

Type	Media	Frequency	Method of Distribution	Audience Group (Active, Deferred, Pensioner or All)
Membership Form with cover letter "F" (Auto enrolment compliant)	Paper based	On commencing employment	Issued via employer	New employees
Pension Fund Report and Accounts	Paper and on Pensions website	Annually	Paper copies can be requested	All
Annual Benefit Illustrations	Generally on-line but paper still available	Annually	On-line or posted to home address.	Active and Deferred
Information about the Scheme	On Pensions website	n/a	n/a	All
Face to face education sessions and presentations	Face to face	On request by employers/member group (subject to available resource)	On request	Actives and employers

Explanation of communications

Membership form – Introductory guidance providing an overview of the LGPS. Including how much it costs, the retirement and death benefits and how to access further information from the website. Letter F provides details that are compliant with auto-enrolment disclosure and also how a member can obtain an opt out form.

Pension Fund Report and Accounts – Details of the value of the Pension Fund during the financial year, income and expenditure as well as other related details, for example, the current employing authorities and scheme membership numbers.

Annual Benefit Illustrations – For active members these include the current value of benefits. The associated death benefits are also shown and whether the member has nominated person(s) to receive the lump sum death grant. In relation to deferred members, the benefit statement includes the current value of the benefit.

Website – The LCC has a designated Leicestershire County Council Pensions information website www.leicestershire.gov.uk/pensions this is complemented by a national Local Government Pension Scheme website freely available <https://www.lgpsmember.org/> which will provide scheme specific information, frequently asked questions and answers, links to related sites etc.

Pensions Online – Members and pensioners have access to online pension accounts to view and print annual statements, P60s, payslips. Members can also run their own estimates on-line. This can be found at www.leicestershirepensionfund.org

Face to face education sessions and presentations – These are sessions that are available on request for groups of members. For example, where an employer is going through a restructuring or review, it may be beneficial for the employees to understand the impact any pay reduction may have on their pension rights or a general overview of the scheme is requested.

Administration Charges - The Pension Section can charge scheme members for certain divorce work and multiple member estimates. The charge is to cover administration time spent on these cases. The Pension Regulator Code of Practice 14 Governance and Administration of Public Service proposed that it is permissible under Disclosure Regulation that additional information can be made available at a charge.

Work Item	Charge
Divorce – Initial CETV	No charge
Divorce – Additional CETV within 12 months	As required, charged at £150 plus VAT
Divorce – Provision of other information	As required, charged between £150 and £725 plus VAT
Divorce – Receipt of pension sharing order or consent order and to establish a new or prospective pensioner record	As required, charged at £475 plus VAT
Divorce – Assuming all documents are in place, settle a transfer out	As required, charged at £250 plus VAT
Estimate - Additional Member Initiated Estimate (within 12 months)	Annual Benefit Statement – no charge One additional written estimate within 12 months – no charge On-line estimates – no charge Additional estimates charged at £100 each plus VAT

The charges may be amended each year in line with inflationary changes.

POLICY ON PROMOTION OF THE SCHEME TO PROSPECTIVE MEMBERS AND THEIR EMPLOYING AUTHORITIES

Our objectives with regard to communication with prospective members are:

- to improve take up of the LGPS.
- for the LGPS to be used as a tool in the attraction of employees.

As we, in the County Council's Pension Section, do not have direct access to prospective members, we will work in partnership with the employing authorities in the Fund to meet these objectives. We will do this by providing the following communications:

Method	Media	Frequency	Method of Distribution	Audience Group
Membership Form with cover letter "F" (Auto enrolment compliant)	Paper based	On commencing employment	Issued via employer	New employees

POLICY ON COMMUNICATION WITH EMPLOYING AUTHORITIES

Our objectives with regard to communication with employers are:

- to strengthen relationships.
- to assist employers understand their role and responsibilities.
- to assist employers in understanding costs/funding issues.
- to work together to maintain timely and accurate data.
- to provide a secure way to transfer data to the Fund on a monthly basis.
- to ensure smooth transfers of staff.
- to ensure they understand the benefits of being an LGPS employer.
- to assist them in making the most of the discretionary areas within the LGPS.

Our objectives will be met by providing the following communications:

Method	Media	Frequency	Method of Distribution	Audience Group
Employers' Guide	Pensions website	At joining and updated as necessary	www.leicestershire.gov.uk/pensions	Main contact for all employers
Bulletins	Electronic (e-mail)	When required	E-mail	All contacts for all employers
Valuation meeting	Face to face	Tri- Annually	Invitations by e-mail/post	All contacts for all employers
Pension Fund Report and Accounts	Paper based and on Pensions website	Annually	Post	Main contact for all employers
Meeting with Managers	Face to face	On request	Invitations by post or email	Senior management involved in funding and HR issues.
IConnect	On-line secure website	Monthly data submissions	On-line secure transfer of data – IConnect	Main data submission route for all current and new employers

Explanation of communications

Employers' Guide - A detailed guide that provides guidance on the employer responsibilities including the forms and other necessary communications with the Pension Section and scheme members.

Bulletins – A technical briefing that will include recent changes to the scheme, the way the Pension Section is run and other relevant information so as to keep employers fully up to date.

Valuation meeting – A formal seminar style event with a number of speakers covering topical LGPS issues.

Pension Fund Report and Accounts – Details of the value of the Pension Fund during the financial year, income and expenditure as well as other related details, for example, the current employing authorities and scheme membership numbers.

Manager meeting – Gives employers the opportunity to discuss their involvement in the scheme with Pension staff.

IConnect – Provides a secure route for employers to submit their monthly pension data to the Pension Section. There are two solutions available depending on the size of scheme membership at the employer.

POLICY ON COMMUNICATION WITH UNION REPRESENTATIVES

Union representatives sit on the Local Pension Board.

Our objectives with regard to communication with union representatives are:

- to foster close working relationships in communicating the benefits of the scheme to their members
- to ensure they are aware of the Pension Scheme regulations
- to engage in discussions over the future of the scheme
- to provide opportunities to educate union representatives on the provisions of the scheme benefits

Our objectives will be met by providing the following communications:

Method	Media	Frequency	Method of Distribution	Audience Group
Face to face education sessions	Face to face	When Local Pension Board meetings and as and when required	Face to face or via the Local Government Employers organisation	All members of the Local Pension Board
Local Pension Board meetings	Meeting	Quarterly or as required	Attendees of the Board	All

Explanation of communications

Face to face education sessions – these are education sessions that are available on request for union representatives on the Local Pension Board, for example to improve their understanding of the basic principles of the scheme, or to explain possible changes to policies.

Local Pension Board meetings – a formal committee of the County Council, consisting of elected members and employee representatives, attended by senior managers, at which pension administration issues are discussed.

POLICY ON COMMUNICATION WITH ELECTED MEMBERS

Elected Members sit on both the Local Pension Board and Local Pension Committee.

Our objectives with regard to communication with elected members:

- to ensure they are aware of their responsibilities in relation to the scheme
- to seek their approval to the development or amendment of discretionary policies, where required
- to seek their approval to formal responses to government consultation in relation to the scheme

Our objectives will be met by providing the following communications:

Method	Media	Frequency	Method of Distribution	Audience Group
Face to face education sessions	Face to face	When Local Pension Board and Local Pension Committee meet and as and when required	Face to face or via the Local Government Employers organisation	All members of the Pension Boards
Local Pension Board and Local Pension Committee Meetings	Meeting	Quarterly or as required	Attendees of the Boards	All

Explanation of communications

Training Sessions – that provide a broad overview of the main provisions of the LGPS, and elected member's responsibilities within it.

Local Pension Board and Local Pension Committee meetings - formal meetings of the County Council, consisting of elected members, union representatives [Local Pension Board], attended by senior managers.

POLICY ON COMMUNICATION WITH OTHER STAKEHOLDERS/INTERESTED PARTIES

Our objectives with regard to communication with other stakeholder/interested parties are:

- to meet our obligations under various legislative requirements
- to ensure the proper administration of the scheme
- to deal with the resolution of pension disputes
- to administer the Fund's AVC scheme

Our objectives will be met by providing the following communications:

Method	Media	Frequency	Method of Distribution	Audience Group
Pension Fund valuation reports	Hard copy	Every three years	Post	Department for Communities and Local Government (DCLG)/Her Majesty's Revenues and Customs (HMRC)/all scheme employers
Formal resolution of pension disputes	Hard copy or electronic	As and when a dispute requires resolution	Via email or post	Scheme member or their representatives, the Pensions Advisory Service/the Pensions Ombudsman
Completion of questionnaires	Electronic or hard copy	As and when required	Via email or post	DCLG/HMRC/the Pensions Regulator

Explanation of communications

Pension Fund Valuation Reports – a report issued every three years setting out the estimated assets and liabilities of the Fund as a whole, as well as setting out individual employer contribution rates for a three year period commencing one year from the valuation date

Resolution of pension disputes – a formal notification of pension dispute resolution, together with any additional correspondence relating to the dispute

Completion of questionnaires – various questionnaires that may be received, requesting specific information in relation to the structure of the LGPS or the make up of the Fund

SECTION 3

GENERAL DATA PROTECTION REGULATIONS (GDPR)

In May 2018 the General Data Protection Regulations (GDPR) comes into force.

The Pension Section is following Leicestershire County Council's corporate plan in dealing with this. The regulations are designed to protect scheme member's data.

The Pension Section and employers are both deemed data controllers so there is no requirement for a data sharing agreement to be in place; i.e. there is no legal requirement for employers to have a data sharing agreement.

There is a requirement for a number of statements to be available and these are being prepared nationally at this time. Documents include;

- **Privacy statement**
- **Memorandum of understanding for employers**
- **Fair processing notice**

Once these are available they will be included as an appendix to the strategy

These documents will be available on the Pension Sections website before GDPR becomes live in May 2018.

The Pension Section will incorporate GDPR into information provided to scheme members.

SECTION 4

PERFORMANCE TARGETS

So as to measure the success of our communications with active, deferred and pensioner members, we will use the following key performance indicators:

Timeliness

We will aim to meet the following target delivery timescales:

Communication	Audience	Target delivery period
Benefit Statements as at 31 March	Active members	31 August each year
Pension Saving Statements as at 31 March	Active members who breach the Annual Allowance pension growth tax threshold	6 October each year
Issue of retirement benefits	Active members retiring	92% of retirement benefits to be issued within 10 working days of receiving all the necessary information.
Payment of pension benefits	Active members retiring	92% paid within 10 working days of receiving election.
Notification of death related benefits	Dependants of scheme members	90% within 10 days of death notification paperwork.

Customer experience

Feedback media	Perspective	Target
Paper questionnaire issued	Establish members understanding of information provided – rated at least mainly ok or clear	95%
Paper questionnaire issued	Experience of dealing with Section – rated at least good or excellent	95%
Paper questionnaire issued	Establish members thoughts on the amount of info provided – rated as about right	92%
Paper questionnaire issued	Establish the way members are treated – rated as polite or extremely polite	97%
Email survey	Rated as understandable (good or above)	95%
Email survey	Detail of content (good or above)	92%
Email survey	Timeliness of response (good or above)	92%

Results

Full details will be reported to our Local Pension Board and will be available for viewing on our website.

REVIEW PROCESS

We will review the performance targets annually.

SECTION 5

SERVICE LEVEL AGREEMENTS**BY THE ADMINISTERING AUTHORITY**

Function / Task	Performance target
LIAISON AND COMMUNICATION	
Publish and keep under review the Leicestershire Pension Fund administration strategy	Within one month of any changes being agreed with scheme employers
Keep up to date the web based Employer's guide	Continual process
Issue and keep up to date all forms required for completion by either scheme members, prospective scheme members or scheme employers	30 working days from admission of new employer or date of change/amendment
Formulate and publish policies in relation to all areas where the administering authority may exercise a discretion within the scheme	Within 30 working days of policy being agreed by the related Board
Deliver training sessions for scheme employers	Upon request from scheme employers, or as required
Notify scheme employers and scheme members of changes to the scheme rules	Within 30 working days of the change(s) coming into effect
Notify scheme employer of issues relating to scheme employer's poor performance (including arranging meeting if required)	Within 10 working days of performance issue becoming apparent
Notify scheme employer of decision to recover additional costs associated with the scheme employer's poor performance (including any interest that may be due)	Within 10 working days of scheme employer failure to improve performance, as agreed
Issue annual benefit statements to active members as at 31 March each year	By the following 31 August
Issue pension saving statements to active members who breach the Annual Allowance pension growth tax threshold as at 31 March each year	By the following 6 October
Issue annual benefit statements to deferred benefit members as at 31 March each year	By the following 31 August

FUND ADMINISTRATION	
Issue formal valuation results (including individual employer details)	10 working days from receipt of results from fund actuary (but in any event no later than 31 March following the valuation date)
Carry out interim valuation exercise on cessation of admission agreements or scheme employer ceasing participation in the Leicestershire Pension Fund	Upon each cessation or occasion where a scheme employer ceases participation on the Leicestershire Pension Fund
Arrange for the setting up of separate admission agreement funds, where required (including the allocation of assets and notification to the Secretary of State)	Within 3 months of agreement to set up such funds
All new prospective admitted bodies to undertake, to the satisfaction of the Leicestershire Pension Fund, a risk assessment of the level or bond required in order to protect other scheme employers participating in the pension fund	To be completed before the body can be admitted to the Leicestershire Pension Fund
All admitted bodies to undertake a review of the level of bond or indemnity required to protect the other scheme employers participating in the fund	Annually, or such other period as may be agreed with the administering authority
Publish, and keep under review, the fund's governance policy statement	Within 30 working days of policy being agreed by the relevant Board
Publish and keep under review the Pension Fund's funding strategy statement	To be reviewed at each triennial valuation, following consultation with scheme employers and the fund's actuary. Revised statement to be issued with the final valuation report

Publish the Pension Fund annual report and any report from the auditor	By 31 December following the year end
SCHEME ADMINISTRATION	
Make all necessary decisions in relation to a scheme member and issue combined statutory notification to new scheme member (including aggregation of previous LGPS membership)	1 month from receipt of all necessary information
Provide responses to scheme members/scheme employers/personal representatives/dependents and other authorised persons	10 days from receipt of all necessary information
Provide transfer-in quote to scheme member	1 month from receipt of all necessary information
Confirm transfer-in payment and membership change to scheme member	10 days from receipt of all necessary information
Arrange for the transfer of scheme member additional voluntary contributions into in-house arrangement	10 days from receipt of all necessary information
Calculate cost of additional pension contributions, and notify scheme member	1 month from receipt of all necessary information
Notify scheme employer of scheme member's election to pay/cease/amend additional pension contributions and/or additional voluntary contributions	10 days from receipt of all necessary information
Provide requested estimates of benefits to employees / employers including any additional fund costs in relation to early payment of benefits from ill health, flexible retirement, redundancy or business efficiency	1 month from receipt of all necessary information
Notify leavers of deferred benefit entitlements	Within 2 months of receipt of all necessary information
Provide details of estimated Transfers Out	Within 1 month of receipt of all necessary information
Payment of Transfers Out	10 working days of receipt of all necessary information
Notify retiring employees of options, enclosing appropriate forms	10 working days of receipt of all necessary information KPI

Payment of retirement Lump Sum and pension	Lump sum -10 working days of receipt of all necessary information after retirement Pension – Paid in the next available pay run, thereafter the last banking day of each month KPI
Death notifications – issue initial letter requesting certificates	5 working days following notification of death
Notification of survivor benefits	10 working days of receipt of all necessary information KPI
Appoint stage 2 “appointed person” for the purposes of the pension dispute process and notify all scheme employers of the appointment	Within 30 working days following the resignation of the current “appointed person”
Process all stage 2 pension dispute applications	Within two months of receipt of the application, or such longer time as is required to process the application where further information or clarification is required.
Publish and keep under review the Leicestershire Pension Fund policy on the abatement of pension on re-employment	Notify scheme employers and publish policy within one month of any changes or revisions to the policy
Load employers monthly data received via IConnect	Within 1 month of receiving all the necessary information.

BY THE SCHEME EMPLOYER

Function / Task	Performance Target
LIAISON AND COMMUNICATION	
Formulate and publish policies in relation to all areas where the employing authority may exercise a discretion within the scheme (including providing a copy of the policy decision(s) to the Leicestershire Pension Fund	Within 30 working days of policy being formally agreed by the employer. Ideally review these annually by 30 June.
Remit and provide details of total employer/employee contributions	9 th working day of month after deduction
Respond to enquiries from administering authority	10 working days from receipt of enquiry
Provide year end information required by the Leicestershire Pension Fund for valuation purposes and for individual scheme members annual benefit statements, annual allowance and lifetime allowance calculations, in a format agreed with the Leicestershire Pension Fund	By 30th April following the year end, due to the earlier closure of the accounts.
Ensure payment of additional costs to the Leicestershire Pension Fund associated with the poor performance of the scheme employer	Within 30 working days of receipt of invoice from the Leicestershire fund
Distribute any information provided by Leicestershire Pension Fund to scheme members/potential scheme members	Within 15 days of its receipt
Notification to the Leicestershire Pension Fund (so they can liaise with actuary) of material changes to workforce/assumption related areas (e.g. restructurings/pay reviews/employer going to cease/ contracting out of services).	No later than 10 working days after material change / formal employer agreement on assumption related areas
Provide new/prospective scheme members with scheme information and new joiner forms	5 working days of commencement of employment or change in contractual conditions
Inform LCCPF of all cases where a prospective new employer or admitted body may join the fund	Notify LCCPF at least 3 months <u>before</u> the date of transfer

Function / Task	Performance Target
FUND ADMINISTRATION	
Payment of additional fund payments in relation to early payment of benefits from ill health, flexible retirement, redundancy or business efficiency retirement	Within 30 working days of receipt of invoice from the Leicestershire Pension fund / within timescales specified in each case

EMPLOYER ADMINISTRATION	
New Starter Make all necessary decisions in relation to new scheme members in the LGPS (whether full or part time, pensionable pay, appropriate contribution rate band, etc)	10 working days of scheme member joining
New Starter Provide administering authority with scheme member details on appropriate form/via electronic interface. Issue starter form to new employee.	10 working days of scheme member joining/from month end of joining
Pension Contributions Arrange for the correct deduction of employee contributions from a scheme members pensionable pay on becoming a scheme member	Immediately on joining the scheme, opting in or change in circumstances
Pension Contributions Ensure correct employee contribution rate is applied and arrange for reassessment of employee contribution rate in line with employer's policy	Immediately upon commencing scheme membership, reviewed as per policy
Pension Contributions Ensure correct rate of employer contribution is applied	Immediately following confirmation from the administering authority of appropriate employer contribution rate
Pension Contributions Ensure correct deduction of pension contributions during any period of child related leave, trade dispute or other forms of leave of absence from duty	Immediately, following receipt of election from scheme member to make the necessary pension contributions

<p>Pension Contributions Commence/amend/cease deductions of additional regular contributions</p>	<p>Commence/amend in month following election to pay contributions or notification received from administering authority, cease immediately following receipt of election from scheme member</p>
<p>Pension Contributions Arrange for the deduction of AVCs and payment over of contributions to AVC provider(s)</p>	<p>Commence deduction of AVCs in month following the month of election Pay over contributions to the AVC provider(s) by the 19th of the month following the month of election</p>
<p>Pension Contributions Refund any employee contributions when employees opt out of the pension scheme before 3 months</p>	<p>Month following month of opt out</p>
<p>Pension Contributions Cease deduction of employee contributions where a scheme member opts to leave the scheme</p>	<p>Month following month of election, or such later date specified by the scheme member</p>
<p>End of year Send a completed end of year detailed contribution spreadsheet used for valuation purposes and for individual scheme members annual benefit statements, annual allowance and lifetime allowance calculations, in a format agreed with the Leicestershire Pension Fund</p>	<p>By 30th April following the year end, due to the earlier closure of the accounts.</p>
<p>Monthly Pensions Return Provide administering authority with a monthly pension return using the secure online facility IConnect.</p>	<p>By the 15th of the following month.</p>
<p>Leavers Determine reason for leaving and provide notification to administering authority of scheme leavers</p>	<p>Within 30 days of leaving</p>
<p>Retirement Determine reason for retirement and provide notification to administering authority of retiree</p>	<p>Within 10 working days of notification of intention to retire</p>

<p>Final Pay Provide CARE and final pay information for each scheme member who requires an estimate, leaves/retires/dies and forward to Leicestershire Pension Fund on appropriate form/via electronic interface</p>	<p>Within 10 working days following date of estimate request/leaving/retirement/death</p>
<p>Employer appointments Appoint an independent medical practitioner qualified in occupational health medicine, in order to consider all ill health retirement applications and agree appointment with Leicestershire Pension Fund</p>	<p>Within one month of commencing participation in the scheme or date of resignation of existing medical adviser</p>
<p>Employer appointments Appoint person for stage 1 of the pension dispute process and provide full details to the administering authority</p>	<p>Within 30 working days following the resignation of the current "appointed person"</p>
<p>IConnect – Monthly Posting* Submit pension data via the secure IConnect employer self-service module</p>	<p>By the end of the following month</p>

***Monthly submission of pension data for the LGPS is not mandatory however; The Pension Regulators requirement for data improvement plans is a governance requirement. The Leicestershire Funds data improvement plan requires receipt of accurate and timely data from employers via monthly data submissions.**

The Pension Manager is extremely keen to continue the positive implementation of monthly postings using IConnect with all current and new employers, completing this by April 2020. This is designed to assist both employers and the Pension Section manage the year-end process, but ultimately benefits scheme members who will be able to view their most timely and accurate pension data, using the member self-service online system.



**SERVICE LEVEL AGREEMENT
PENSIONS ADMINISTRATION - 2018**

Following a consultation period, this service level agreement has been produced by the Leicestershire County Council as the administering authority for the Leicestershire County Council Pension Fund

It is an agreement between the Leicestershire County Council and participating bodies in the Leicestershire County Council Pension Fund.

It is understood that the Administering authority shall monitor the requirements of this agreement and report its findings to the Local Pension Board.

It is hereby agreed that each of the parties as defined in this agreement and the scheme regulations shall abide by the requirements of this agreement.

Signed by the parties hereto:

Employer

.....
Name

.....
Signature **Date**

Leicestershire County Council Pension Section

.....
Name

.....
Signature **Date**

Please return to:

By post: The Pensions Manager
Leicestershire County Council, County Hall, Glenfield
Leicester, LE3 8RB

By email: please scan to carol.haywood@leics.gov.uk

Your signed agreement will then be counter signed by The Pensions Manager and returned to you to add to your file.



LOCAL PENSION BOARD

12 MARCH 2018

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

RECORD KEEPING - DATA IMPROVEMENT PLAN

Purpose of the Report

1. The purpose of this report is to inform the Board of the data improvement plan within the Pension Section.

Background

2. At the Pension Board meeting on the 4 December 2017 the Board was presented a report titled Record Keeping – Data Improvement (Monthly Posting), in response to The Pension Regulator’s focus on pension record keeping and data improvement.
3. The report, identified monthly posting as an area where improvements could be made in order to ensure the timely receipt of accurate data from employers
4. The report detailed the phased implementation of monthly posting as being the most significant data improvement for the Pension Section which was set out in the Fund’s data improvement plan.

Monthly Postings

5. Monthly postings have started for a small number of employers with a number of other employers developing the necessary payroll extract in order to run the process. The position as of 31 January 2018 is detailed in the appendix.
6. Monthly posting provides a number of benefits;
 - The Pension Section receives more timely data
 - Data queries are identified more quickly and resolved more easily
 - Significant data errors will not be received by the Pension Section as the system will not allow employers to submit certain flawed data
 - Data accuracy is improved and maintained more easily on the pension system
 - Scheme members running their own on-line calculations will be able to access more timely and accurate data

- Data available for benefit calculations e.g. retirements, deaths, leavers will be more timely and accurate
- Employers will receive data queries throughout the year in a much more timely manner, reducing the significant volume of work at year-end
- The Pension Section is able to manage the year-end process more easily, by spreading the data queries over 12 months
- The Pension Section is meeting The Pension Regulators requirement for data improvement.

Data

7. The Pension Regulator has instructed pension administrators to measure, record and improve certain data fields. These are split into two main categories (common data and conditional data) but the conditional data differs between active members and preserved/pensioners members;

Common Data

- National insurance number
- Surname
- Sex
- Expected retirement date
- Last status event (e.g. the date a member moved from active to pensioner)
- Address
- Postcode
- Date of birth
- First name or initials
- Date pensionable service started
- Active, deferred or pensioner (or dependant)

Conditional Data (Active members)

- Employer
- Contributions
- Pre 2014 pay
- Career average revalued earnings (CARE) pay
- Date of last annual benefit statement
- GMP
- Monthly or annual posted data

Conditional Data (Preserved and Pensioner members)

- Employer
- Date of leaving
- Reason for leaving
- Pension increase date

- GMP
 - Current pension value with pensions increase
 - Date pension paid (pensioners only)
8. The common and conditional data checks will be run annually after completion of the annual benefit statements and pension taxation saving statements have been completed. The Pension Section will monitor the scores for each field, including whether data has been received monthly or annually, and the results will be presented to the Board at a meeting towards the end of 2018.

Recommendation

9. It is recommended that the Board notes the report.

Appendix

Monthly posting position 31 January 2018

Background Papers

Pension Board Report - 4 December 2017 - Record Keeping - Data Improvement (monthly posting)

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Equality and Human Rights Implications

None specific.

Officers to Contact

Ian Howe – Pensions Manager - telephone (0116) 305 6945

Chris Tambini – Director of Finance - telephone (0116) 305 6199

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APPENDIX B

IConnect Implementation position - as at 31 January 2018

Employer Contacted	Number of Active Members	Payroll Provider	Estimated Go Live Date	Comments
Local Government Pension Scheme				
Braunstone TC	14	Not known	Live	Live
Countesthorpe PC	10	Not known	Live	Live
Thurmaston PC	12	Not known	Live	Live
Oadby and Wigston	133	EMSS	Live	Live
Leics Fire Civilians	127	EMSS	Live	Live
Charnwood	453	Midland HR (iTrent)	Apr-18	Dummy data loaded
Loughborough University	1150	Midland HR (iTrent)	During 2018-19	Dummy data produced
Blaby	289	Midland HR (iTrent) - tbc	Data check being completed	Dummy data produced
Lough College	340	Not known	During 2018-19	Dummy data produced
Stephenson College/ Stephenson Studio School	146	Not known	Not known	Spec sent to employer
DMU	1271	SAP	During 2018-19	Spec sent to employer
Lutterworth Academies Trust	76	Not known	Not known	Spec sent to employer
Leicester City Council	9000	SAFE	Project plan being developed (SAFE)	Spec sent to employer
Hinckley and Bosworth	317	Not known	Not known	Spec sent to employer
Dataplan Fund ers (various incl Mowbray Ed Trust)	307	Dataplan	Not known	Dummy data produced
Brooksby Melton College	196	Not known	Not known	Spec sent to employer
Leicester College	607	Not known	Not known	Spec sent to employer
NWLDC	516	Midland HR (iTrent)	Not known	Spec sent to employer
Wreake Valley Academy	47	Not known	Not known	Spec sent to employer
Leics Constabulary	1374	Selima - tbc	Not known	Spec sent to employer
Humphrey Perkins	40	Not known	Not known	Spec sent to employer
ESPO	252	EMSS	Apr-18	Dummy data produced
Fire-fighter pension scheme				
Derbyshire Firefighters	590	Midland HR (iTrent)	Apr-18	Dummy data produced
Nottinghamshire Firefighters	655	Midland HR (iTrent)	Not known	Dummy data produced
Leicestershire Firefighters	499	EMSS	April 2018, backdated to April 2017	Dummy data loaded

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LOCAL PENSION BOARD

12 MARCH 2018

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

GENERAL DATA PROTECTION REGULATIONS

Purpose of the Report

1. The purpose of this report is to inform the Board of the forthcoming General Data Protection Regulations.

Background

2. On the 25 May 2018 the European Union will introduce the General Data Protection Regulations (GDPR). Many of the GDPR concepts and principles are the same as the current Data Protection Act however there are some new elements and enhancements.
3. GDPR deals principally with data security and ensuring data is only held and used for the purposes it is required for.
4. As part of the Council's overall GDPR project, the Pension Section is reviewing its practices to ensure it complies with the new regulations.

GDPR and Leicestershire

5. In terms of GDPR, Leicestershire County Council, as the administering authority of the Leicestershire Pension Fund, is a data controller, meaning it is responsible for determining the purposes and means of processing the personal data it holds in order to manage member's pensions. All the Funds other employing bodies are deemed data controllers so there is no need for data sharing arrangements to be in place.
6. Because the Pension Section has a statutory duty to administer the Leicestershire Local Government Pension Scheme it does not require member consent to hold and process their data. However, GDPR places greater emphasis on the documentation the Pension Section must keep too demonstrate its accountability. In preparation, the Pension Section has produced a draft Fair Processing Notice (the notice), a copy of which is attached as Appendix A.

7. The notice, which the section is currently reviewing, lists all the organisations the Pension Section may share member data with.
8. The notice will become available for all scheme members so they are aware their data may be shared with these organisations in order for the Pension Section to meet its statutory administrative function.
9. GDPR also requires the Pension Section to detail how long member data is held. The Pension Section already has a retention policy. This is attached as Appendix B.
10. Nationally the Local Government Association is working on GDPR to assist administering authorities and employers. It is expected that a template privacy notice and memorandum of understanding document for employing bodies will be available in late March. A further report will be considered by the Board at a future meeting once all the information is available.
11. If a data breach occurs Leicestershire County Council will report this to the Information Commissioners Office.

Implementation

12. In order to ensure that scheme members are fully aware of GDPR and the Council's responsibilities and commitment to handle their data securely, the Council is developing an area of its pension's website where a final version of the notice will be published. A copy will also be available to view on the Authority's main website.
13. Amendments will also be made to the member new starter form and welcome letter to include the relevant information and guidance on how members can view the notice.

Recommendation

14. It is recommended that the Board notes the report.

Appendices

Appendix A – Draft Fair Processing Notice
Appendix B – Retention schedule

Equality and Human Rights Implications

None specific

Officers to Contact

Ian Howe – Pensions Manager - telephone (0116) 305 6945
Chris Tambini – Director of Finance - telephone (0116) 305 6199

Fair Processing Notice

This notice tells you (the Data Subject) about the processing of your data by Leicestershire County Council (the Data Controller).

We are processing your data for the performance of a contract. Your information will be kept securely and will be used in accordance with the Data Protection Act 1998 (*will need updating to GDPR in May 2018*) for the purposes of the administration, management and provision of Local Government Pension Services.

In addition your data is also used for the provision of an online pension service. If you have registered for this service, you will have provided your email address, which is held to allow notifications to be sent to you when updates have been made to your pension record, for example, when your annual pension statement is added.

Who we will share your information with:

We may disclose your personal information to any of our employees, officers, agents, suppliers or subcontractors, as is reasonably necessary for the purposes set out in this privacy notice

In addition, where it is necessary, we may disclose your personal information to the following organisations:

- a. The Dept for Work and Pensions (for prevention/detection of fraud)
- b. Other Local Government Pension Funds (for statutory reasons, i.e. where an automatic transfer of pension benefits from another local authority applies, or, in the event that a death grant has become payable, other local government pension funds would need to be aware of this as it may impact on any payments due from their fund.)
- c. Faraday Tracing Bureau (for the purposes of mortality screening)
- d. Hymans Robertson (Pension scheme actuaries, for statutory pension fund valuation exercises and TUPE transfers)
- e. Club Vita, a subsidiary of Hymans Robertson (for the purposes of assessing mortality data)
- f. KPMG, External Auditors (for the provision of an external audit of pension administration and data quality)
- g. Prudential and Standard Life (for administration of the Fund's in-house additional voluntary contributions, AVCs)

and as necessary *

Where your information/data will be stored or transferred to

We will store your information on secure servers in the UK. It will not be stored, processed or transferred outside of the EEA

Security of your personal information

We will take reasonable technical and organisational measures to prevent the loss, misuse or alteration of your personal information.

How long we will keep your information for

Current Pension Scheme Members:

A pension record will be held until six years have elapsed after the final payment of pension benefits has been made (i.e. the pension member dies), or if applicable, the final payment of pension benefits made to any subsequent surviving dependent (e.g. widow) member.

Former Pension Scheme Members:

This refers to members who have left and received a refund of pension contributions or have transferred to another pension fund. Records will be held until one year has passed after the member attains state pension age. This is to enable the pension section to deal with any subsequent enquiries that may be received, for example, enquiries from former members trying to trace their pension.

Your rights

You may request to see a copy of personal information we hold about you. Provision of such information may be subject to the supply of appropriate evidence of your identity. We may withhold personal information to the extent permitted by law.

The law provides you with other rights regarding your information including some around: requesting rectification of inaccurate data; erasure of personal data; objection to or restriction of processing; data portability

If you wish to exercise your rights, or if you would like to withdraw your consent (below), please contact:

Leicestershire County Council Pension Section,
County Hall,
Glenfield,
Leicester.
LE3 8RB

Tel: 0116 305 6944

Email: pensions@leics.gov.uk

Please let us know if at any time your information needs to be updated.

If you are unhappy or need to contact Leicestershire County Council's Data Protection Officer, please write to:

Policy and Assurance Team,
Corporate Resources,
Leicestershire County Council,
County Hall,
Glenfield,
Leics.
LE3 8TG

You also have the right to lodge a complaint with the supervisory authority. Should you wish to do so you can contact :

The Information Commissioners Office,
Wycliffe House,
Water Lane,
Wilmslow,
Cheshire.
SK9 5AF

Telephone: 0303 123 1113 (local rate) or 01625 545 745 (national rate)

Website: www.ico.org.uk

***Footnote**

- to the extent that we are required to do so by law;
- in connection with any ongoing or prospective legal proceedings;
- in order to establish, exercise or defend our legal rights (including providing information to others for the purposes of fraud prevention and reducing credit risk);
- to any person who we reasonably believe may apply to a court or other competent authority for disclosure of that personal information where, in our reasonable opinion, such court or authority would be reasonably likely to order disclosure of that personal information

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LCC Retention Schedule -Corporate Resources (CR)

APPENDIX B

Pensions				Personal Data?	Retention Trigger	Retention Period	Disposal Action /Method	Authority	Owner (Normally head of service)	Access Restricted	Any other notes
<i>Pensions Admin</i>	Set	Sub-set	Description / Scope Notes								
ref number (leave blank)	Pensions	Ex-scheme members (no further pension liability)	Documents, both paper and electronic, such as birth certificates and marital status details that were needed to enable accurate pension benefit calculations to be performed.	yes	Starts at the date a member became a member of the LGPS	1 year following an ex-scheme member attaining their State Retirement age	destroy	Business Need	Ian Howe Pensions Manager	yes	Previous scheme members can request details of their previous scheme membership. Enquiries can also be received from HMRC as well as the DWP pensions tracing service.
ref number (leave blank)	Pensions	Current scheme members	Numerous electronic documents, such as birth certificates and marital status details that are needed to enable accurate pension benefit calculations to be performed.	yes	Starts at the date a member becomes a member of the LGPS	6 years following the final monthly pension and/or dependants payment being paid to a scheme member.	destroy	Business Need	Ian Howe Pensions Manager	yes	Solicitors and executors can request details of deceased members' scheme benefits for tax reasons and estate purposes. Enquiries can also be received from HMRC.

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LOCAL PENSION BOARD

12 MARCH 2018

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

RISK MANAGEMENT AND INTERNAL CONTROLS

Purpose of the Report

1. To inform the Board of the current Pensions risk register.

Background

2. At each of its meetings the Local Pension Board considers a report concerning risk management and internal controls as stipulated in the Pension Regulators Code of Practice.
3. The Leicestershire Fund already manages risk and this is recorded as a risk register. The risk register is regularly reviewed by officers and presented to the Board annually as recommended under the Regulators Code of Practice. The latest version of the Pensions Risk register is attached as an appendix.
4. Internal and external audits highlight pension risks allowing the Pensions Manager to remedy these as necessary.
5. The Local Pension Committee approved all investment elements of the risk register on 10 November 2017. The attached includes these and the latest administration risks.

Identified Risks

6. Risks on the risk register are scored based on impact and likelihood. There are two scores included for each risk. The first score is before any further actions and additional controls are added, and the second score is after these changes.
7. Any risks with a total score of 15 or over are escalated within Leicestershire County Council. All pension risks are below currently below 15.

Recommendation

8. It is recommended that the Board notes the report.

Appendix

Appendix – Pensions Risk Register November 2017.

Officers to Contact

Ian Howe – Pensions Manager - telephone (0116) 305 6945

Chris Tambini – Director of Finance - telephone (0116) 305 6199

APPENDIX – Pensions Risk Register December 2017

Pensions																
R i s k n o e	S e r v i c e	Risk	Causes (s)	Consequences (s)	Risk Owner	List of current controls	I	L	Current Risk Score	Risk Response; <i>Tolerate</i> <i>Treat</i> <i>Terminate</i> <i>Transfer</i>	Further Actions / Additional Controls	I	L	Residual Risk Score	Action owner	
1	Pensions	If we fail to reconcile HRMC GMP data with the Pension Section data there is a risk of overpayment of Pensions Increase	Government changes to end contracting out legislation. Contracting out ended April 2016. Between 2015 and December 2018 Pensions need to reconcile GMP data. From 2018 we take responsibility for GMPs so we need to ensure we pay Pensions Increase. (e.g. no GMP means we pay full PI and if there is a GMP we pay less PI)	Overpaying pensions Reputation	Ian Howe	Checking of HMRC GMP data to identify any discrepancies	3	3	9	Treat	Working through cases Developed reporting tools to assist Recruitment taking place for a full time person to join the project	3	2	6	Ian Howe	Managed at Service level
2	Pensions	If we fail to implement a pension administration system the Pension Section will fail to deliver its statutory duties for both LGPS and the 3 Fire Authorities	The current pensions administration system contract ends in April 2019	Failure of the Pension Section Unable to meet statutory requirements Manual calculations Huge increase in administration time causing delays Increased appeals	Ian Howe	Currently use a successful pension administration system Currently use a separate member self-service facility	5	2	10	Treat	Tender document completed Working in partnership with another Fund Working closely with internal IT, ESPO, internal audit and others	5	1	5	Ian Howe	Managed at Service level

3	Pensions	If we fail to meet the service requirements of the three Fire Authorities we may lose their business	Changes in legislation on the Firefighters pension scheme has significantly increased the scheme's complexity. Only limited knowledge in the Section in this area.	Reputation Potential loss of business	Ian Howe	Quarterly meetings take place with the Fire Authorities to resolve issues Membership of the Midlands Fire Officer Group enables us to identify and resolve issues early Resource on the team increased SLA and contracts produced	3	2	6	Treat	Continue to monitor and develop improvements to work processes, guiding all three Fire Authorities to similar processes and decisions (where possible). Set up a joint pension board for the 3 Fire Authorities	2	2	4	Ian Howe	Managed at Service level
4	Pensions	If we fail to receive accurate and timely data from employers scheme members pension benefits could be incorrect or late	A continuing increase in Fund employers is causing administrative pressure in the Pension Section. This is in terms of receiving accurate and timely data from these new employers who have little or no pension knowledge	Late or inaccurate pension benefits to scheme members Reputation Increased appeals Greater administrative time being spent on individual calculations	Ian Howe	Training provided for new employers Guidance notes provided for employers Communication and administration guide provided to employers	3	3	9	Treat	Implement IConnect with employers so they provide monthly data in a secure and timely manner Review the SLA and communication and administration guide (for IConnect)	2	2	4	Ian Howe	Man
5	Investments	If employer and employee contributions are not paid accurately and on time	Error on the part of the scheme employer	Potentially reportable to The Pensions Regulator as late payment is a breach of The Pensions Act	Colin Pratt	Receipt of contributions is monitored and late payments are chased quickly	2	4	8	Treat	Late payers will be reminded of their legal responsibilities.	2	3	6	Colin Pratt	Managed at Service level

6	I n v s	If assets held by the Fund are ultimately insufficient to pay benefits due to individual members	Ineffective setting of employer contribution rates over many consecutive actuarial valuations	Significant financial impact on scheme employers due to the need for large increases in employer contribution rates.	Chris Tambini/ Colin Pratt	Input into actuarial valuation, including ensuring that actuarial assumptions are reasonable and the manner in which employer contribution rates are set does not bring imprudent future financial risk	5	2	10	Treat	Actuarial assumptions need to include an element of prudence, and Officers need to understand the long-term impact and risks involved with taking short-term views to artificially manage employer contribution rates	4	2	8	Chris Tambini/ Colin Pratt	Managed at Service level
7	P e n s / I n v s	If the sub-funds of Community Admission Bodies were not monitored to ensure that there is the correct balance between risks to the Fund and fair treatment of the employer	Changing financial position of both sub-fund and the employer	Significant financial impact on employing bodies due to need for large increases in employer contribution rates, which may ultimately lead to insolvency and a deficit that has to be met by the Fund.	Ian Howe/ Colin Pratt	Ensuring, as far as possible, that the financial position of Community Admission Bodies is understood. On-going dialogue with them to ensure that the correct balance between risks and fair treatment continues.	5	2	10	Treat	Dialogue with the employers, particularly in the lead up to the setting of new employer contribution rates.	3	2	6	Ian Howe/ Colin Pratt	Managed at Service level
8	I n v s	If market investment returns are consistently poor and this causes significant upward pressure onto employer contribution rates	Poor market returns, most probably caused by poor economic conditions	Significant financial impact on employing bodies due to the need for large increases in employer contribution rates	Chris Tambini/ Colin Pratt	Ensuring that strategic asset allocation is considered at least annually, and that the medium-term outlook for different asset classes is included as part of the consideration	5	2	10	Treat	Making sure that the investment strategy is sufficiently flexible to take account of opportunities and risks that arise, but is still based on a reasonable medium-term assessment of future returns	4	2	8	Chris Tambini/ Colin Pratt	Managed at service level
9	I n v s	If market returns are acceptable but the performance achieved by the Fund is below reasonable	Poor performance of individual managers, or poor asset allocation policy	Opportunity cost in terms of lost investment returns, which is possible even if	Chris Tambini/ Colin Pratt	Ensuring that the causes of underperformance are understood and acted	3	3	9	Treat	After careful consideration, take decisive action where this is deemed appropriate. It should be	2	2	4	Chris Tambini/ Colin Pratt	Managed at service level

		expectations		actual returns are higher than those allowed for within the actuarial valuation		on where appropriate					recognised that some managers have a style-bias and that poor performance will happen on occasions.					
10	I n v s	Failure to take account of ALL risks to future investment returns within the setting of asset allocation policy and/or the appointment of investment managers	Some assets classes or individual investments perform poorly as a result of incorrect assessment of all risks inherent within the investment.	Opportunity cost within investment returns, and potential for actual returns to be low. This will lead to higher employer contribution rates than would otherwise have been necessary.	Chris Tambini/ Colin Pratt	Ensuring that all factors that may impact onto investment returns are taken into account when setting asset allocation policy. Only appointing investment managers that integrate responsible investment into their processes, and ensuring that managers take a holistic view on the risks associated with the investments they make on behalf of the Fund.	3	3	9	Treat	Responsible investment aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns	2	2	4	Chris Tambini/ Colin Pratt	Managed at service level
11	I n v s	Investment pooling within the LGPS fails to deliver a higher long term net investment return	LGPS Central fails deliver better net investment returns than the Fund would have expected to achieve if investment pooling did not occur	Lower returns will ultimately lead to higher employer contribution rates than would otherwise have been the case	Chris Tambini/ Colin Pratt	Shareholders' Forum, Joint Committee and Practitioners' Advisory Forum will give significant influence in the event of issues arising.	3	3	9	Treat	Set-up of LGPS Central likely to most difficult phase, and Fund will continue to monitor closely how the company evolves	2	2	4	Chris Tambini/ Colin Pratt	Managed at service level
12	I n v s	Investment decisions are made without having sufficient expertise to properly assess the risks and potential returns	The combination of knowledge at Committee, Officer and Consultant level is not sufficiently high	Poor decisions likely to lead to low returns and higher employer contribution rates	Chris Tambini/ Colin Pratt	Continuing focus on ensuring that there is sufficient expertise to be able to make thoughtfully considered investment decisions	3	3	9	Treat	On-going process of updating and improving the knowledge of everybody involved in the decision-making process	2	2	4	Chris Tambini/ Colin Pratt	Managed at service level

By virtue of paragraph(s) 3, 10 of Part 1 of Schedule 12A of the Local Government Act 1972.

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