

Report for: Pensions Committee February 2017

Item number: 7

Title: Pensions Administration Report

Report

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Ward(s) affected: Not applicable

Report for Key/

Non Key Decision: Not applicable

1. Describe the issue under consideration

Pensions Administration Report.

2. Cabinet Member Introduction

Not applicable

3. Recommendations that members note:

As part of the governance of the pension fund, it is best practice to have an Administration Strategy in place. The updated draft Pensions Administration Strategy Statement is attached as appendix 1. The Pension Committee and Board are requested to consider the draft strategy before it goes out to consultation to stakeholders. The final strategy will be brought back to the Pension Committee and Board after consultation.

3.1 Recommendations that members approve:

The updated Pension Fund's Internal Dispute Resolution Procedure notes that the new 'stage one' adjudicator is the Head of Human Resources Operations. The revised procedure is attached.

3.2 Reason for decision:

The Council is obliged under the Local Government Pension Scheme Regulations 2013 to have best governance practice and meet record keeping requirements.

4. Alternative options considered

Not applicable

5. Background information:

5.1 Pensions Administration Strategy

As part of the governance of the pension fund, it is best practice to have an Administration Strategy in place. The updated draft Pensions Administration Strategy Statement is attached as appendix 1.

5.2 Late payment of Contributions

The table below provides details of the employers who have made late payments during the last quarter.

Employer	Occasions Late	Average no of days late	Average monthly contributions
Woodside	1	3	£32,113.42
Lunchtime UK	1	2	£13,249.37
Urban Futures	1	2	£3,235.83
K M Cleaning	1	9	£1,223.06

5.3 Internal Dispute Resolution Procedure

The Local Government Association have confirmed that neither they nor the Ombudsman are aware of any recent EU changes that would have an impact on the Local Government Pension Schemes Internal Dispute Resolution Procedure (IDRP).

The Pensions Act 1995 introduced the requirement for schemes to have an Internal Dispute Resolution Procedure where members of the scheme may challenge any decision taken that may affect their benefit. This formal procedure and process plays a key role in enabling the Fund to provide effective scheme governance and administration.

Since the legal requirement was introduced, the Fund has operated an IDRP working with employers to ensure a fair delivery of service to members. The Fund operates a twostage process under which Stage one is investigated by a “adjudicator” nominated by the decision maker (typically the employer) and Stage two is investigated by the Administrating Authority.

The pension section has taken this opportunity to review the process and ensure existing arrangements are still fit for purpose and operating effectively in practice. The current IDRP procedure booklet has been updated. (appendix 1). Employers will be informed of the updated procedure over the next few months and developed to reflect any feedback.

The Adjudicator for Haringey Council is the Head of HR Operations. The Stage two specified person is the Assistant Director for Corporate Governance.

6. Contribution to strategic outcomes

Not applicable

7. Statutory Officers' comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

7.1 Chief Financial Officer

There are no direct financial implications arising from this report and the accompanying Pensions Administration Strategy or Internal Dispute Resolutions Procedure.

Maintaining an appropriate and effective Pensions Administration Strategy and Internal Disputes Resolution Procedure is an important aspect of ensuring that the Pension Fund meets the various governance standards it is subject to. Maintaining these standards over the long term will provide value for money for the Pension Fund, helping to ensure that the scheme remains affordable for fund members and scheme employers.

7.2 Assistant Director of Corporate Governance

7.2.1 Under Regulation 59 of the Local Government Pension Scheme Regulations 2013 ("Regulations") the Council as administering authority may prepare a Pension Administration Strategy containing the authority's policies in relation to such of the matters mentioned in Regulation 59 (2) as it considers appropriate and, where it does so:

The administering authority must—

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

In preparing or reviewing and making revisions to the pension administration strategy, the administering authority must consult its Scheme employers and such other persons as it considers appropriate.

The administering authority must publish—

- (a) the pension administration strategy; and
- (b) where revisions are made to it, the strategy as revised.

A copy of the pension administration strategy must be sent to each of the Scheme employers and to the Secretary of State as soon as is reasonably practicable.

The administering authority and the Scheme employers must have regard to the pension administration strategy when carrying out their functions under the Regulations.

7.2.2 The dispute resolution arrangements set out in recommendation 3.2 is in accordance with the requirements of section 50 of the Pensions Act 1995 (as amended).

8. Use of Appendices

8.1 Appendix 1 Haringey Council Pensions Administration Strategy Statement (draft)

8.2 Appendix 2 Updated Internal Dispute Resolution Procedure

9. Local Government (Access to Information) Act 1985