


Essex Pension Fund Strategy Board	PSB 06	
Date: 15 December 2021		

Fund Policies: Review of Administration Strategy

Report by the Technical Hub Manager

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This Report requires a decision

Executive Summary

Officers have reviewed the Fund's Administration Strategy and have made some minor amendments, primarily to take into account the change from year-end data returns from Employers to monthly returns.

Comments are invited from the Board on the changes made, prior to a consultation with Scheme Employers in the new year.

Once the consultation with Scheme Employers has taken place, a final draft revised Administration Strategy will be brought to the Board at its 23 March 2022 meeting for approval.

1. Purpose of the Report

- 1.1 To present a draft revised Administration Strategy to the Board for comment.
- 1.2 To outline a timetable for consultation with Scheme Employers and next steps.

2. Recommendations

- 2.1 That the Board note the draft Administration Strategy and the timetable for feeding back any comments to Officers.
- 2.2 That the Board **agree** that the draft Administration Strategy be circulated during January and February 2022 to Scheme Employers for consultation.

3. Background

- 3.1 Local Government Pension Scheme (LGPS) Regulation 59 (1) says that an administering authority may prepare a written statement (known as an “Administration Strategy”) of the authority's policies in relation to such matters as:
- procedures for liaison and communication with Scheme Employers;
 - the establishment of levels of performance which the administering authority and its Scheme Employers are expected to achieve in carrying out their Scheme functions; and
 - the circumstances in which the administering authority may consider giving written notice to any of its Scheme Employers concerning additional costs arising from Scheme Employer's level of performance.
- 3.2 The Fund's current Administration Strategy was approved by the Board at its December 2018 meeting.
- 3.3 It is good practice to review strategies regularly and an action was included in the 2021/22 to 2023/24 three-year Business Plan to review the Administration Strategy during 2021/22.

4. Progress

- 4.1 The review by Officers has established that the Strategy is working well but it needs updating.
- 4.2 The primary changes have been made to take account of the move from year-end data returns from Employers to monthly returns, including changes to the policy on charging for late and/or inaccurate returns.
- 4.3 Some further minor amendments have been made, including:
- adding a number of notifiable events to the employer responsibilities under 3.1.8, following the introduction of flexibilities policies relating to employers exiting the Fund;
 - changing the description of the performance area and the standard of the key tasks under 3.2.2, to align with the changes to the CIPFA Benchmarking measure which are now focussed on performance against the legal time limits; and

- a 10% increase to the flat rate charges for work not included in the administration charge under section 6.

5. Timetable

- 5.1 Comments on the changes made are invited from the Board by 07 January 2022.
- 5.2 Scheme Employers will then be consulted on the changes during January and February 2022.
- 5.3 Any comments from Employers will be considered by Officers and a final draft revised Administration Strategy will be brought to the Board at its 23 March 2022 meeting for approval.

6. Link to Essex Pension Fund Objectives

- 6.1 Putting in place an Administration Strategy will assist in achieving the following Fund objectives:
 - act with integrity and be accountable to our stakeholders;
 - evolve and look for new opportunities, ensuring efficiency at all times;
 - deliver a high quality friendly and informative service to all beneficiaries and employers at the point of need;
 - ensure benefits are paid to the right people at the right time in the right amount; and
 - ensure contribution income is collected from, the right people at the right time in the right amount.

7. Risk Implications

- 7.1 There are no key risks as a result of agreeing this draft Strategy as it is predominantly based on current practices and previous Board decisions.

8. Communication Implications

- 8.1 Officers will undertake a consultation exercise with Employers in the Fund prior to bringing a final draft revised Administration Strategy to the Board for approval.

9. Finance and Resources Implications

- 9.1 The consultation exercise, including responding to comments from Employing Authorities, will require officer resource but it is expected that this can be managed within the existing Budget.

10. Background Papers

- 10.1 Administration Strategy, PSB 07, 19 December 2018.