

Report for: Pensions Committee and Board – 5 March 2024

Item number:

Title: Administration Strategy

Report

authorised by: Josephine Lyseight, Assistant Director of Finance (Deputy Section 151 Officer)

Lead Officer: Tim Mpofo, Head of Pensions and Treasury

tim.mpofo@haringey.gov.uk

Jamie Abbott, Pensions Manager

jamie.abbott@haringey.gov.uk

Ward(s) affected: N/A

Report for Key/

Non Key Decision: Not applicable

1. Describe the issue under consideration

- 1.1. Haringey Council is the designated statutory Administering Authority for the Haringey Local Government Pension Scheme (LGPS). Administering Authorities are responsible for operating the scheme in accordance with the LGPS regulations, which includes the administration of the scheme to provide pension benefits to current and former employees of Haringey Council and other employers participating in the pension scheme.
- 1.2. This report provides the Pensions Committee and Board (PCB) with a draft version of the Pension Fund's revised Administration Strategy. This report aims to ensure that the Pension Fund has an effective strategy in place to ensure that both the Administering Authority and scheme employers participating in the Fund understand and fulfil their roles and responsibilities in the Fund's administration.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended:

- 3.1. To agree that a statutory consultation be carried out on the revision to the Pensions Administration Strategy which has been included as Appendix 1 of this report.
- 3.2. To note that the revised a revised Pension Administration Strategy will be brought back to the PCB after the consultation has been concluded.

4. Reason for Decision

- 4.1. Haringey Council, in its role as the Administering Authority for the Haringey Pension Fund, may prepare, maintain, and publish written statement outline the on administrative matters in accordance with the Local Government Pension Scheme Regulations 2013. The last review of the Administration Strategy was carried out in 2021.
- 4.2. The Council has delegated the responsibility for exercising all the Council's functions as the Pension Fund's administering authority, to the Pensions Committee and Board.

5. Other options considered

- 5.1. Not applicable.

6. Background information

- 6.1. Haringey Pension Fund is administered by Haringey Council, as part of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit pension scheme for employees of local government and related organisations in the UK. The Fund, which is made up of approximately 65 scheme employers and 26,000 members, provides pension benefits in accordance with the LGPS Regulations.
- 6.2. The efficient delivery of the LGPS requires high-quality data, robust administrative processes, and strong partnerships among stakeholders. Effective management and communication are crucial for promoting the scheme and its benefits, which aids in employee recruitment, retention, and motivation. A significant challenge is ensuring members' confidence in the administration of their pension benefits in an increasingly complex scheme.
- 6.3. The Strategy aims to ensure that the Administering Authority and scheme employers understand their responsibilities to the Fund, outlining performance standards for a high-quality, cost-effective pension administration service. It promotes good working relationships, efficiency, and quality assurance, focusing on a 'digital first' approach.
- 6.4. The Strategy emphasises accountability, understanding of roles, data protection, and continuous improvement. This strategy will take effect from 1st April 2024 and will be reviewed every three years or as required by regulatory changes.
- 6.5. The key change included in the revised Strategy is the update of the Key Performance Indicators (KPIs) to align them with CIPFA Benchmarking KPIs. These KPIs will form the basis of the performance monitoring review from 1 April 2024. The rest of the Strategy remains largely the same in content, however it has been updated to make the document more concise and easier to read.
- 6.6. The table on the following page provides a summary of the CIPFA Benchmarking KPIs

Table 1 - CIPFA Benchmarking KPIs

Key performance indicator	KPI Response Time (days)	Legally Required Response Time (months)
Deaths – Initial letter acknowledgement death	5	2
Deaths – Letter notifying amount of dependant's benefit	10	2
Retirements – Letter notifying estimate of retirement benefits	15	2
Retirements – Letter notifying actual retirement benefits	15	2
Retirements – process and pay lump sum retirement grant	15	2
Deferred into pay – process and pay lump sum retirement grant	15	2
Deferment – calculate and notify deferred benefits	30	2
Transfers in – Letter detailing transfer in quote	10	2
Transfers out – Letter detailing transfer out quote	10	2
Refund – Process and pay a refund	10	2
Divorce quote – Letter detailing cash equivalent value and other benefits	45	3
Divorce settlement – Letter detailing implementation of cash equivalent value and application of pension sharing order	15	3
Joiners – Send notification of joining the LGPS to scheme member	40	2

6.7. The LGPS Regulations require any changes to the Administration Strategy to be subject to formal consultation. The consultation on the updated Administration update is currently underway and is to conclude before the end of this financial year.

7. Carbon and Climate Change

7.1. Not applicable.

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

Finance and Procurement

8.1. There are no direct finance implications to this report.

Head of Legal and Governance [Patrick Uzice, Principal Lawyer]

8.2. The Assistant Director for Legal and Governance (Monitoring Officer) has been consulted on the contents of this report. The administering authority must invest in accordance with the Investment Strategy.

8.3. It is a statutory requirement under Regulation 59 of The Local Government Pension Scheme Regulations 2013 for the Council as administering authority to have an administration strategy. That strategy must contain the matters required under that

regulation. The administering authority must consult with its Scheme employers and such other persons as it considers appropriate.

8.4. In carrying out a consultation the following principles must be adhered to:

- that consultation must be at a time when proposals are still at a formative stage;
- that the proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response;
- that adequate time must be given for consideration and response; and
- that the product of consultation must be conscientiously taken into account in finalising any statutory proposals.
- Following the consultation a further report will be brought back to the PCB for a decision on the revised administration strategy.

8.5. Following the consultation a further report will be brought forward back to the PCB for a decision on the revised administration strategy.

Equalities

9. Use of Appendices

9.1. Appendix 1: Draft Pensions Administration Strategy

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.