



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

PENSIONS AND INVESTMENTS COMMITTEE

WEDNESDAY, 8 JUNE 2022

Report of the Interim Director - Finance and ICT

Pension Administration Strategy

1. Purpose

- 1.1 To seek the Committee's approval for the draft revised Derbyshire Pension Fund Pension Administration Strategy (PAS) attached as Appendix 2.
- 1.2 To seek approval for the (Interim) Director of Finance & ICT, in conjunction with the Chair of the Committee, to consider the results of the consultation on proposed PAS, and for the (Interim) Director of Finance & ICT and the Chair to determine if any revisions to the proposed PAS are necessary following the consultation, to enable the strategy to be implemented from 1 August 2022

2. Information and Analysis

2.1 Background

Derbyshire Pension Fund (the Fund) is committed to working efficiently and effectively with its employers to provide a high-quality pension administration service to all the Local Government Pension Scheme (LGPS) members in Derbyshire.

To support this aim, the Fund maintains a Pension Administration Strategy (PAS), in line with Regulation 59 of The Local Government Pension Scheme Regulations 2013, which is reviewed annually. Changes to the PAS are subject to consultation with participating employers and approval by the Committee.

The revised PAS will be published on the Fund's website and all participating employers will be notified upon approval of the changes applied and of the location of the revised version.

2.2 Purpose of the PAS

The PAS sets out the roles, responsibilities, and service standards which the Fund and participating employers will be expected to deliver in order to support the efficient administration of Fund members' records. It also includes details of how employers will be monitored, supported and managed should they fail to meet the required standards of performance in submitting accurate and timely data and payments to the Fund.

The last review of the PAS was undertaken and approved by the Committee in March 2021. The revisions made at that time introduced procedures relating to electronic data submissions for employers who had moved to the Fund's i-Connect secure monthly data submission service. As the Fund was still in the early stages of implementing i-Connect, the PAS also continued to reflect procedures for employers who had still to implement the i-Connect method of data submission

A copy of the March 2021 PAS is included for comparison purposes with this report at Appendix 3. Due to the fundamental changes applied in the draft revised version, a tracked changes copy has not been included with the report.

The Fund started the i-Connect project in November 2019, with the target of commencing the implementation of i-Connect for the submission of individual scheme member data for all participating employers by the end of 2021.

Due to the impact of the Covid pandemic on employers' day-to-day operations the deadline for employers to have commenced engagement with the Fund in respect of implementing i-Connect has been extended to 31 March 2023 to allow employers more time to introduce the new method of data submission.

The revised PAS establishes i-Connect as the standard method for the Fund's employers to submit member data and introduces charges for employers who fail to engage with the Fund on implementing i-Connect. Charges applied to such employers will be based on recovering the administrative costs to the Fund of maintaining a separate process for receiving their data.

At the time of writing, data for over 80% of current active scheme members is submitted to the Fund through i-Connect from 223 employers who have fully implemented the electronic method of submission. The Fund is currently working with a number of employers towards their implementation of i-Connect and actively seeking engagement from those who have yet to respond to Fund communications about this system.

3. Consultation

- 3.1 Derbyshire Pension Board (the Board) reviewed the proposed changes to the PAS and the updated version incorporates the Board's suggestions.

Subject to the Committee's approval, a consultation will be undertaken with the Fund's participating employers on the revised Pension Administration Strategy. The results of the consultation will be reported to the Committee at the next meeting.

Approval is sought for the (Interim) Director of Finance & ICT, in conjunction with the Chair of the Committee, to consider the results of the consultation in the meantime, and for the (Interim) Director of Finance & ICT and the Chair to determine if any revisions to the proposed Pension Administration Strategy are necessary following the consultation, to enable the strategy to be implemented from 1 August 2022.

4. Implications

- 4.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

5. Appendices

- 5.1 Appendix 1 – Implications
5.2 Appendix 2 - Draft revised Pension Administration Strategy
5.3 Appendix 3 – Existing Pension Administration Strategy (March 2021)

6. Recommendation(s)

That Committee:

- a) approves the draft Derbyshire Pension Fund Pension Administration Strategy 2022 attached as Appendix 2, for consultation with the Fund's participating employers.
- b) delegates the consideration of the results of the consultation, and the determination of whether any revisions to the proposed Pension Administration Strategy are necessary following the consultation, to the (Interim) Director of Finance & ICT in conjunction with the Chair of the Committee.

7. Reasons for Recommendation(s)

7.1 The Local Government Pension Scheme Regulations 2013 set out at Regulation 59 that an administering authority may prepare a written statement of the authority's policies in relation to matters of pension administration.

7.2 Changes to the PAS are necessary to reflect the transition to i-Connect as the standard method of data submissions from employers to the Fund and to reflect the introduction of charges for employers who fail to engage with the Fund on the implementation of i-Connect.

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Implications

Financial

1.1 None

Legal

2.1 None

Human Resources

3.1 None

Information Technology

4.1 None

Equalities Impact

5.1 None

Corporate objectives and priorities for change

6.1 None

Other (for example, Health and Safety, Environmental, Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None