



Local Pension Board

24 June 2021

Title	Review of Administration Strategy, IDRPs and Breaches Policy
Report of	Director of Finance
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A - Pensions Administration Strategy Appendix B - Internal Dispute Resolution Procedure Appendix C - Reporting of breaches to The Pensions Regulator policy
Officer Contact Details	Mark Fox, Pensions Manager – 0208 359 3341

Summary

This paper provides the Local Pension Board with the revised Pensions Administration Strategy following the transfer of administration to West Yorkshire Pension Fund, along with details of the revised Internal Dispute Resolution Procedure (IDRP) and the draft Breaches Policy.

Officers Recommendations

The Local Pension Board are requested to note and provide feedback on the contents of the revised Pension Administration Strategy and the update on the new IDRPs, along with a draft revised Breaches Policy.

1. WHY THIS REPORT IS NEEDED

1.1 A Pensions Administration Strategy is needed to:

- ensure a high-quality pension service to scheme members
- set out the quality and performance standards expected of West Yorkshire Pension Fund (WYPF) and the London Borough of Barnet Pensions Team
- to promote good working relationships between WYPF, the London Borough of Barnet Pensions Team and Scheme employers.

1.2 The efficient delivery of benefits is reliant upon effective administrative procedures being in place.

1.3 The Internal Dispute Resolution Procedure (IDRP) sets out the procedure for when a member raises a complaint and is not satisfied with the decision made in relation to the Fund.

1.4 Breaches of pension regulations as set out in the Pensions Act 2004 may need to be reported to The Pensions Regulator.

1.5 The Reporting of breaches to The Pensions Regulator policy sets out the requirements on certain persons involved with the London Borough of Barnet Pension Fund and the considerations when deciding on whether to submit a breaches report.

1.6 The policy also includes details of how any breaches will be reported to both the Local Pensions Board and the Pension Fund Committee.

PENSIONS ADMINISTRATION STRATEGY

1.7 The aim of the Pensions Administration Strategy is for WYPF and employers to work collaboratively together in a cost-effective way to administer the London Borough of Barnet Pension Fund whilst maintaining an excellent level of service to members.

1.8 This strategy is also the agreement between London Borough of Barnet and employers participating in the Fund about the levels of performance and associated matters. It does not override any existing commercial contracts or contractual performance indicators which exist between LBB and WYPF.

1.9 The last Pensions Administration Strategy was produced in 2017 in collaboration with the previous administrator. The new document has been updated to take into account the changes in processes and policies following the transfer of administration to WYPF.

1.10 The revised Pensions Administration Strategy (included as Appendix A) has been sent to all employers participating in the Fund for comment. WYPF were also sent a copy.

- 1.11 No comments have been received reading this document.
- 1.12 Officers are now asking the Board for any feedback on this document before it is signed as a “working” document.

INTERNAL DISPUTE PRESOLUTION PROCEDURE (IDRP)

- 1.13 WYPF have produced their own IDRP, which is being used for members of the London Borough of Barnet Pension Fund. This is attached as Appendix B.
- 1.14 The IDRP has two stages. Many complaints are resolved at the first stage. Decisions on stage one is taken by Yunus Gajra, Head of Governance and Business Development at WYPF.
- 1.15 Following the stage one decision, should a member wish to continue to stage two, this must be done with six months of the stage 1 adjudication. Decisions on stage two are made by the Pensions Manager at the London Borough of Barnet.
- 1.16 Persons who can raise an IDRP complaint are:
- a member paying into the pension scheme
 - a pensioner receiving a pension
 - a deferred member
 - a potential member who could become one if their employer offers the opportunity to join the Fund
 - a dependant of a member or prospective member (widow, widower, surviving civil partner, eligible cohabiting partner or child)
- 1.17 At any stage during the IDRP, members can contact the Pensions Ombudsman for information and advice.
- 1.18 If a member is still not happy with the stage two decision, they can take their case to The Pensions Ombudsman provided they do so within three years from the date of the original decision about which they are complaining.

BREACHES POLICY

- 1.19 The policy for reporting breaches to The Pensions Regulator is required to be followed by certain person involved with the London Borough of Barnet Pension Fund, including:
- all members of the Local Pension Board
 - all officers involved in the management of the LBBPF
 - any professional advisers and third-party suppliers including auditors, actuaries, independent advisers, administrators, legal advisers and fund managers
 - officers of employers participating in the LBBPF who are responsible for pension matters.

- 1.20 Breaches can occur in relation to a wide variety of the tasks normally associated with the administrative function of a scheme such as keeping records, internal controls, calculating benefits and making investment or investment-related decisions.
- 1.21 The updated Breaches Policy (to make it similar in format to other Fund documents) is attached in Appendix C. The previous policy was drafted in 2017.
- 1.22 The updated policy will be sent to employers. Any feedback from the Board can be incorporated into the policy before it is sent to employers.

2 REASONS FOR RECOMMENDATIONS

- 2.1 Officers welcome feedback from the Board on the draft Pensions Administration Strategy document and the Breaches Policy, before these documents are finalised and put into practice. .

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not applicable in the context of this report.

4 POST DECISION IMPLEMENTATION

- 4.1 Not applicable in the context of this report.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Local Pension Board supports the delivery of the Council's strategic objectives and priorities as expressed through the Corporate Plan, by assisting in maintaining the integrity of the pension Fund by monitoring the administration and compliance of the Fund.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 Not applicable in the context of this report.

5.3 Social Value

- 5.3.1 Not applicable in the context of this report.

5.4 Legal and Constitutional References

- 5.4.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is the London Borough of Barnet. The Local Government

(Amendment) (Governance) Pension Scheme Regulations 2015 inserts regulation 106 into the Local Government Pension Scheme Regulations 2013 which requires the Council to establish a Pension Board, whose role is to assist the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice to ensure the effective and efficient governance and administration of the Scheme and any connected scheme.

5.4.2 Under the terms of reference for the Local Pension Board, the role of the Board is to assist with:

- compliance with LGPS Government regulations;
- compliance with the requirements imposed by the Pensions Regulator.
- such other matters as the LGPS regulations may specify ensure the effective and efficient governance and administration
- ensure the Pension Fund's strategy and policy documents are maintained in accordance with the LGPS Regulations.
- ensure the Pension Fund's internal Risk Register is reviewed at least annually.
- review the Pension Fund's performance in complying with the requirements of the LGPS Regulations

5.4.3 Regulation 59 of the LGPS 2013 Regulations provides that an administering authority may prepare a written statement of the authority's policies in relation to any of a number of matters set out in the regulations such as it considers appropriate. The strategy must be kept under review and the administering authority must make revisions as appropriate following a material change in its policies. It must consult its Scheme employers and such other persons it considers appropriate and must publish the strategy. The authority and Scheme employers must have regard to the strategy when carrying out their functions under the Regulations.

5.4.4 The IDRPs are intended to fulfil the requirements of Regulations 74 to 77 of the LGPS Regulations 2013 which deal with disputes about decisions.

5.4.5 The Breaches Policy arises out of s.70 of the Pensions Act 2004 which imposes a duty on certain persons to report breaches of the law.

5.5 Risk Management

5.5.1 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met. Good governance is essential to managing the risks of the pension fund.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of

opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation, marriage and civil partnership.

5.6.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public-sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements will benefit everyone who contributes to the fund.

5.7 Corporate Parenting

5.7.1 Not applicable in the context of this report.

5.8 Consultation and Engagement

5.8.1 Where relevant, consultation and engagement is discussed in the paper.

5.9 Insight

5.9.1 Not applicable in the context of this report.

6 BACKGROUND PAPERS

6.1 None