

Staff and Pensions Committee

9 December 2019

Pension Administration Update

Recommendation

That the Staff and Pensions Committee:

1. Approve the proposals for future reports to the Committee in relation to the Pensions Administration Service.
2. Advise officers of any other topics it wishes to be included on the Forward Plan.

1.0 Introduction

- 1.1 The Pensions Administration service has been reviewing its governance arrangements, and as part of its plans to continue to improve this aspect of the service, it is proposed that Staff and Pensions Committee has greater oversight of the governance, activity and performance of the service.
- 1.2 The purpose of this report is to seek the Committee's views on the nature of Pensions Administration business that should be included in future reports.

2.0 Background

- 2.1 The Pensions Administration team is responsible for the administration of the Local Government Pension Scheme (LGPS) for over 200 employers and more than 50,000 scheme members. It is also responsible for administering the Firefighters' pension schemes.
- 2.2 The team's operations are governed by The Pensions Regulator (TPR), and specifically by its Code of Practice 14: Governance and administration of public service pension schemes.
- 2.3 There is a statutory requirement for all Local Government Pension Scheme (LGPS) Funds to have in place a Local Pensions Board, whose role is to support the administering authority in all aspects of governance and administration, including funding and investments. The Local Pensions Board does not make decisions, but can provide advice and, where necessary, challenge, to ensure the effectiveness and efficiency of the service. Executive decisions regarding pensions administration rest with the Staff and Pensions Committee.
- 2.4 As part of ensuring ongoing compliance with the Code and continuing to improve the Pensions Administration service, it is proposed that the Staff and Pensions Committee is given greater oversight of key developments within the service. This report proposes

a number of areas where the Committee's approval would be sought in future and seeks views on any other matters which should be reported.

3.0 Proposals for Future Reports to Staff and Pensions Committee

- 3.1 Staff and Pensions Committee already receives reports and takes decisions relating to a number of pensions administration issues. These include employers joining and leaving the scheme, and updates on national developments regarding the LGPS. It is proposed that reports continue to be presented on these subjects.
- 3.2 TPR requires Pension Funds to have in place a number of key strategies and policies, and for these to be reviewed on a regular basis. It is proposed that in future these strategies and policies would be brought to Staff and Pensions Committee for approval. The Appendix sets out the strategies and policies that are required.
- 3.3 The Pensions Administration service is required to report its performance using a set of statutory Key Performance Indicators. It is proposed that these are reported to Staff and Pensions as part of a regular Pensions Administration Update report.
- 3.4 Through the Code of Practice TPR advises Funds of the developing areas that are under its consideration. At present the three developing areas are:
- Cyber risk
 - Climate change risk strategy
 - Reporting on voting and engagement activity

It is proposed that information on how the Pensions Administration service is responding to any developing areas as part of a regular Pensions Administration Update report.

- 3.5 From time to time issues will arise which require an executive decision on pensions administration. These will continue to be presented to the Committee as they occur.
- 3.6 Members are asked to consider any other areas of Pensions Administration they would wish to be reported, in order that they can be added to the Forward Plan.

4.0 Financial Implications

- 4.1 There are no financial implications associated with this report.

5.0 Environmental Implications

- 5.1 There are no direct environmental implications associated with this report. If the recommendations are approved then the future business of the committee would include approval of the Pension Fund's Environmental, Social and Governance (ESG) Policy and Climate Change Risk Strategy.

6.0 Timescales associated with the decision and next steps

- 6.1 Reports will be added to the Committee's Forward Plan based on the decisions taken on these recommendations.

7.0 Background Papers

None

	Name	Contact Information
Report Author	Liz Firmstone, Service Manager, Finance Transformation	lizfirmstone@warwickshire.gov.uk Tel: 01926 412458
Assistant Director	Richard Ennis, Assistant Director, Finance (Interim)	richardennis@warwickshire.gov.uk Tel: 01926 412442
Strategic Director	Rob Powell, Strategic Director, Resources	robpowell@warwickshire.gov.uk Tel: 01926 412045
Portfolio Holder	Councillor Kam Kaur, Portfolio Holder for Customer and Transformation	cllrkaur@warwickshire.gov.uk

The report was not circulated to members prior to publication.

Appendix: Pension Fund Required Strategies and Policies

Strategy / Policy
Breaches Policy
Communications Strategy
Conflicts of Interest Policy
Pensions Administration Strategy
Environmental, Social and Governance (ESG) Policy
Climate Change Risk Strategy
Cyber Security Policy
Admissions and Terminations Policy