

Report for: Pension Board

Date of Meeting:	6 October 2021
Subject:	Pensions Administration Update to 30 June 2021
Responsible Officer:	Dawn Calvert – Director of Finance and Assurance
Exempt:	No
Wards affected:	Not applicable
Enclosures:	Appendix 1: Pension Administration Performance Monitoring to 30 June 2021

Section 1 – Summary and Recommendations

This report summarises the performance of the Pensions Administration team for the quarter ended 30 June 2021 and updates the Board in respect of changes arising from the McCloud Judgement and the Public Sector “Exit Cap”.

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 30 June 2021.
2. The pensions administration performance statistics measured against the national benchmarks for the Quarter to 30 June 2021 are set out in Appendix 1. The comparative performance for other LGPS authorities is no longer collated centrally, hence that column has been removed from the table. 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 30 June 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.

Table 1 Pension Members to 30 June 2021				
	31 March 2019	31 March 2020	31 March 2021	30 June 2021
Pensioners	5,795	6,004	6,196	6,258
Deferred	6,966	7,037	7,033	6,992
Active Members	5,400	5,410	5,309	5,311
% Active Members	29.7%	29.3%	28.6%	28.61%
Total	18,161	18,451	18,538	18,561

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 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 have been paid on time in 2021-22 to date. Employers are contacted if payment has not been received by the due date.

Update on Legislation Changes

McCloud

9. Following the 2020 Consultation, on 13th May 2021 the Government has announced plans to implement the changes proposed in the consultation from 1 April 2023.
10. On 19 July 2021, a bill was put before Parliament amending the Public Service Pensions Act 2013 to rectify unlawful discrimination in public

service pension schemes. It is expected that draft LGPS regulations will be issued for consultation by the end of 2021.

11. Once there is some certainty regarding the structure of the new Regulations, the LGPS software providers will be able to make the necessary changes
12. As previously advised, work has begun to validate and where necessary to collect the data from employers to enable us to implement the changes. To complete this task Aquila Heywood are providing additional resource and assistance to the LBH Team.

Exit cap

13. As reported previously, the Public Sector “Exit Cap” Regulations were repealed in February 2021, and the Government announced that measures to achieve the cap’s intended outcomes would be implemented later in 2021. On 28th May, the Government issued Guidance on “Special Severance payments” to the rest of the public sector. A consultation in respect of the LGPS is awaited.

Legal Implications

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

Financial Implications

15. 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

16. The Pension Fund’s Risk Register is reviewed regularly by both the Pension Fund Committee and by the Board. The next review will be considered at the Board’s next meeting on 1st December 2021.
17. There are no specific risk management implications arising from this report.

Equalities implications / Public Sector Equality Duty

18. Was an Equality Impact Assessment carried out? No

19. 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

20. 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: 16/09/2021

Statutory Officer: Sharon Clarke

Signed on behalf of the Monitoring Officer

Date: 16/09/2021

Chief Officer: Dawn Calvert

Signed on behalf of the Corporate Director

Date: 16/09/2021

Mandatory Checks

Ward Councillors notified: Not applicable

Section 4 - Contact Details and Background Papers

Contact: Jeremy Randall – Interim Pensions Manager

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Background Papers: None