

Report for: Pension Board

Date of Meeting:	8 July 2021
Subject:	Pensions Administration Update to 31 March 2021
Responsible Officer:	Dawn Calvert – Director of Finance and Assurance
Exempt:	No
Wards affected:	Not applicable
Enclosures:	Appendix 1: Pension Administration Performance Monitoring to 31 March 2021

Section 1 – Summary and Recommendations

This report summarises the performance of the Pensions Administration team for the quarter ended 31 March 2021.

Recommendations:

The Board is requested to note the report.

Section 2 – Report

1. Monitoring the service performance of the Fund is a key responsibility of the Board. The Board has been monitoring comparative pensions administration indicators since June 2017. This report provides information on performance to 31 March 2021.
2. The Pensions administration performance statistics measured against the national benchmarks for the Quarter to 31 March 2021 are set out in Appendix 1. The Board is invited to comment on this performance.
3. Table 1 below sets out the membership of the Pension Fund in the current year to 31 March 2021, with previous years to 31 March as a

comparator. The percentage of active members in the fund is one indicator of the maturity of the fund.

	31 March 2018	31 March 2019	31 March 2020	31 March 2021
Pensioners	5,760	5,795	6,004	6,182
Deferred	7,115	6,966	7,037	6,985
Active Members	5,557	5,400	5,410	5,410
% Active Members	30.1%	29.7%	29.3%	29.1%
Total	18,432	18,161	18,451	18,577

Requirement to Report Breaches of Law

4. The Pension Board reviewed the breaches in law policy and breaches reporting procedure at its meeting on 20th September 2018.
5. There have been no known breaches of law in 2020-21 or in the current financial year to date.

Internal Disputes Cases and Complaints

6. No internal disputes or complaints have been raised since the previous report.
7. As reported to the Board's previous meeting, one complaint to the Pensions Ombudsman was received in December 2020. A response was sent to the Ombudsman in January 2021. This complaint related to a decision regarding ill health retirement taken in 2017 and followed a stage 2 appeal which was received and determined early in 2020. The Ombudsman's decision is still awaited.

Payment of Employer Contributions

8. Employer contributions are required to be paid in arrears by the 19th of each month. All employer contributions were paid on time in 2020-21 and in the year to date. Employers are contacted if payment has not been received by the due date.

Update on Legislation Changes (McCloud and Exit Cap)

9. The most recent ministerial announcement, on 13 May 2021, <https://questions-statements.parliament.uk/written-statements/detail/2021-05-13/hcws26> sets out the broad principles which the Government intends to apply in implementing the judgement in the LGPS. However, it indicates that legislation will not be implemented until 1 April 2023. Once there is some certainty regarding the structure of the new Regulations, the LGPS software providers will be able to make the necessary changes.

10. However, work has begun to validate and where necessary to collect the data from employers. To complete this task Aquila Heywood are providing additional resource and assistance to the Team.

11. As reported to the last meeting, the “Exit Cap” Regulations were repealed in February 2021, and that measures to achieve this would be implemented later in 2021. On 28th May, The Government has issued Guidance on “Special Severance payments” to the rest of the public sector. A consultation in respect of the LGPS is expected shortly.

Other Matters

12. The Pensions Team Leader, Lesley Freebody, has retired with effect from 30 June 2021. At the time of writing this report a recruitment process is underway, and we expect to be in a position to advise on a successful outcome by the time of the Board’s meeting.

Legal Implications

13. There are no direct legal implications arising from this report.

Financial Implications

14. There will be a cost of engaging Aquila Heywood to assist in the collection of employer data in readiness to implement fully the McCloud Judgement when the new Regulations become available. This cost will be met from the Pension Fund.

Risk Management Implications

15. The Pension Fund’s Risk Register is reviewed regularly by both the Pension Fund Committee and by the Board. The latest review is considered elsewhere on this agenda.

16. There are no specific risk management implications arising from this report.

Equalities implications / Public Sector Equality Duty

17. Was an Equality Impact Assessment carried out? No

18. There are no direct equalities implications arising from this report, although as the Committee is aware, the McCloud Judgement arose from a Equalities Claim against another public sector pension scheme.

Council Priorities

19. The performance of the Pension Fund directly affects the level of employer contribution which then, in turn, affects the resources available for the Council's priorities.

Section 3 - Statutory Officer Clearance

Statutory Officer: Dawn Calvert

Signed by the Chief Financial Officer

Date: 21/06/2021

Statutory Officer: Caroline Eccles

Signed on behalf of the Monitoring Officer

Date: 22/06/2021

Chief Officer: Charlie Stewart

Signed by the Corporate Director

Date: 22/06/2021

Mandatory Checks

Ward Councillors notified: Not Applicable

Section 4 - Contact Details and Background Papers

Contact: Jeremy Randall – Interim Pensions Manager

Email: Jeremy.randall@harrow.gov.uk

Telephone 020 8736 6552

Background Papers: None