

Pension Fund Committee

Meeting to be held on Friday, 23 March 2018

Electoral Division affected: (All Divisions);
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LCPF Pension Administration Strategy Statement (Appendix A refers)

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Executive Summary

Following a review by Officers of the Fund, a revised draft Pension Administration Strategy Statement (PASS) is attached at Appendix 'A' for consideration by the Committee. The draft extends the number of employer and fund performance standards to be measured and introduces charges to be levied on a scheme employer whose performance falls short of the employer performance standards.

These changes are intended to ensure best practice and compliance with the standards set by The Pension Regulator specifically in terms of data quality and the timely receipt of data.

Recommendation

The Pension Fund Committee is asked to:

1. Approve the changes to the Pension Administration Strategy Statement set out at Appendix 'A' for consultation with Fund employers.
2. Note that a further report on the outcome of the consultation will be presented to the Pension Fund Committee at its meeting on 8 June 2018.

Background and Advice

Lancashire County Council, as the administering authority of the Lancashire County Pension Fund, can exercise a number of discretions under the Local Government Pension Scheme (LGPS) Regulations.

The LGPS regulations require the Fund to keep their written discretions under review and formulate new ones as and when the scheme regulations or policy and procedural changes require them to do so.

Regulation 59 of the Local Government Pension Scheme Regulations 2013 allows the discretion for the Fund to prepare and publish, following consultation with Fund

Employers, a Pension Administration Strategy Statement (PASS). The Fund has a PASS currently in place which was last reviewed in 2014. The primary purpose of the statement is to facilitate the improvement of administrative processes in compliance with regulatory provisions and the Code of Practice No 14 as issued by the Pension Regulator.

A revised draft PASS is attached at Appendix A. The draft extends the number of employer and fund performance standards to be measured. These performance standards will be in line with any updated service level agreement changes subsequently agreed with the Local Pensions Partnership. Any changes agreed will either be at the same or an improved level.

In addition, whilst the current PASS makes reference to the circumstances where a recovery of additional costs for underperformance or late payment may occur, it does not detail a charging scale for non-compliance. As such the draft outlines the charges which the Fund will levy on a scheme employer whose performance falls short of the standards. This reflects the additional administration involved in securing payment of sums due to the Pension Fund and submission of required data and information.

To summarise the revisions in the statement will help to ensure that best practice and compliance with the standards set by the Pension Regulator specifically in terms of data quality and the timely receipt of that data are met.

Consultations

In relation to the revised PASS the Fund is required to consult its employers.

Implications:

This item has the following implications, as indicated:

Risk management

No significant risks have been identified.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Tel
N/A		

Reason for inclusion in Part II, if appropriate
N/A