

Public Agenda Pack



Notice of Meeting of

PENSION FUND BOARD

Friday, 12 April 2024 at 10.00 am

John Meikle Room, The Deane House, Belvedere Road, Taunton TA1 1HE

To: The members of the Pension Fund Board

Chair: Anne Hills

Councillor Simon Carswell
Nigel Behan
Rachel Ellins

Rod Bryant
Antony White

For further information about the meeting, including how to join the meeting virtually, please contact Democratic Services democraticserviceteam@somerset.gov.uk.

All members of the public are welcome to attend our meetings and ask questions or make a statement **by giving advance notice** in writing or by e-mail to the Monitoring Officer at email: democraticserviceteam@somerset.gov.uk by **5pm on Monday, 8 April 2024**.

This meeting will be open to the public and press, subject to the passing of any resolution under the Local Government Act 1972, Schedule 12A: Access to Information.

The meeting will be webcast and an audio recording made.

Issued by David Clark (the Proper Officer) on Thursday, 4 April 2024.

AGENDA

Pension Fund Board - 10.00 am Friday, 12 April 2024

Public Guidance Notes contained in Agenda Annexe (Pages 5 - 6)

Click here to join the online meeting (Pages 7 - 8)

1 Apologies for Absence

To receive any apologies for absence.

2 Declarations of Interest

To receive and note any declarations of interests in respect of any matters included on the agenda for consideration at this meeting.

(The other registrable interests of Councillors of Somerset Council, arising from membership of City, Town or Parish Councils and other Local Authorities will automatically be recorded in the minutes: [City, Town & Parish Twin Hatters - Somerset Councillors 2023](#))

3 Minutes from the Previous Meeting (Pages 9 - 14)

To approve the minutes from the previous meeting.

4 Public Question Time

The Chair will allow members of the public to present a petition on any matter within the Board's remit. Questions or statements about any matter on the agenda for this meeting will be taken at the time when each matter is considered.

The Chair to advise the Board of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public who have submitted any questions or statements, please note, a three minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue.

We are now live webcasting most of our committee meetings and you are welcome to view and listen to the discussion. The link to each webcast will be available on the meeting webpage, please see details under 'click here to join online meeting'

5 Review of Pension Fund Committee's Papers

To consider the papers provided to the Pension Fund Committee at their meeting of 15th March 2024.

6 Review of Pension Fund Risk Register (Pages 15 - 22)

To consider this report from the Funds and Investments Manager.

7 Business Plan Update (Pages 23 - 26)

To consider this report from the Head of Peninsula Pensions.

8 Review of Pension Fund Administration Strategy (Pages 27 - 84)

To consider this report from the Head of Peninsula Pensions.

9 Any other business of urgency

The Chair may raise any items of urgent business.

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Guidance notes for the meeting

Council Public Meetings

The legislation that governs Council meetings requires that committee meetings are held face-to-face. The requirement is for members of the committee and key supporting officers (report authors and statutory officers) to attend in person, along with some provision for any public speakers. Provision will be made wherever possible for those who do not need to attend in person including the public and press who wish to view the meeting to be able to do so virtually.

Inspection of Papers

Any person wishing to inspect minutes, reports, or the background papers for any item on the agenda should contact Democratic Services at democraticserviceteam@somerset.gov.uk or telephone 01823 357628.

They can also be accessed via the council's website on [Committee structure - Modern Council \(somerset.gov.uk\)](#)

Members' Code of Conduct requirements

When considering the declaration of interests and their actions as a councillor, Members are reminded of the requirements of the Members' Code of Conduct and the underpinning Principles of Public Life: Honesty; Integrity; Selflessness; Objectivity; Accountability; Openness; Leadership. The Code of Conduct can be viewed at: [Code of Conduct](#)

Minutes of the Meeting

Details of the issues discussed, and recommendations made at the meeting will be set out in the minutes, which the Committee will be asked to approve as a correct record at its next meeting.

Public Question Time

If you wish to speak or ask a question about any matter on the Committee's agenda please contact Democratic Services by 5pm providing 3 clear working days before the meeting. (for example, for a meeting being held on a Wednesday, the deadline will be 5pm on the Thursday prior to the meeting) Email democraticserviceteam@somerset.gov.uk or telephone 01823 357628.

Members of public wishing to speak or ask a question will need to attend in person or if unable can submit their question or statement in writing for an officer to read out, or alternatively can attend the meeting online.

A 20-minute time slot for Public Question Time is set aside near the beginning of the meeting, after the minutes of the previous meeting have been agreed. Each speaker will have 3 minutes to address the committee.

You must direct your questions and comments through the Chair. You may not take a direct part in the debate. The Chair will decide when public participation is to finish. If an item on the agenda is contentious, with many people wishing to attend the meeting, a representative should be nominated to present the views of a group.

Meeting Etiquette for participants

Only speak when invited to do so by the Chair.

Mute your microphone when you are not talking.

Switch off video if you are not speaking.

Speak clearly (if you are not using video then please state your name)

If you're referring to a specific page, mention the page number.

There is a facility in Microsoft Teams under the ellipsis button called turn on live captions which provides subtitles on the screen.

Exclusion of Press & Public

If when considering an item on the agenda, the Committee may consider it appropriate to pass a resolution under Section 100A (4) Schedule 12A of the Local Government Act 1972 that the press and public be excluded from the meeting on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, as defined under the terms of the Act.

If there are members of the public and press listening to the open part of the meeting, then the Democratic Services Officer will, at the appropriate time, ask participants to leave the meeting when any exempt or confidential information is about to be discussed.

Recording of meetings

The Council supports the principles of openness and transparency. It allows filming, recording, and taking photographs at its meetings that are open to the public - providing this is done in a non-disruptive manner. Members of the public may use Facebook and Twitter or other forms of social media to report on proceedings. No filming or recording may take place when the press and public are excluded for that part of the meeting.

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Minutes of a Meeting of the Pension Fund Board held in the John Meikle Room, The Deane House, Belvedere Road, Taunton TA1 1HE, on Friday, 12 January 2024 at 10.00 am

Present:

Anne Hills (Chair)

Rod Bryant

Antony White

Rachel Ellins

In attendance:

Anton Sweet

Other Members present remotely:

Nigel Behan

21 Apologies for Absence - Agenda Item 1

Apologies were received from Councillor Simon Carwell.

22 Declarations of Interest - Agenda Item 2

The following declarations were made:

Nigel Behan - Member of the Local Government Pension Scheme

Rod Bryant - Recipient of the Local Government Pension

Rachel Ellins - Member of the Local Government Pension Scheme

Antony White - Member of the Local Government Pension Scheme

23 Minutes from the Previous Meeting - Agenda Item 3

The Pension Fund Board Resolved that the minutes of the meeting held on 6 October 2024 were confirmed to be a true record of the meeting.

24 Public Question Time - Agenda Item 4

The following question was put to the Board by Mr Sigurd Reimers:

At the last meeting of the Pension Fund Board (6th October 2023) I asked what part the Board plays in examining the possibility of serious failure in the fund if the Climate Scenarios on which its investment decisions relied turned out to be over-optimistic. This possibility is something about which climate scientists are increasingly worried; it is not a fanciful matter.

I very properly received the reply to my question that investment decisions are made by the Pension Fund Committee, not by the Board. However, there is a wider governance issue here as well, and that does fall within the remit of the Pension Fund Board.

I am always appreciative of the time and trouble our Pension Fund Investment Manager takes in replying to my questions, but I am still no wiser about what the Board itself thinks about the possibility of our Pension Fund failing because of adopting a traditional (perhaps unquestioning?) reliance on outdated climate scenarios, in preference to the scientific evidence which is constantly being updated. Presumably the Board accepts the way that climate risk is currently being handled?

This issue could of course be passed on to Brunel Pension Partnership, whose expertise is considerable. However, there are already some Member Organizations within the Brunel Scheme (eg Wiltshire and Avon) that have themselves recently decided to address the issue of climate scenarios in greater detail.

It was explained that the Board had considered the question and is content that Brunel, and the third-party fund managers they employ, are aware of the full range of latest scientific evidence and climate scenarios and are managing the Fund's investment exposure to climate risk in an appropriate manner. At this stage we do not believe commissioning additional climate scenario work at the expense of the fund represents good value for money. The Somerset Pension Fund remains committed to decarbonising its investment portfolio and supporting the move of the global economy to net zero.

The Chair confirmed that the Board rely on the expertise provided by Brunell and their investment manager all of whom considered the latest scientific evidence by commissioning a great deal of work on climate scenarios that could occur and the Board would be duplicating this work. The Pension Board's role was to provide Governance and oversight to ensure that they get good value for money.

25 Review of Pensions Committee Papers - Agenda Item 5

The Board received a summary of the Pension Committee meeting held on the 15 December 2023, with updates, and the following points were highlighted:

Investment performance

- The fund effectively broke even. There was no real return.
- This masked volatility as during that quarter & 2023 as a whole stock markets did move up and down a lot.
- It was not a good quarter in terms of Brunel's performance relative to their benchmarks, particularly on the equity side.
- Brunel's underperformance was due to being underweight in oil and gas related stocks and due to a structural underweight to the so called "magnificent seven", which were the 7 stocks that dominated the US Stock Market and they continued to outperform. The "magnificent seven" are:
 - Amazon
 - Apple
 - Alphabet (Google)
 - Tesla
 - Nvidia
 - Meta Platforms Inc (Facebook)
 - Microsoft
- The period around the initial invasion of Ukraine by Russia impacted the return and this has meant we have not kept up with the returns anticipated by the actuary as part of the triannual valuation.. This is likely to impact the funding at the next valuation.

Administrative performance

The Board received a summary on the Pension Committee meeting held on 15 December 2023, which was related to work up until the end of September 2023 and was in line with the disclosure regulations.

The following points were highlighted:

- There was 92% achievement rate with 94% high priority.
- Deaths were at 79%, and delays here were as a result of communications with the families' solicitors who were waiting on probate.
- Information in relation to complaints was also added as requested by the board and Peninsula have received some compliments in this regard.
- The longer-term performance was added showing that there were 2,257 outstanding cases which were able to be actioned.
- There was a slight decrease in the amount of work received this year compared to last year.
- The team have moved forward positively with McCloud and system developments were closer to being finalised.
- The annual benefits statements were mostly going out electronically and only a small percentage were sent out by post.
- HMRC changes were complex to implement and took time.

Business plan

- Government gave a response on the consultation regarding the next steps on investment in the Local Government Pension Scheme (LGPS), which included provisions to invest 5% "locally" and 10% in private equity. Despite significant feedback from the LGPS community to the consultation the Government has indicated it will still take these points forward, probably on a comply or explain basis rather than full regulatory compulsion.
- In response to questions it was confirmed that the current financial situation at Somerset Council would not impact on the Pension fund due to the fact that all monies in the fund are kept completely separate.

26 Review of Pension Fund Risk Register - Agenda Item 6

- The Board noted that following an informal joint meeting of Committee and Board, 2 additional risks had been added, PF Gov 3 (accounting) and PF Admin 7 (data protection). The current risk score around cyber security had been increased to reflect the constant threat in this area.
- Some minor changes to other information around risks and mitigation were made.

27 Business Plan Update - Agenda Item 7

- Board dates have been agreed with a general pattern of Board meetings taking place 1 month after Pensions Committee meetings.

- The Board should indicate what they would like to consider at meetings during 2024 beyond standard items.

28 Review of Pension Fund Administration Strategy - Agenda Item 8

The Board received a verbal update from Peninsula Pensions as the consultation of for the strategy ceased on 31 December 2023.

Currently they were going through the responses received and would address:

ways in which the strategy could be revised;

ways in which Peninsula Pensions could provide a response if they did not agree that the strategy should be changed;

ways that they could change some of their processes to allow both parties to move forward in a positive way in order to meet disclosure regulation deadlines.

The main updates to the strategy encompassed:

the implementation of a new communications policy which would run alongside the fund communication policy which the Service Manager, Investments would look after.

The introduction of a charging structure for underperformance of employers which was permitted within the LGPS regulations. It was confirmed that training and support which was provided was not charged for and that the charging was merely for employers outside of the time scales.

12,017 cases were outstanding with employers from the Somerset Fund, across 141 employers. This meant that they were not going to be able to meet the targets set for the disclosure regulations so were subject to certain fines. However, the revised strategy would be in time for the disclosure regulations.

It was confirmed that this would not formally come back to the Pension Board until after it had been to Pension Committee for formal adoption. This will also continue to be alignment with the Devon Fund's administration strategy and so comments received from Devon employers could be represented in the Somerset Administration Strategy.

29 Any Other Business of Urgency - Agenda Item 9

There was none.

(The meeting ended at 12.07 pm)

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CHAIR

Pension Fund Board

Agenda Item 6

Review of Pension Fund Risk Register

Lead Officer: Jason Vaughan: Executive Director – Resources and Corporate Services (Section 151 Officer)

Author: Anton Sweet: Funds and Investments Manager

Contact Details: (01823) 359584

anton.sweet@somerset.gov.uk

1. Summary

1.1 In response to CIPFA guidance recommending the adoption and monitoring of a risk register for LGPS funds the Pension Board have requested that a review of the risk register is a standing item on the agenda for each meeting.

2. Issues for consideration

2.1 To monitor the risks contained on the risk register.

3. Changes since last meeting

3.1 There has been no changes to the risk register since the last meeting of the Pension Fund Board.

4. Background

4.1 Risk management is central to the management of the Pension Fund as reflected by the coverage of risk in key documents such as the Funding Strategy Statement and the Statement of Investment Principals. The risk register allows for consideration of all of the fund's risks in a single document.

4.2 Guidance issued by CIPFA on the application of the Myner's Principles in the LGPS in 2010 indicated that the creation and adoption by Pensions Committees of a risk register was best practice.

4.3 The current risk register is attached as appendix A and has been prepared using the Somerset County Council risk framework and scoring methodology.

5. Consultations undertaken

5.1 None

6. Financial implications

6.1 No direct implications

7. Background papers

7.1 None

Note: For sight of individual background papers please contact the report author.

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place)		Combined score	Additional mitigating actions/control measures planned to achieve target score	Target Risk score		combined score	Additional Control measure owner	Target Date	commentary following review, inc. date	Additional Information and explanation
			L	I			L	I					
1. PF - Gov 1 2. Pension Fund Committee	Failure of Pension Fund Committee to manage the fund effectively, particularly as a result of insufficient knowledge and skills	Policies and procedures adopted by Pension Fund Committee, specifically the committee training policy	3	4	12 Amber	Undertake a review of Committee Knowledge and Skills. Follow up on Findings with revised training plan	2	4	8 Green		on-going with quarterly review		Current score is influenced by the collective experience and consistency of the Pension Fund Committee, which has had a number of changes over the last 4 years.
1. PF - Gov 2 2. Pension Fund Committee	Risk of Regulatory change: - Implementation of change risks - Consequences of change risks	Continuous engagement with DLUHC and other interested stakeholders	4	3	12 Amber		4	3	12 Amber		on-going with quarterly review		The dictated change to pooling of investment arrangements and implementation of this presents a significant risk to the scheme. The frequency of new regulation and the relatively new role of the Pensions Regulator are also factors.
1. PF - Gov 3 2. Anton Sweet	Failure to produce accurate and timely accounts leading to qualification of the accounts by external audit.	Regular reconciliations between the accounting records and other sources of information such as custody records. Training and professional standards of staff involved in production of the accounts. Engagement with CIPFA standards and requirements of the code.	2	4	8 Green		2	4	8 Green		Annual on receipt of the external auditors findings.		
1. PF - Inv1 2. Anton Sweet	The pension fund has insufficient available cash to meet its immediate (next 6 months) liabilities.	Cash flow forecasting of TM function Monthly review of asset allocation and cash levels	2	4	8 Green		2	4	8 Green		on-going with quarterly review		

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place)		Combined score	Additional mitigating actions/control measures planned to achieve target score	Target Risk score		combined score	Additional Control measure owner	Target Date	commentary following review, inc. date	Additional Information and explanation
			L	I			L	I					
1. PF - Inv2 2. Pension Fund Committee	The pension fund has insufficient available assets to meet its long term liabilities.	Funding Strategy Statement Investment Strategy Statement Regular reporting of current position to Committee	2	5	10 Amber	The triennial 2022 valuation includes provision for restoring the fund to full funding over 16 years. The current risk score partly reflects that the fund was 95% funded at the last valuation. An improvement in the funding level will reduce the likelihood of the risk occurring at some point in the future.	2	5	10 Amber		Review again at next Valuation - 2025	Likelihood score reduced to reflect the better funding level reported as part of the 2022 valuation.	This risk encapsulates the purpose of the fund in trying to always have sufficient assets to meet uncertain future liabilities with a pool of assets with uncertain future investment performance There is also the need to balance the funding needs of the fund with the desire to keep contributions as low and constant as possible
1. PF - Inv3 2. Pension Fund Committee	Under performance of pension investments due to ESG factors, including climate change.	ESG Policy within Investment Strategy Statement requiring ESG factors to be considered in all investment decisions.	2	4	8 Green		2	4	8 Green		on-going with quarterly review		Moving all assets to the management of Brunel, which has a greater focus on ESG and climate change than the majority of our legacy investment managers, has considerably improved our management of these risks.
1. PF - Inv4 2. Pension Fund Committee	Failure of Brunel to deliver either Fee savings or investment performance	Representation on the Brunel Client Group and Oversight Board	2	4	8 Green		2	4	8 Green		on-going with quarterly review		

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place)		Combined score	Additional mitigating actions/control measures planned to achieve target score	Target Risk score		combined score	Additional Control measure owner	Target Date	commentary following review, inc. date	Additional Information and explanation
			L	I			L	I					
1. PF - Inv5 2. Anton Sweet	Insolvency of the fund's Global Custodian	Fund's assets held in client accounts not as assets of the custodian Additional oversight of custodian provided by Brunel for the assets they manage Review of credit worthiness and inherent business risk of custodian at tender phase	2	4	8 Green		2	4	8 Green		on-going with quarterly review		The designation of the fund's assets as client assets ensures that they cannot be appropriated by creditors of the Custodian bank in the case of that entity going into administration. As a result we should be able to recover substantially all of the assets of the fund held in custody but there would be considerable administrative and liquidity disruption.
1. PF - Admin1 2. Stephen Morton Page 19	Failure of Benefits Administration to perform their tasks, specifically leading to incorrect or untimely benefits payment.	Regular reporting to Committee Internal processes and procedures Regular review by Internal and External audit	2	3	6 Green		2	3	6 Green		on-going with quarterly review		The greater resilience gained from the Peninsula Pensions shared service has been balanced by greater complexity coming into the scheme benefits.
1. PF - Admin2 2. Stephen Morton	Legal challenge to fund, particularly in respect of the payment of pension benefits	Internal processes and procedures Regular review by Internal and External audit	3	3	9 Amber	Receipt of revised regulations in respect of the exit cap, McCloud and Goodwin	2	3	6 Green		on-going with quarterly review		
1. PF - Admin3 2. Stephen Morton	Fraud, corruption, or error either within investment assets or benefits administration	Internal controls and processes Regular review of controls, processes and outputs by internal and external audit	2	4	8 Green		2	4	8 Green		on-going with quarterly review		Brunel provides an extra layer of scrutiny and control with respect to the activities of external fund managers and related third parties
1. PF - Admin4 2. Stephen Morton	The insolvency of an employer or other significant change in circumstances places additional liabilities on the fund and ultimately the remaining employers.	Admission agreements Guarantee bonds or other similar security	2	3	6 Green		2	3	6 Green		on-going with quarterly review		To ensure the on-going suitability of the guarantees in place a review should be undertaken after each formal valuation.

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place)		Combined score	Additional mitigating actions/control measures planned to achieve target score	Target Risk score		combined score	Additional Control measure owner	Target Date	commentary following review, inc. date	Additional Information and explanation
			L	I			L	I					
1. PF - Admin5 2. SC Section 151 Officer	Vulnerability to long-term staff sickness and/or retention and recruitment issues, especially for higher graded posts, within Somerset Council and Peninsula Pensions.	None, other than experience of other staff within the sections	3	3	9 Amber		2	3	6 Green		on-going with quarterly review	Risk clarified and likelihood score increased following discussion at April Pension Fund Board meeting.	Size and depth of staff resources at Peninsula Pensions helps to mitigate the risk Brunel provides some extra mitigation with respect to investment asset management Additional use of consultants and advisors could be used to manage loss of internal staff
1. PF - Admin6 2. SC Section 151 Officer	Resilience of IT including a breach of cyber security	SC and DCC internal IT security measures Additional cyber security and resilience provided by hosting of benefits administration database and investment accounting database by outside parties	3	4	12 Amber		2	4	8 Green		on-going with quarterly review		

1. Risk Ref No: 2. Senior Risk Owner:	Description of Risk	Control measures already in place	Current Risk Score (with known controls in place)		Combined score	Additional mitigating actions/control measures planned to achieve target score	Target Risk score		combined score	Additional Control measure owner	Target Date	commentary following review, inc. date	Additional Information and explanation
			L	I			L	I					
1. PF - Admin7 2. SC Section 151 Officer	Breach of Data security or related data protection / GDPR issue	DCC internal IT security measures Additional cyber security and resilience provided by hosting of benefits administration database and investment accounting database by outside parties	3	4	12 Amber		2	4	8 Green		on-going with quarterly review		
1. PF - Admin8 2. SC Section 151 Officer	Civil Contingency Event	SC and Peninsula would follow their established business continuity plans	3	2	6 Green		3	2	6 Green		on-going with quarterly review		Amended from COVID risk December 2022 at Board's request.

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Pension Fund Board

Agenda Item 7

Business Plan Update

Lead Officer: Jason Vaughan: Executive Director – Resources and Corporate Services (Section 151 Officer)

Author: Anton Sweet: Funds and Investments Manager

Contact Details: (01823) 359584
anton.sweet@somerset.gov.uk

1. Summary

1.1 To update the Board's forward work-plan and agree topics for consideration at future meetings.

2. Issues for consideration

2.1 Board dates have been agreed with a general pattern of Board meetings taking place 1 month after Pensions Committee meetings.

2.2 The Board should indicate what they would like to consider at meetings during 2024 beyond standard items.

3. Background

3.1 To help manage the workload of the Board and allow officers to properly plan for and produce the necessary papers it is a practical necessity for the Board to adopt and populate a work-plan.

4. Consultations undertaken

4.1 None

5. Financial implications

5.1 No direct implications

6. Background papers

6.1 None

Note: For sight of individual background papers please contact the report author.

SOMERSET COUNCIL PENSION FUND

PENSION FUND BOARD

MEETING WORKPLAN - 2024-2025

Date	Proposed Items of Business	Lead Officer
21 June 2024	<p><u>FORMAL MEETING</u></p> <p>1. Review of Pensions Committee papers To consider the most recent pensions committee papers and any arising matters</p> <p>2. Review of Pension Fund Risk Register To review the risks within the fund and form an appropriate risk register for the fund.</p> <p>3. Business Plan Update To consider progress against the Board's approved work-plan.</p> <p>4. Review of Communication Policy To consider a draft of a revised Communication Policy</p> <p>5. Review of Cybersecurity To review the oncomes on recent internal audit and breach testing of cybersecurity of member data</p>	<p>AS</p> <p>AS</p> <p>AS</p> <p>AS</p> <p>RL</p>

SOMERSET COUNCIL PENSION FUND

PENSION FUND BOARD

MEETING WORKPLAN - 2024-2025

Date	Proposed Items of Business	Lead Officer
4 October 2024	<p><u>FORMAL MEETING</u></p> <p>1. Electection of a Chair of the Pension Board</p> <p>2. Review of Pensions Committee papers To consider the most recent pensions committee papers and any arising matters</p> <p>3. Review of Pension Fund Risk Register To review the risks within the fund and form an appropriate risk register for the fund.</p> <p>4. Business Plan Update To consider progress against the Board's approved work-plan.</p> <p>5. Review of the Pension Fund Annual Report To consider a draft of the 2023-24 Pension Fund annual report</p>	<p>AS</p> <p>AS</p> <p>AS</p> <p>AS</p>
17 January 2025	<p><u>FORMAL MEETING</u></p> <p>1. Review of Pensions Committee papers To consider the most recent pensions committee papers and any arising matters</p> <p>2. Review of Pension Fund Risk Register To review the risks within the fund and form an appropriate risk register for the fund.</p> <p>3. Business Plan Update To consider progress against the Board's approved work-plan.</p> <p>4. Review of Investment Strategy Statement To consider a draft of a revised Investment Strategy Statement</p>	<p>AS</p> <p>AS</p> <p>AS</p> <p>AS</p>
11-Apr-25	<p><u>FORMAL MEETING</u></p> <p>1. Review of Pensions Committee papers To consider the most recent pensions committee papers and any arising matters</p> <p>2. Review of Pension Fund Risk Register To review the risks within the fund and form an appropriate risk register for the fund.</p> <p>3. Business Plan Update To consider progress against the Board's approved work-plan.</p>	<p>AS</p> <p>AS</p> <p>AS</p>

Pension Fund Board

Agenda Item 8

Administration Strategy Statement

Lead Officer: Jason Vaughan: Executive Director – Resources and Corporate Services
(Section 151 Officer)

Author: Rachel Lamb: Head of Peninsula Pensions

Contact Details: (01392) 383000
Rachel.lamb@devon.gov.uk

1. Summary

- 1.1 The pension fund is required to maintain a significant number of policies and statements in accordance with the LGPS regulations. Peninsula Pensions are seeking to update the Administration Strategy.

2. Issues for consideration

- 2.1 The Board is asked to Consider the attached draft of the Administration Strategy and comment as appropriate.

3. Background

- 3.1 Peninsula Pensions (PP) collaborates with Employers to provide an excellent administration service for all scheme members. The Employer & Communication team's key role within PP is to offer training, support, and guidance to all employers to ensure that they are fully aware of their responsibilities and can meet them. Despite this, there are some employers that fail to engage with the team, resulting in numerous requests being made for information. This impacts both on the resource required by PP to deal with these requests, and the quality of service provided to scheme members.

- 3.2 The current pension administration strategy (PAS) sets out the timescales for provision of information from employers to the administration team, in addition to the statutory timescales relating to provision of information to scheme members from PP within the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.

They also include the ability to charge fees where an employer is underperforming, which to date has not been put into practice.

- 3.3 Peninsula Pensions has considered other administering authority Pension Administration Strategies and contacted them for further discussion. From these discussions, it is apparent that usually one fine is sufficient for providers to improve their overall performance and engagement and prevent future breaches occurring. It is also apparent that employers (and their payroll providers) prioritise the submission of pension information to administrators that enforce charges, ahead of those who do not charge for late submissions.

4. Key revisions to the Pension Administration Strategy document

- 4.1 The intention is to introduce a revised Pension Administration Strategy from 1st April 2024 and approval is sought from both the Devon and Somerset Committees accordingly. Peninsula Pensions has made amendments to the Pension Administration Strategy and consulted with employers accordingly for both the Devon and Somerset LGPS Funds. The consultation period ran from 16th November 2023 to 31st December 2023 and feedback received has been included at Appendix A. The feedback table also includes the responses from Peninsula Pensions.
- 4.2 The revised Pension Administration Strategy, which is attached as Appendix C, has taken account of feedback received, and includes some key additions and changes to improve understanding in relation to support, expectations, and a move to instigate fines for individual employers. The latter will avoid all employers essentially covering the additional administrations costs for under performance of the minority. The key changes included are:
- Introduction of Employer fees for underperformance/lack of engagement.
 - Peninsula Pensions Communication Policy Paper (Appendix A of the Pension Administration Strategy)
 - Introduction of Audits on individual employers and their responsibilities
- 4.3 Peninsula Pensions where possible, wish to encourage employers to produce the information relating to members that have left the scheme, prior to the date that they leave the scheme, in line with the Pension Administration Strategy. This will enable the team to calculate pension benefits and arrange payments due in a timelier manner to ease transition of members from employment to retirement

without delay. Appendix B provides examples with regards to suggested timescales within the Strategy.

- 4.4 Peninsula Pensions are working with Audit colleagues to strengthen the new process and provide assurance around both the quality and timeliness of data provision from individual employers. The aim will be to have a database in place which stores the data that Employers provide, highlighting performance within the prescribed parameters. When completed, the summary dashboard from the database, and reports relating to the new internal administration targets agreed, will form part of the report delivered to the Pension Board in future.

5. Summary

- 5.1 It should be noted that the intention of these amendments is to ultimately improve the service that scheme members receive, allowing for timely administration of their pension benefits in line with the statutory timescales. The Pension Fund should not be funding the additional administration costs caused by lack of engagement by certain individual employers. The charges will be used to purely cover the additional administration work that Peninsula Pensions has undertaken, as opposed to benefiting from them financially. The implementation of the charges is a last resort, where an employer has either failed to engage, or continues to underperform with their responsibilities.

6. Consultations undertaken

- 6.1 Employers have been consulted on the draft Administration Strategy and a summary of the feedback received is contained in Appendix A.

7. Background papers

- 6.1 None

Note: For sight of individual background papers please contact the report author.

Feedback to consultation:

In total 29 responses across both Devon and Somerset LGPS Funds were received, this included 4 of the employers who offer payroll services to other Fund employers. The feedback has been considered and adjustments made to the Pension Administration Strategy where indicated below. Peninsula Pensions are grateful to those Employers that have interacted with the Consultation and provided the feedback.

FEEDBACK FROM ALL EMPLOYERS	RESPONSE / CHANGE (if applicable)	Change made to PAS (Y/N)
Record Keeping		
No particular comments except that the aim should be to clearly state to MINIMISE the admin necessary for Employers. Stop asking us to send information that you can copy across internally from the EAS5 forms to the CARE spreadsheet.	Whilst understanding the viewpoint of this employer, with one member in the Fund, this situation is not common. Where there is more than one member with an employer, the position would be different, and the proposal would not work. This will however be noted as an area to be considered further in future for smaller employers.	N

<p>I am very concerned by the whole tone of the document which comes across as confrontational and punitive rather than focused on building relationships, knowledge and understanding. My comments will be very similar for each section but in particular the level of charges proposed are, to be frank, ridiculous between one publicly funded body and another. Fees escalating by £100 per day are out of all proportion and unjustifiable, taking resources away from children's education. I ask you to reconsider and amend.</p> <p>It is in all our interests that the data held is accurate and updated in a timely manner but this is just one of many complex and time critical tasks undertaken by schools and inevitably there will be times when deadlines are not fully met - flexibility and working together to resolve is what is required in these circumstances not an immediate threat of exorbitant charges.</p> <p>Many of the data requirements in this document, relating to tasks that could be chargeable if notification is delayed, are notified to Peninsula Pensions by our managed service payroll provider, Somerset Council.</p> <p>Whilst we as the employer understand our responsibilities, we ask you to refer to the Council's response to the draft strategy in respect of pages 11 to 13. We support their comments.</p> <p>A number of the requests are not practical. An example is notifying Peninsula Pensions of new starters within one month of their start date. Whilst this would always be our expectation there will be circumstances where a starter in the latter days of a month may not be added to the payroll until the following month because our HR/Finance Officer was not aware or the employee delays providing you with necessary information to set up their payroll record. A second example is an employee with a start date of the very early part of the current month could be in post more than a month by the time the report is produced and sent, even though we do it as soon as possible after the payroll has been closed.</p>	<p>The draft document is intended to clearly state the roles and responsibilities of both the Employer and Administrator to ensure that together the scheme member is provided with the best service possible and in line with the statutory requirements.</p> <p>The main intention is to continue to engage, work with and support employers, which we will emphasise further within the document.</p> <p>However, tools need to be in place to implement charges where appropriate for both lack of engagement and underperformance . Whilst appreciating that resources are difficult across all areas of public sector, the fees escalating by</p>	<p>Y</p>
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	<p>£100 per day are associated with information affecting large numbers of LGPS active scheme members, and in order that they are looked after correctly considering both statutory timescales and good practice, it is imperative this information is received on time.</p> <p>Where employers are having difficulty with provision of information, then by contacting the team without delay, they can work with employers to reduce or stop future fees occurring. There will be a formal document provided for completion for this purpose.</p>	
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<p>Employer data is not always actioned following submissions sent to the Administering Authority, sometimes it takes over 3 months even though the submission has been made in the month the payroll is run. I have Members on a regular basis complaining that their data has not been updated by the Administering Authority and this is frustrating when they wish to transfer another pension or view their records. New starters find this particularly frustrating as they are waiting for a significant time before they are added to the scheme.</p>	<p>All new members joining the LGPS should receive a welcome pack from PP within 2 months as set out in the Disclosure Regulations. If a member contacts employers with this complaint, please let PP know so that this can be investigated further.</p>	<p>N</p>
<p>Do the penalties work against PP as well as the employer</p>	<p>PP performance is monitored regularly by Officers within both Funds, and in addition, is reviewed quarterly by the Fund's Pension Board and Committee. Any breaches are recorded, and where considered to be 'significant', are reported to The Pension Regulator which may result in fines being issued. The ultimate review is the direct feedback from scheme members, and where they believe there has been</p>	<p>N</p>

	maladministration, they are able to progress complaints via the Internal Dispute Resolution Procedure, or further to The Pension Ombudsman.	
Communication and Liaison		
<p>Some communication with the Employer and Communications team can be frustrating when different team members advise different rules or requirements for the same requests they send to the employer, which leads to confusion. Communication is not always in good time which puts added pressure on resources for employers to respond. Teams do not always respond promptly to queries.</p>	<p>The Employer guidance section of our website is intended to provide the information required to enable Employers to meet their responsibilities. If the information required is not available, and a problem with communication occurs as outlined, then the Employer & Communications Team Manager should be contacted to resolve the issue and avoid any further future problems. Expected response times will be added to</p>	Y

	the strategy accordingly.	
No designated person from PP but demanding one from the employer?	There is a designated employer and communication team whose primary work is to support, guide and train employers. Our Member Services teams are employer specific and can help with member queries accordingly. These details are held within the about us pages on our website and will be made clear on the document.	Y
Please can you direct me to the Fund approved wording for Contracts?	The website is currently being updated to provide clearer messaging for new scheme members to assist with meeting the statutory timescales for provision of information. A link will be provided once finalised.	N

Fund & Employer Responsibilities		
<p>As well as monitoring and applying charges to employers for failing to meet deadlines, (I feel this is acceptable for those employers who are non-compliant) however, it is also rather unfair when the Administering Authority do not always update and administer records in a timely manner. With Members having to constantly chase for their pensions or records. I have had occasions where I have submitted Members details and when the Member contacts Peninsula they are told that the employer has not submitted their details when clearly we have. The Administering Authority needs to also monitor their own deadlines and give out correct information to Members rather than just blaming the employer.</p>	<p>Work processed within PP is monitored daily to ensure scheme members are responded to as soon as possible and within the statutory timescales. It is difficult to respond in relation to incorrect information being provided to members without knowing the context, however, should this occur in future, please contact the Employer & Communication team, who will investigate the position further.</p>	<p>N</p>
<p>I think employer performance targets for notification of new starters and leavers (under age 55) should be increased from 1 month to 6 weeks.</p> <p>I would suggest a slight change to the wording of the last bullet point so it reads as follows: 'Applying charges where an employer consistently fails to engage with the Fund to ensure scheme members are not disadvantaged'.</p> <p>I do not think conscientious employers should be charged for consistently providing data and engaging with the Fund. There are anomaly cases which may slip the deadlines such as the late notification of a starter/leaver.</p>	<p>When setting timescales for both employers and PP, the disclosure timescales are considered which must be adhered to, unfortunately the suggested increase in timescales would not permit time for the</p>	<p>N</p>

	administrative work by PP to be finalised within the statutory timescale.	
Notify Peninsula Pensions of periods of unpaid absence not covered by Assumed Pensionable Pay (APP). Performance target is within 1 month, when is this counted from, please?	Within 1 month of return to work.	Y
Provide monthly CARE data within required format. What is your definition of pay run? I understand the interface deadline to be 14th of the following month.	The content has been altered to make it clear that information is expected within 2 weeks of the pay period that it is paid in.	Y
Audit		
Suitable timescales for our response should be agreed in advance.	Agreed	N
Outsourcing		
5% charge is once again disproportionate and unjustifiable.	This charge has been removed. Instead, there will be updates to our outsourcing processes to ensure smoother transfer of staff and onboarding of new admission bodies.	Y
Underperformance Fees		
How have the fees/penalties been calculated. Regulation 70 of the LGPS Regulations 2013 allows '.....where costs	This response takes into	Y

<p>have been incurred'. What are you including in your calculations? I think that you need to show why the frequency of subsequent charges ie Annual Allowance pay data is daily.</p> <p>Failure to notify PP of new starters joining within 1 month should be 2 months - If a starter joins on 20th of the Month and they are paid on 31st of the following month - they may not be on the return of the month they joined but on the second return.</p> <p>Both any retirement type, death in service notifications and resole member queries need to be longer timescales. In our small organisation I am the only one who completes forms and if I am on leave for 3 weeks then the proposed timescales will never be met.</p> <p>Estimate requests in excess of 1 per member in a rolling year - if a member makes 2 requests does this mean as an employer I have to say no?</p>	<p>consideration all feedback relating to underperformance fees and the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.</p> <p>The fees/penalties have considered the additional time and resource required. The daily rate across staff grades has been averaged, whilst also considering other south west administrators charge and ensuring consistency. If considered on an individual basis, it is likely that the charges would be higher.</p> <p>In relation to new starter members, it has been proposed that PP set up a specific new starter website page to</p>
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	<p>satisfy the disclosure requirements. Employers can then link to this when roles offered, as part of the documentation provided with contracts. Where employers share this information with members, a fee will not be invoked, assuming full starter information is received by PP within 2 months of the start date. (Ideally this would be received within 1 month, to enable PP to add the scheme member record to our database and allow them access to the online portal).</p> <p>The fee for estimates relates to employer led retirements e.g. ill health, redundancy. One estimate for each</p>	
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	<p>type of specific 'retirement reason for leaving' will be provided.</p> <p>Scheme members are advised to use the Member Self Service online portal to calculate their pension entitlement.</p> <p>For information, a 'strain' cost only report for a group of scheme members is not included as an estimate request and can be obtained by contacting the Employer & Communications team accordingly.</p> <p>Retirements and deaths are the highest priority work type for PP and have set regulatory timescales. There is a duty to provide benefit information relating to these areas as quickly as possible to enable members</p>	
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	<p>to make future financial decisions/make the change from salary to pension as smooth as possible.</p> <p>To enable employers to automate information via their payroll system following their 'final pay period', in addition to satisfying the regulatory timescales as administrators, a compromise is suggested whereby the timescale is adjusted in line with the aforementioned, provided that earlier notification of basic leaver information is given by the employer, to enable PP to provide key information to scheme members ahead of their leaving date.</p>	
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	<p>Alternatively, if employers can action interim 'payroll runs' as opposed to one single monthly pay run, information could potentially be automated earlier for provision to PP in line with timescales.</p> <p>Timescales for all types of Leavers, and responses to enquiries have been adjusted accordingly to make consistent.</p> <p>The statutory timescales are quoted in 'months'. The timescales within the Strategy are therefore now quoted as either 'months' when relating to statutory requirements, or a period of 'time' when relating to either Peninsula</p>	
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	Pensions or Employer internal timescales for ease/clarity as opposed to 'working days'.	
<p>If staff leave start of month, processed end of month (in line with payroll date) this may not be processed within month of leaving. We pay staff retrospectively, so if they left end of a month the final pay wouldn't be processed until next payroll. This would be more fair to be within two months of leaving date or within 15 days of last pay period. To send an estimate then follow up with adjusted form, makes more work for us and LGPS.</p> <p>If staff are casual (e.g. invigilators), we review anyone who has not been paid within last 3 months and make them leavers as of last payment date, therefore this would be outside of the month timeline.</p>		

<p>I am very concerned by the whole tone of the document which comes across as confrontational and punitive rather than focused on building relationships, knowledge and understanding. My comments will be very similar for each section but in particular the level of charges proposed are, to be frank, ridiculous between one publicly funded body and another. Fees escalating by £100 per day are out of all proportion and unjustifiable, taking resources away from children's education. I ask you to reconsider and amend.</p> <p>It is in all our interests that the data held is accurate and updated in a timely manner but this is just one of many complex and time critical tasks undertaken by schools and inevitably there will be times when deadlines are not fully met - flexibility and working together to resolve is what is required in these circumstances not an immediate threat of exorbitant charges.</p> <p>Many of the data requirements in this document, relating to tasks that could be chargeable if notification is delayed, are notified to Peninsula Pensions by our managed service payroll provider, Somerset Council. Whilst we as the employer understand our responsibilities, we ask you to refer to the Council's response to the draft strategy in respect of pages 11 to 13. We support their comments.</p> <p>A number of the requests are not practical. An example is notifying Peninsula Pensions of new starters within one month of their start date. Whilst this would always be our expectation there will be circumstances where a starter in the latter days of a month may not be added to the payroll until the following month because our HR/Finance Officer was not aware or the employee delays providing you with necessary information to set up their payroll record. A second example is an employee with a start date of the very early part of the current month could be in post more than a month by the time the report is produced and sent, even though we do it as soon as possible after the payroll has been closed.</p>		
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<p>As stated we understand the charging of fees for non-compliance or under performance, however these should only be charged after extensive discussion with the employer as to why the non-compliance has occurred. Non-compliance could occur for a variety of reasons and is not always willful or negligent. As mentioned communication with the Administering Authority can be difficult and the lack of availability of a team or lack of internal communication can be frustrating.</p>		
<p>Additional charges need to be on a lesser timescale as these are too short.</p>		
<p>The member has up to 30 days from returning from unpaid absence to decide whether to apply for additional pensions to cover, so the 1 month period of notification would not be possible.</p>		
<p>Failure to notify Peninsula Pensions of a member leaving the LGPS (as opposed to retirement – relating to either termination of employment or opting out) within 1 month £50.00 per member. This would not be possible for claims-based members as we leave the payroll record open for 8 weeks following the actual leave date in order to late or outstanding claims. This decision to delay PAYE closure was in conjunction with LGPS at that time.</p>		
<p>Failure to notify Peninsula Pensions of any retirement type within 15 days of retirement date £200.00 per member.</p> <p>We are not sure how we could meet this lead time. Usually, retirement actions are negotiated around business and personal needs and our first notification of an intention to retire would be via a trigger workflow. By which time and given most LGPS members are subject to one month’s notice – we would have missed the 15 days deadline.</p>		
<p>Failure to respond to requests to resolve member queries (for example queries related to annual returns or leaver forms) within 10 working days of request £50 per member request plus an additional £50 per member for each subsequent month late</p> <p>Small organisations, such as ourselves, may only have one member of staff that deals with pensions. If that member</p>		

<p>of staff takes a two-week holiday they would be away for 10 working days. Therefore, to enable small organisations to achieve, rather than set them up to fail and be fined, could we please request that this 'Description of Failure' is amended to within 12 working days of request?</p>		
<p>Failure to notify Peninsula Pensions of any retirement type within 15 days of retirement date £200 per member plus an additional £200 per member for each subsequent month late</p> <p>If an employee were to retire at the beginning of the month, they would still receive salary on 25th of that month for the days worked. Therefore, to allow for action after 25th of the month, could we please request that this 'Description of Failure' is amended to within 20 working days of retirement date?</p>		
<ul style="list-style-type: none"> • There is no context the monetary amounts quoted for the charges and why some are higher than others. • The timescales proposed will result in employees at the Council duplicating work in order to ensure we receive no charge • The timescales proposed will limit the holiday an employee can take, or alternatively, result in us needing to train and potential pay an employee more money, to cover in the absence of the employee normally processing our pensions • We have no alternative provider to go to. Given we are all in this together, would it not be more effective to report on a regular basis any delays, then use this information to target specific employers that cause delays rather than all employers? <p>Overall, whilst it is appreciated that consultation is happening, the proposed changes are not to the benefit of the Council and could result in us facing significant cost. We have at times, had delays in you as a provider responding to queries and whilst this may cause an element of frustration we would not consider charging you. It is for this reason we are not supportive of the proposed charges. I should also note that because of your Christmas shut down the consultation in essence</p>		

<p>ends earlier and not on 31st December (assuming consultation is a two way process until the end date).</p>		
<p>Starters are reported to Pensions via Altair reports on the 23rd of the month. We are only able to report once they have been set up on the payroll, unable to report if not set up on the payroll. Therefore potential fines for late starters. Would we still be fined?</p>		
<p>changes are reported via Altair reports for changes that have happened during that pay run. If for example, a manager does not change the hours on iTrent for one of their staff at the correct time, we are unable to report the hours change until it has been updated on iTrent and run through the payroll. This would create a potential fine. Would we still be fined?</p>		
<p>Our Auto Rem process will fit this criteria, the Rems are run and produced on the 23rd of each month (for employees that are made a leaver during that pay run).</p> <p>However any late leavers that we receive would potentially incorporate a fine and also Casual employees (Including bulk leavers where we do an exercise to remove casuals that haven't been paid for a year therefore high numbers). It would not always be possible to produce a Rem for a casual employee within 1 month of their leaving date.</p> <p>Manual Intervention are now completed by the end of the month. However if we had a complex Rem to complete, if we kept pensions informed would they be able to waive the fee?</p>		
<p>If the leaver is at the beginning of the month will it still incur a fee as this will be produced as part of the auto rems.</p> <p>If it will then we will have to do a manual rem when processing the leaver. The Auto Rem will still be produced and need to be checked to ensure that the figures are the same as the manual rem that we would have done in advance. This is a duplication of work. Is there any leeway with this?</p>		

<p>Due to the large volume of queries, we receive we may struggle with this so will there be any leeway if there is evidence that we are trying to keep on top of these? Presumably, fees will just be for new queries after April and not for outstanding queries although we hope to clear all of these by then</p>	<p>For pre- April 2024 cases, fees will apply if they remain outstanding, but will only be applied from 1 April 2024.</p>	
<p>Do you mean estimates that apply to retirement and redundancy estimates where we ask for strain costs?</p>	<p>Please see earlier response.</p>	<p>Y</p>
<p>I assume this relates to employer led estimates (redundancy, flexible etc)? What if they are completely different types - e.g. employer looking at redundancy in April but member not selected for redundancy and then member interested in Flexible Retirement in December? It doesn't seem fair to be penalised for unpredictable situations within a year.</p>	<p>Please see earlier response.</p>	<p>Y</p>
<p>The timescales given in a number of the “failures” in Appendix C are also of concern to us. Examples are, but not limited to:</p> <p>Schools may not be available or know in a timely manner of a death in service to enable notification within 10 days, during a long school holiday period. This could also apply to a small employer with one administrator who is on holiday or other absence.</p> <p>New starters to be returned within one month of start date – this is not practical. Somerset Council and many of its employers have a pay date of the last working day of the month. A new employee with a start date near the end of the previous month or very early in the current month, is unlikely to be reported in time. Somerset Council payroll is finalised just a few days before payday. We have multiple processes to complete in the next week or so and it is unlikely that our pension returns will be completed in the timescales listed. This would also apply to many of our client payrolls.</p> <p>New starters with a payroll paid earlier in the month are also likely to be later than one month from start date in</p>		

<p>many circumstances. We have insufficient resource to stop our other payroll work to produce pension returns for individual payrolls. Our process is to do this for all at a similar time.</p> <p>To support our request for this deadline to be extended, we also note for new member records, Peninsula Pensions have 3 months to update their records and you will do this on receipt of the interface. We therefore do not see why the employer timescale should be within a month and what costs are incurred by the Administering Authority if it is later.</p> <p>We suggest that the request for Annual Allowance data should have a date quoted.</p> <p>A charge for a non-quantified event is unreasonable. All charges should have a specified non-compliance.</p> <p>We suggest that you explain the transfer of fines, and when this may happen, in more detail.</p> <p>The final charge appears to be a catch all which may include “failures” detailed above and for which there is little or no quantifiable time.</p> <p>We do understand that a comment was made to one of our representatives at the meeting that the charging schedule isn’t being aimed at us (Somerset Council) but being instigated to target poor performers, but this does not remove the fact that the strategy states that all employers are responsible for meeting the unreasonable timescales given and we do support multiple fund employers.</p>		
<p>Failure to notify PP of other changes relating to an active member. As with new starters, this is not practical and needs to be a period after the pay day that this change takes effect from in the Payroll system as this will then also allow for retrospective changes and the change to appear on monthly payroll reports.</p>		

<p>With the on-line system being removed we are no longer able to do our own estimates and dates can shift – with the removal of the facility to do the estimates ourselves, we believe this number should be increased significantly.</p>	<p>1 estimate per year per employer led retirement type should provide the required information in relation to strain cost for an employer to decide regarding retirement. There is also the strain calculation report for employers which can be provided by PP, to help when looking at potential costs. The members benefits should only increase, assuming follow up estimates will be using a later date.</p>	<p>Y</p>
<p>Other comments</p>		
<p>Why isn't the aim of your Administration Strategy clearly stated to MINIMISE the admin necessary for Employers. Stop asking us to send information that you can copy across internally from the EAS5 forms to the CARE spreadsheet.</p> <p>And please stop using EGRESS as a 'secure' email process. If you can confirm the very confidential EAS5 information you can send other missives without making employers log on to another process just to view emails. Using a third party platform runs the additional risk of data leaks, losses or ransomware of the external organisation and is simply over-bureaucratic.</p>	<p>Devon County Council Data Protection and Cyber Security officers advise all staff to use Egress in their day-to-day business to safeguard information and reduce the threat</p>	<p>N</p>

	of data leaks etc mentioned.	
<p>This proposal completely undermines the good working relationship built up over many years with Peninsula and seems to be a fundamental change in the organisation's culture and approach. Is this really what you are seeking to achieve?</p>	<p>The aim is to always work with employers for the benefit of scheme members in a timely manner and in line with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations. However, where underperformance has arisen and there is lack of engagement, charges will be implemented to employers as set out below.</p>	N
<p>The proposed Administration Strategy does set out clear guidelines for Employers and the Administering Authority, however it does put a lot of emphasis on the Employer meeting all the requirements whilst we feel that there are issues with the timescales for the Administering Authority who are quick to blame employers for not submitting information. Concern is therefore raised in these case where fees could be imposed.</p> <p>I sincerely hope that pragmatism and understanding is applied for employers who provide information on a consistent basis, not the administration of fines. Missing deadlines for certain scheme members will happen unfortunately and sometimes this is purely down to timing.</p> <p>New starters or leavers can sometimes be omitted from the monthly reports as this may be the timing of a</p>	<p>Where information is not provided within statutory timescales, then members will be advised that this is pending from the employer.</p> <p>If an employer and PP are working together to move a case forward within an agreed timescale,</p>	

<p>manager completing the leaver process, the timing of an employee completing their new starter process or the time the monthly report is run.</p> <p>I completely understand the need for a cost-effective, inclusive and high-quality pension administration service requiring the joint working of both Fund and Employer but not at the expense of co-operating employers who sometime miss performance target levels.</p>	<p>then there will be a discretion which can potentially be used to not impose the fee, and a form provided for completion for this to be considered.</p>	
<p>We are understanding of the need of performance targets that are enforceable and agree with the general aims of the strategy. Understandably, the strategy is from the perspective of the administration of the scheme but whilst employers may need change some things to fit in with the requirements, there does need to be some understanding of how employers operate in reality.</p> <p>With regards to the performance standards and additional charges, there does need to be clear guidance on how the determination on failures will be made and consistently applied, how and when they will be notified, and what the appeals process is. There is the possibility that the employer could be fined multiple times for the same failure (initial fee, fine from external organisation, additional staff charges and interest). This could potentially be deemed as excessive.</p> <p>There are inconsistencies in time measurements throughout the performance standards and additional charges. For example, in some cases a period of time is used (days/weeks/months), and other cases it is working days. Also, the terms pay run, final pay day, final pay period are used but they do have different meanings. It would be good to have some clarity on why different measurements and terms are used in different cases.</p>	<p>The successful administration of the Fund relies on all parties understanding their roles and responsibilities and working together to achieve this. The strategy sets out performance targets to ensure regulatory timescales are also met.</p> <p>Documentation has been produced to ensure discussions involving any failures follow the same format and processes are being developed to be implemented from 1 April 2024 to ensure consistency. This</p>	<p>Y</p>

	<p>will include an appeals process.</p> <p>The strategy has been adjusted to incorporate weeks and months only.</p>	
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The timescales for provision of information from employers included in the Pension Administration Strategy, are directly linked to the statutory disclosure timescales, to allow the administration team sufficient time to adhere to these accordingly. Please see examples below:

<p><u>Disclosure timescales</u> (Total time to achieve task)</p>	<p>Employer timescales</p>	<p>Peninsula Pension (PP) timescales resulting</p>
<p><u>Retirements</u></p> <p>To accurately calculate and inform the member of the options available to them upon retirement.</p> <p>Within 1 month following date benefit becomes payable (2 months if retiring before normal pension age)</p>	<p>For members in receipt of regular pay, where the employer can accurately project pay to the date of retirement, up to 1 month prior, or within 1 week following final pay period (provided basic leaver information is received in advance of this, or an interim pay run is arranged).</p>	<p><u>Normal Pension age</u></p> <p>= 1 month less time employer takes to provide information</p> <p><u>Best case scenario:</u> If provided in advance = 1 month resulting for PP action</p> <p><u>Worst case scenario:</u> If provided after final pay period – potentially would be 1 month after member has left = zero time resulting for PP action (Hence request of basic leaver information in advance)</p> <p><u>Before Normal Pension age</u></p>

		<p>= 2 months less time employer takes to provide information</p> <p><u>Best case scenario:</u> If provided in advance = 2 months resulting for PP action</p> <p><u>Worst case scenario:</u> If provided after final pay period – potentially would be 1 month after member has left = 1 month resulting for PP action</p>
<p><u>Leavers (not retirements)</u></p> <p>To accurately record and update member records on pension administration systems for those members leaving the scheme, without entitlement to immediate payment of benefits. Provide them with the options available and deferred benefit entitlement.</p> <p>Within 2 months of receiving notification that pensionable service has ended</p>	<p>For members in receipt of regular pay, where the employer can accurately project pay to the date of retirement, up to 1 month prior, or within 1 week following final pay period (provided basic leaver information is received in advance of this).</p>	<p><u>Best case scenario:</u> If provided in advance = 2 months resulting for PP action</p> <p><u>Worst case scenario:</u> If provided after final pay period – potentially would be 1 month after member has left = 1 month resulting for PP action</p>

<p><u>New Starters</u></p> <p>To produce a statutory notification and forward to member's home address, together with information relating to the LGPS including how to request a transfer, form relating to previous service, and link to expression of wish form.</p> <p>Within 2 months of joining the scheme or within 2 months of request being made</p>	<p>Provision of new member information within 1 month of joining the scheme</p>	<p>If provided within one month by Employer – PP have 1 month to provide the notification to the member.</p> <p>Internal reports of new scheme members are arranged for printing on a 2-week cycle to ensure this target is met.</p>
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Somerset Pension Administration Strategy

April 2024

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[Appendix A](#) – Peninsula Pensions Communications Policy

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Introduction

Peninsula Pensions is the operational name for the shared administration service of the Local Government Pension Scheme (LGPS) on behalf of the Devon and Somerset Administering Authorities.

Somerset Pension Fund (*“the Fund”*) is responsible for the administration of the Local Government Pension Scheme (*“LGPS”*) within the geographical area of Somerset. The service is carried out by Peninsula Pensions on behalf of Somerset Council (*“the administering authority”*) on behalf of qualifying employers and ultimately the LGPS members.

This document is the Pensions Administration Strategy statement outlining the policies and performance standards towards providing a cost-effective, inclusive, and high-quality pension administration service.

Delivery of such an administration service is not the responsibility of one person or one organisation. It is the joint working of a number of different stakeholders, which between them are responsible for delivering the pensions administration service to meet the diverse needs of the membership. As the cost of this service is borne by the Fund, and effectively recharged pro-rata to each employer via the contribution rate, it is in everyone's interests to ensure an efficient cost-effective provision.

Compliance

Developed in consultation with employers within the Fund, this statement seeks to promote good working relationships, improve efficiency, and ensure agreed standards of quality in delivery of the pension administration service amongst the employers and the Fund.

A copy of this strategy is issued to each of the relevant employers. The undertakings set out within this Pension Administration Strategy will be regularly reviewed by the Fund. In no circumstances does this strategy override any provision or requirement of the Regulations set out below, nor is it intended to replace the information provided in the Employers' Guide on the Peninsula Pensions [website](#).

Review

Peninsula Pensions and The Fund will review this policy statement and make revisions as appropriate following a material change in its policies in relation to

any of the matters contained in the strategy. Employers will be consulted and informed of the changes.

The administration strategy is linked to the following statutory documents of the Administering Authority which are located on the Somerset Pension Fund [website](#):

- Governance Policy and Compliance Statement
- Communications Strategy
- Funding Strategy Statement
- Investment Strategy Statement

Regulatory Framework

Regulation 59 of the LGPS Regulations 2013 enables an LGPS administering authority to prepare a document (*“the pension administration strategy”*) detailing administrative standards, performance measures, data flows and communication with employers.

Regulation 70 of the LGPS Regulations 2013 allows an administering authority to recover costs from an employing authority where costs have been incurred because of that employing authority's level of performance in carrying out its functions under these Regulations.

Regulation 71 of the LGPS Regulations 2013 allows an administering authority to apply interest to late payment of scheme contributions.

Regulation 72 of the LGPS Regulations 2013 sets out who is responsible for the decisions relating to a scheme member's rights and liabilities in the LGPS.

Regulations 79 of the LGPS Regulations 2013 permit the Administering Authority to appeal to the Secretary of State against an employer's decision or lack of decision.

This document has been presented, considered, and approved by the Somerset Pension Fund Board and the Pension Fund Committee and, as such, the contents of which apply to all existing and future employers of Somerset Pension Fund from 1 April 2024.

Record Keeping

Record-keeping is a fundamental part of managing a scheme such as the LGPS. Administering Authorities and employers have a legal obligation to collate and maintain accurate data records.

Each party shall duly observe all its obligations under all applicable laws which apply to the handling of personal data, including the General Data Protection Regulation (Regulation (EU) 2016/679) and the Data Protection Act 2018 as may be amended, extended, or replaced from time to time.

The Administering Authority and the employers agree to comply with the obligations set out in the 'Memorandum of Understanding' regarding Compliance with Data Protection Law between the Administering Authority and all employers within the Fund' (the "MOU"), a copy of which is published on the Peninsula Pensions [website](#). The Administering Authority reserves the right to amend, update or replace the MOU from time to time.

Peninsula Pensions must be able to demonstrate that records are accurate and up to date, within the parameters of data protection legislation, in order to govern and administer the pension scheme efficiently and effectively for scheme members.

Employers (and their delegated payroll providers) are responsible for providing the core data required by the Administering Authority. Employers need to ensure that legal obligations regarding the provision of timely and accurate information to the scheme are met. Please refer to link for more information [Pensions Line Special - August 2023 - Employer Duties \(govdelivery.com\)](#).

The Administering Authority has a legal duty to provide scheme members with accurate and timely information regarding their benefits. The use of electronic processes aides all parties to do this in a timely, secure, and efficient manner.

A strong working partnership between the Administering Authority and employers is key in delivering a successful administration service. This document describes how the Administering Authority provides support to employers in meeting their responsibilities.

Peninsula Pensions will notify employers in advance of any proposed changes in systems, processes, legislation, and data requirements, and will provide sufficient time, support and guidance for employers to implement any changes.

Full details covering the processes for employers, including the procedures for the escalation of outstanding requests for information, can be found within the employer's section of our website.

If employers have concerns about the data required, they should contact Peninsula Pensions without delay. This will allow Peninsula Pensions to work with employers to resolve any issues and enable both parties to meet their requirements for the benefit of scheme members.

Where an employer does not actively engage with Peninsula Pensions to resolve issues and/or consistently fails to meet its responsibilities under the

LGPS Regulations, the Administering Authority (or stakeholders such as the Pension Board) has a statutory duty to report any breach to The Pensions Regulator. Similarly, stakeholders (such as the Pension Board) may report Peninsula Pensions to The Pensions Regulator if it is believed that a breach has occurred in respect of its duty as scheme administrator.

If deemed to be materially significant, The Pensions Regulator has the authority to take prompt and effective action to investigate and correct the breach and its causes, and, where appropriate, to notify any members whose benefits have been affected.

The Pensions Regulator may impose a penalty under section 10 of the Pensions Act 1995. At the time of creating the PAS, the maximum amount of a penalty in relation to a breach is £5,000 in the case of an individual and up to £50,000 in any other case.

Penalties may be imposed on any party who has legal requirements or responsibilities relating to the management or administration of the scheme, and anyone else who could be subject to any of The Pensions Regulator's statutory powers of investigation and enforcement, such as employers and professional advisers.

The Pensions Regulator's compliance and enforcement policy for public service sector schemes can be accessed via the following link:

<https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/compliance-policy-public-service-pension.ashx>

More information about the work of The Pensions Regulator can be found via the following link:

<https://www.thepensionsregulator.gov.uk/en>

Liaison and Communication

The delivery of a high quality, cost-effective administration service is not only the responsibility of the Administering Authority, but it also depends on them working with several individuals in different organisations to ensure that members and other interested parties receive the appropriate level of service and that statutory requirements are met.

Peninsula Pensions has a dedicated Employer & Communications Team who will work with employers to ensure they are equipped to meet their responsibilities in line with the LGPS Regulations.

Every employer will have access to a dedicated Member Services Team who will assist employers with queries relating to individual members.

Each employer will designate a named individual(s) to act as a **Pension Liaison Officer**, who will serve as the primary contact regarding any aspect of administering the LGPS.

Peninsula Pensions will employ a multi-channel approach in liaising and communicating with employers to ensure that all requirements are consistently met. This is set out in the Peninsula Pensions Communication Policy set out in [Appendix A](#).

Employer Training / Meetings

Employer focus sessions are arranged throughout the year. They cover employer responsibilities including:

- Starter and leaver processes
- Final Pay
- LGPS Discretions
- End of Year requirements
- Internal Dispute Resolution Procedure

Peninsula Pensions hold annual Pension Liaison Officer Group (PLOG) meetings.

The Somerset Pension Fund holds an annual employers' meeting where officers provide information on Fund Finances, Investment Performance, and topical issues for the Fund.

Attendance to these meetings by each employer's main contacts and Senior Management is actively encouraged and will be recorded and form part of each Employers Performance Report to confirm active engagement.

Employer Discretions Policy

Each employer is required to produce, publish and maintain a statement of policy regarding the exercise of certain discretionary functions available to them within the LGPS regulations. The policy statement must be kept under review and where revisions are made; the revised policy statement must be sent to the Fund and made readily available to all employees within the employing authority within one month of the effective date. Examples can be found on the Peninsula Pensions webpage [Employer discretions - Peninsula Pensions](#).

Notification of employee's rights

Any decisions made by an employing authority affecting an employee's rights to membership or entitlement to benefits must be notified to the employee electronically or in writing.

Internal Dispute Resolution Procedure

Each employing authority is required to nominate and name the person to whom applications under Stage 1 of the Internal Disputes Resolution Procedures should be made. The name, job title and contact details of this nominated person must be kept current with the Fund.

Administering Authority and Employer Responsibilities

The LGPS Regulations identifies a number of responsibilities for the Fund and Employers which will enable us, together, to move forward for the benefit of the Fund and our Scheme members. We will achieve this by:

- Clearly defining the respective roles of employers and the Administering Authority
- Setting clear and achievable standards of service levels for the functions carried out by employers and the Administering Authority
- Setting out clear procedural guidance for the secure and effective exchange of information between employers and the Administering Authority
- Monitoring service delivery, identifying poor performance and establishing a platform for the provision of support to improve performance where required
- Continuous development of resources via the use of digital technology and staff training for both the Administering Authority and employers
- Applying charges where an employer consistently fails to meet deadlines to ensure that scheme members are not disadvantaged, and in addition, that the resulting additional administrative strain is not a burden on all employers.

Note: Peninsula Pensions are not responsible for verifying the accuracy of any information provided by the employer for the purpose of calculating benefits under the provisions of the Local Government Pension Scheme and the Discretionary Payments Regulations. This responsibility rests fully with the employer.

Payroll providers – for employers who have delegated the responsibility to a payroll provider, for the provision of information direct to Peninsula Pensions, a delegation form will need to be completed confirming the areas for which they are permitted to act on your behalf. If information, or lack of information,

received from the payroll provider results in incorrect or no information being issued, or incorrect, or no benefits being paid to scheme members, the responsibilities under the Local Government Pension Regulations lie fully with the employer.

A complete breakdown of responsibilities and expected performance levels can be found in [appendix B](#).

Audit

The Fund is subject to an annual audit of its processes and internal controls. Employers are expected to fully comply with any requests for information from both internal and approved external auditors. Any subsequent recommendations will be considered and where appropriate implemented with Employing authority cooperation.

Part of the annual audit will also involve contact and visits with Employers, to ensure pension responsibilities including monthly data provided meets LGPS regulatory requirements.

Performance Monitoring

The Strategy recognises that there is a shared responsibility for ensuring compliance with the LGPS regulations and the PAS. Below we have set out the ways in which performance and compliance will be monitored:

- The Administering Authority and employers must aim to ensure that all functions and tasks are carried out to the agreed quality standards set out in this Strategy.
- The Administering Authority will regularly monitor, measure and report on compliance with the agreed service standards outlined in this document.
- The Administering Authority will undertake a formal review of performance against this strategy on an annual basis and liaise with employers in relation to any concerns on performance.
- The Administering Authority monitors its own performance against internal key performance indicators and the Disclosure Regulations 2013. Formal monitoring is carried out on a monthly basis and is reported to the Pension Board on a quarterly basis.
- The performance of employers against the standards set out in this document will be reported to the Investment and Pension Fund Committee and Pension Board, as appropriate, and will include data quality.
- The Administering Authority will also regularly report to employers regarding individual performance, identifying any areas for improvement including outstanding data items.

Under performance of Scheme Employer

Employers are responsible for the submission of accurate data and to pay the correct amount of pension contributions within the specified timescales. When there is **late or inaccurate submission of data or late payment** of contributions, the scheme member will likely be impacted, and the administering authority may subsequently be unable to perform their duties within the statutory timescales. In addition, consequent costs to the fund would be met from *all* employers' contributions.

Regulations 70 and 71 of the LGPS 2013 regulations gives administering authorities the ability to recover any administration costs incurred as a result of the underperformance of an employer, from the employer responsible for the underperformance.

In order to promote efficiency, reduce costs and better target the costs of non-compliance to those employers identified as underperforming, and who are unwilling to engage with Peninsula Pensions, the **additional** charges in [appendix C](#) will be applied,

From April 2024 Peninsula Pensions will use an employer database to monitor performance. Any additional costs incurred in the administration of the scheme as a direct result of individual underperformance, will be highlighted with a view to recovering these costs from the responsible employer.

Peninsula Pensions will:

- write to the employer, setting out area(s) of non-compliance with performance standards, offer support and, where applicable, request attendance at a training/coaching session
- where the underperformance is in respect of an admitted body, the originating employer will be informed and will be expected to work with Peninsula Pensions to resolve the issue(s)

If no improvement is seen within one month, or the employer is unwilling to attend a meeting to resolve the issue, Peninsula Pensions will issue a formal written notice, setting out:

- the area(s) of non-compliance that has/have been identified
- the steps taken to resolve this area(s)
- how the underperformance has contributed to the additional costs of administration and the amount of the additional cost incurred

Peninsula Pensions will also provide notice that the additional costs incurred as a direct result of the employer's poor performance will now be reclaimed.

A breaches report will be presented to the Pension Board on a quarterly basis. This report will include the nature of the breach, the party responsible for the breach and details of any action taken to address the breach.

The report will also include a recommendation for the Board to consider whether a breach is significant enough to warrant reporting to The Pensions Regulator.

In the event of a levy being issued to the Administering Authority by The Pensions Regulator, the levy will be passed on to the relevant employer where it can be demonstrated that the employer's action or inaction is responsible for the levy.

Any disagreement regarding the amount of the levy will be decided by the Secretary of State who will have regard to:

- the provisions of the pension administration strategy that are relevant to the case
- the extent to which the Administering Authority and the employer have complied with those provisions in carrying out their functions under these regulations

Actuarial work

The Administering Authority will appoint an actuary, who will conduct a valuation of the pension fund, as appropriate. The actuary will determine the assets and liabilities in respect of each employer and will calculate the appropriate contribution rate to be applied for the subsequent three-year period.

The costs associated with the administration of the scheme are charged directly to the pension fund, and the actuary takes these costs into account in assessing the employers' contribution rates.

In the event that an employer elects to outsource a service, the actuary is required to produce a report in respect of those scheme members involved in the outsourcing. The outsourcing employer will be liable for any actuarial costs arising from the outsourcing of a service, including the production of the report.

Guidance regarding the outsourcing of a service is located within the employer's section of our website as below.

An employer may also commission the actuary to undertake additional work, the costs of which will be charged to the individual employer. Please note that these costs will also include an element of the cost of any administration work involved in liaising with the actuary.

Outsourcing a service

Peninsula Pensions webpage TUPE [and admitted bodies - Peninsula Pensions](#) holds information to be followed in connection when an outsourcing is being considered and when it has occurred. This includes the requirement of a rates and adjustment actuarial certificate to be issued for the new admitted body. This provides the employer contribution rate and associated bond/guarantor amount.

From the Transfer Date, the Administering Authority shall permit the Eligible Employees to be or to remain members of the Scheme and to participate as active members of the Fund. From that date the Admission Body shall operate as if it were an employing authority for the purpose of the Regulations and shall exercise the responsibilities provided for in the Regulations.

Please note the Fund will expect contribution payments to be made *from the Transfer Date* even if the admission agreement has not been sealed and executed at Transfer Date. (The LGPS 2013 regulations do permit admission agreements to be completed after a TUPE has occurred).

If at the time of the outsourcing an employer rate is not known the outsourcing employer will work with Peninsula Pensions to expedite the actuarial certificate required by the admitted body. If contributions are not paid the fees for late payment as set out in appendix C will apply.

Pension Fund Committee
Somerset County Council

Date.....

Appendix A – Peninsula Pensions Communication Policy (to be viewed alongside the Somerset Pension Fund Policy)

1. Introduction

Peninsula Pensions (PP) was formed in 2013 as a shared pension administration service, with Devon County Council acting as lead authority, for the provision of the Local Government Pension Scheme (LGPS) administration for the Devon County Council and Somerset Council administering authorities.

Peninsula Pensions also administers the Police Pension Schemes for Avon and Somerset Police and the Firefighters Pension Schemes for Gloucestershire Fire and Rescue Service.

This communication policy outlines the guidelines and procedures for effective communication by PP with its stakeholders, including scheme members and employers, through its [online Scheme Member Self Service portal](#) and [website](#). The goal is to ensure transparent, timely, and reliable dissemination of information while safeguarding data privacy and security.

2. Objectives

The objectives of the communication policy are as follows:

- To provide accurate and up-to-date information on pension schemes administered by Peninsula Pensions.
- To enhance stakeholder engagement and satisfaction through responsive and user-friendly communication channels.
- To maintain data privacy and security in all communication processes and interactions.
- To comply with relevant laws, regulations, and best practices governing communication in the public sector.

3. Communication Channels

PP shall use the following communication channels to interact with stakeholders:

- **Online Portal:** Member Self Service (MSS)/Transformational Member Experience (TME) is the primary source of communication with members. It allows them to check information; produce their own estimates – including a wider financial projector; process certain benefits, for example refunds, transfer out quotations, and deferred retirement options; update personal information; upload documents; and ask us questions.

- **Website:** The website will hold information on all the pension schemes administered by PP. It will include details on latest updates, processes and timescales for the varying functions administrators carry out. There will also be details of how to contact PP and sign up to our Member Self Service portal.
- **Email:** Following Devon County Council's policy relating to emails, as required, secure and official email communication shall be employed for personalised and confidential interactions.
- **Member support team** – a dedicated team to help and support members with both telephone enquiries and responses to enquiries raised within the MSS/TME online portal in an understandable, efficient, and timely manner. Telephone calls may also be recorded for training purposes with the intention of constantly reviewing and improving the service provided through feedback.
- **Newsletters** – yearly updates to pensioners, and regular updates sent to both scheme members and employers.
- **Employer Meetings** – full employer meetings will occur annually, in addition to focus sessions and training events held throughout the year as required. These events can be online and / or in person events.
- **Member and scheme literature** – personal benefit statements, pensioner newsletters and P60s provided on a yearly basis. P60s are also available via MSS/TME online portal as are pensioner pay advices. When material changes occur, newsletters will be issued accordingly, and information placed on MSS/TME online portal and / or our website.

4. Content Guidelines

- **Accuracy and Timeliness:** All information shared on the online portal and website must be accurate, kept up-to-date, and reviewed regularly to reflect any changes in regulations, policies, or procedures.
- **Clarity and Simplicity:** Communication content should be clear, concise, and easily understandable, avoiding technical jargon where possible.
- **Accessibility:** The online portal and website shall be designed to meet accessibility standards, enabling easy access for individuals with disabilities.

5. Stakeholder Engagement

- **Feedback Mechanism:** The online portal and website include a feedback mechanism, enabling stakeholders to provide suggestions, report issues, and seek clarifications.
- **Response Time:** PP shall endeavour to respond to stakeholder enquiries and feedback promptly, setting specific service level standards for each type of communication.

6. Data Privacy and Security

- **Confidentiality:** PP shall handle all personal and sensitive data in strict confidence and comply with relevant data protection laws in line with our [privacy statements](#).
- **Secure Channels:** Communication channels that involve the transmission of sensitive information shall be encrypted and secured.
- **Authentication:** To ensure data security, stakeholders may be required to verify their identity through secure authentication methods when accessing certain information or services.

7. Review and Updates

The communication policy shall be reviewed annually or whenever there are significant changes in regulations, technology, or communication practices.

8. Policy Dissemination

This communication policy shall be made accessible to all employees, stakeholders, and the public through our website.

By adhering to this communication policy, PP aims to foster transparency, trust, and accountability while effectively serving its stakeholders in matters related to pensions and related services.

Appendix B – Performance standards

Performance standards are expressed as targets (i.e. the level of performance expected in normal circumstances). It is accepted that there may be occasions where it may not be possible to achieve the target indicated and a pragmatic approach will be adopted, subject to employers using their best endeavours to meet expected standards wherever possible.

Employer Responsibilities

1. Communication

Function/Role	Performance Target
Primary contacts - Nominate and keep under review named contacts including main contact and HR and payroll links.	Within 1 month of employer joining the Pension Fund or change to nominated representative
Stage 1 Appeals (IDRP) Officer - Appoint a person to consider appeals under Stage 1 of the Applications for the Adjudication of Disagreements Procedure (AADP) and provide full, up to date contact details to Peninsula Pensions.	Within 1 month of employer joining the Pension Fund or 1 month of a change in Appeals Officer
Independent Registered Medical Practitioner (IRMP) - Appoint an IRMP qualified in occupational health medicine, or arrange with a third party, and seek approval of the appointment from Peninsula Pensions, for the consideration of all ill-health retirement applications from active and deferred members.	Within 1 month of employer joining the Pension Fund or within 1 month of a change in IRMP(s)
Employer Discretions - Formulate and publish policies in relation to all areas where the employer may exercise a discretion within the LGPS (including providing a copy of the policy document to Peninsula Pensions).	Initial policy and subsequent revisions to be provided within 1 month of publishing
LGPS content in Contracts – Ensure that Fund-approved LGPS content is included in all contract / appointment / adjustment communications for LGPS-eligible positions including direction to Peninsula Pensions website .	Review LGPS content annually or within 1 month following receipt of information regarding adjustment to Fund approved wording
Communicate any information provided by Peninsula Pensions to scheme members/potential scheme members.	Within 1 month unless an alternate timeframe is set by Peninsula Pensions

	due to statutory requirements
Refer new / prospective scheme members to Peninsula Pensions' website.	Within 1 month of commencement of employment or change in contractual conditions
Outsourcing – Notify Peninsula Pensions of contracting out of services which will involve a TUPE transfer of LGPS eligible staff to another organisation to enable LGPS information to be provided to potential contractors.	Within 1 week following Committee approval
Work with Peninsula Pensions to arrange for the admission of a contractor as a new employer.	A minimum of 2 months in advance of the date of contract
Notify Peninsula Pensions of changes / extension / cessation of arrangements with a contractor.	Within 1 week of decision being made
Assist Peninsula Pensions in ensuring that the terms of the contractor's admission as an employer (Admission Agreement) are complied with.	Notify Peninsula Pensions immediately if the terms of the Admission Agreement have been breached
Respond to enquiries from Peninsula Pensions and representatives from the Administering Authority.	Within 2 weeks from receipt of the enquiry
Respond to enquiries from Peninsula Pensions and representatives from the Administering Authority in respect of Breaches of the Law.	Within 1 week of the request

2. Payments to the Fund

Function/Role	Performance Target
The Employer's Rate - Apply the employer contribution rate and deficit sum agreed with the Administering Authority on becoming an employer and adjust as instructed by the Administering Authority from a date determined by the Administering Authority.	Apply as instructed by the Administering Authority following advice from the scheme actuary
The Employee's Rate - Calculate and review the correct employee contribution rate for all members at commencement and on 1st April each year. Also, to be	On 1st April each year and as per the employer's

reviewed at intervals during the year at the employer's discretion.	discretionary policy on adjusting the employee's contribution rate at intervals during the year
Assumed Pensionable Pay (APP) - Ensure the correct application of APP during periods of reduced/nil pay in accordance with the LGA's HR & Payroll Guides.	Review of eligibility for APP immediately upon a member moving to reduced/nil pay
Monthly Payment to the Pension Fund - Remit employee, employer and any additional contributions and submit the online contributions form to the Administering Authority.	By the 19th of the month after deduction from pay or date specified by the Administering Authority.
Payment of AVCs - Remit Additional Voluntary Contributions (AVCs) to the AVC provider(s).	By the 19th of the month following the deduction from pay
Make strain/shortfall payments to the Administering Authority in respect of early payment of benefits from flexible retirement, redundancy, or business efficiency retirement, or where a member retires early with employer's consent.	Within 4 weeks of receipt of invoice from Peninsula Pensions or the Pension Fund
Remit recharge payments in respect of pension members – e.g. Discretionary Compensation/Enhancement.	Within 4 weeks of receipt of invoice from Peninsula Pensions or the Pension Fund
Payments in respect of FRS102 and IAS19 work carried out on behalf of employers by the Administering Authority and the Actuary.	Within 4 weeks of receipt of invoice from Peninsula Pensions or the Pension Fund
Payments in respect of all other work carried out on behalf of the employer by the Actuary and connected data quality assurance undertaken by the Administering Authority.	Within 4 weeks of receipt of invoice from Peninsula

	Pensions or the Pension Fund
Prompt payment of invoices issued by the Administering Authority for specific services provided e.g. admission agreement work.	Within 4 weeks of receipt of invoice from Peninsula Pensions or the Pension Fund
Make payment of additional costs to the Administering Authority associated with non-compliance with performance standards of the scheme employer.	Within 4 weeks of receipt of invoice from Peninsula Pensions or the Pension Fund

3. Year-End Return

Function/Role	Performance Target
Completing the Year-End Return - Provide a fully reconciled and completed Year-End Return to Peninsula Pensions in the format stipulated in the instructions issued each February.	By 30 April following the year-end
To resolve all queries returned from the Year-End Return.	To respond fully to all queries from Peninsula Pensions within 3 weeks of receipt of the query. In circumstances where an employer submits a late year-end return, limiting the time that Peninsula Pensions must complete its duties, the timescales may be reduced, as

	advised by Peninsula Pensions
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4. Scheme Members Information

Function/Role	Performance Target
<p>To notify Peninsula Pensions of all new scheme members, changes in personal details, e.g. name, working hours via Interface or Employer Self Service.</p> <p>* Where an employer provides employees with a link, (included as part of documentation provided with new contracts), to relevant PP website page, a fee will not be invoked at the 1-month date, assuming full starter information is received by PP within 2 months of the start date. The website page will include all information required to satisfy disclosure regulations.</p> <p>NB Ideally full details would be received within 1 month, to enable PP to add the scheme member record to our database and allow them access to the online portal.</p>	<p>1 month*</p>
<p>On cessation of membership determine the reason for leaving, final pay for calculating pre 2014 benefits and CARE pay for post 2014 benefits as appropriate.</p> <p>NB Where an employee is suffering from a Terminal Illness and limited life expectancy, employers should contact Peninsula Pensions for guidance without delay.</p> <p>Final Pay Period – this is the pay period the scheme member was made a leaver on your payroll.</p> <p>** To enable employers to automate information via their payroll system following their ‘final pay period’, in addition to satisfying the regulatory timescales as administrators, a fee will not be invoked, provided that earlier notification of basic leaver information is given by the employer, to enable PP to provide key information to scheme members ahead of their leaving date.</p> <p>Alternatively, if employers can action interim ‘payroll runs’ as opposed to one single monthly pay run, information</p>	<p><u>Leavers under age 55</u> within 1 week following final pay period</p> <p><u>Leavers age 55+</u> For members in receipt of regular pay, where the employer can accurately project pay to the date of retirement, up to 1 month prior, or within 1 week following final pay period**</p>

could potentially be automated earlier for provision to PP in line with timescales.	
<p>Apply a scheme members election to opt out of the LGPS to the member's payroll record.</p> <p>Notify Peninsula Pensions in line with the process for leavers, as stated above.</p>	<p>Election applies from the 1st of the month for the next available payroll, except where an opt-out is made within 3 months of an employee joining the scheme. In such cases the opt-out is backdated to the joining date and all contributions refunded by employer's payroll</p>
Where a member dies in service - determine final pay for calculating pre 2014 benefits and CARE pay for post 2014 benefits as appropriate.	<p>Inform Peninsula pensions within 2 weeks of employer being notified.</p> <p>Provide full leavers notification within 1 week of final pay period.</p>
Provide monthly CARE data within required format.	Within 2 weeks of pay period it is paid in.
Ensure members are notified of the option to pay Additional Pension Contributions following absences not covered by APP.	Within 2 weeks of the return to work, or as set out in the employer's discretion policy
Apply/adjust/cease the deduction of Additional Pension Contributions following an APC application from a scheme member and forward information via Interface to Peninsula Pensions.	In the month following receipt of election from scheme member
Notify Peninsula Pensions of periods of unpaid absence not covered by Assumed Pensionable Pay (APP).	Within 1 month of return to work.
Arrange for the deduction of AVCs from scheme member's pay following election.	Commence deduction of AVCs in month following the month of

	election, as advised by AVC Provider
In line with General Data Protection Regulations (GDPR) an employer will protect information relating to a member contained in any item issued by Peninsula Pensions from improper disclosure. They will only use information supplied or made available by Peninsula Pensions for the LGPS	Ongoing requirement

Administering Authority Responsibilities

1. Peninsula Pensions

To complete cases in line with the [Occupational and Personal Pension Schemes \(Disclosure of Information\) Regulations](#), with at least 90% of cases completed within the statutory targets.

Peninsula Pensions Responsibility	Disclosure regulations / Legal Requirement	Internal Targets
To accurately record and update new member records on pension administration systems.	Within 2 months of effective date of change	On receipt of interface information from employer
To produce a statutory notification and forward to member's home address, together with information relating to the LGPS including how to request a transfer, inform us of previous service, and complete an expression of wish form.	Within 2 months of joining the scheme or within 2 months of request being made	To assist in meeting the statutory deadlines, data reports required for production of statutory notifications are scheduled to run every 2 weeks.
To process employer year-end contribution returns and provide consolidated and grouped error reports for action by employers.	Various timescales impacted – examples below:	To meet statutory deadlines relating to annual benefit statements /

	<ul style="list-style-type: none"> - 31st August Annual benefit statements - 6th October Annual Allowance statements 	triennial Fund valuations/ annual allowance calculations
To produce annual benefit statements for all active members as at the preceding 31 st March and notify electronically or by post to member's home address.	31 st August	31 st July
To produce annual benefit statements for all deferred benefit members, as at the preceding 31 st March, and notify electronically or by post to member's home address.	31 st August	30 th June
To provide information and quotations to scheme member about additional voluntary contribution (AVC) options.	Within 2 months of request being made	
To provide information and quotations to a scheme member on the option of making Additional Pension Contributions (APCs).	Within 2 months of request being made	
To accurately record and update member records on pension administration systems for those members leaving the scheme, with entitlement to a 'frozen' refund of contributions as opposed to deferred benefits or immediate payment of benefits. Provide them with the options available and refund benefit entitlement.	Within 2 months of receiving notification that pensionable service has ended or within 2 months of a request	Within 2 weeks
To accurately record and update member records on pension	Within 2 months of receiving notification	

administration systems for those members leaving the scheme, with entitlement to deferred benefit as opposed to immediate payment of benefits. Provide them with the options available and deferred benefit entitlement.	that pensionable service has ended or within 2 months of a request	
To accurately calculate and inform the member of the options available to them upon retirement.	Within 1 month following date benefit becomes payable (2 months if retiring before normal pension age)	On receipt of information from employer within statutory timescales
Upon receipt of members completed payment option and other required retirement forms, finalise pension records and authorise payment of lump sum and set up of pensioner payroll record.	n/a	Within 2 weeks
Upon receipt of members completed documentation relating to refund of contributions, arrange payment of refund		Within 2 weeks
Upon receipt of a member general enquiry, including a first stage complaint, or enquiry relating to the member online portal, provide response		Within 2 weeks
Upon receipt of pensioner 'payroll' information relating to a member's pension in payment, update member record		Within 2 weeks or sooner if payroll pay run impacting
To produce retirement estimates for employers, once in receipt of all the necessary information.	Within 2 months of request being made	Within 2 weeks
Upon receipt of notification of change to existing member's personal details, update member record		Within 2 weeks

Upon receipt of members completed documentation relating to transfer of benefits, arrange payment		Within 2 weeks
Each Administering Authority is responsible for exercising the discretionary powers given to it by the regulations. The Administering Authority is also responsible for publishing its policy to its members in respect of the key discretions as required by the regulations.		Peninsula Pensions will maintain links to these discretions on their website and review every 3 years or sooner if required
Under the General Data Protection Regulations 2018 Peninsula Pensions will protect information relating to a member contained on any item issued by them or received by them from improper disclosure.	n/a	Ongoing requirement, online security within databases regularly reviewed
Notification of Pension Fund Triennial Valuation results including contribution rates – assuming information provided by Actuaries as agreed		Provisional results December following valuation, with final results the following March

Appendix C

Our aim is to work with employers for the benefit of scheme members in a timely manner and in line with the [Occupational and Personal Pension Schemes \(Disclosure of Information\) Regulations](#). However, where underperformance has arisen and there is lack of engagement, we will look to charge employers as set out below.

Discretion for avoidance of charges will be limited, and only considered when full engagement with employer and Peninsula Pensions has taken place, and on completion of form of agreement confirming steps being taken and timetable agreed to correct the position.

Description of Failure	Fee
Failure to notify Peninsula Pensions with full information relating to new starters joining the LGPS within 1 month of their start date	£50 per member plus an additional £50 per member for each subsequent month late
Failure to notify Peninsula Pensions of other changes relating to an active member of the LGPS within 1 month of the change - this will include all changes outlined in the Pension Admin Strategy (for example, hour changes / additional pension contributions)	£50 per member plus an additional £50 per member for each subsequent month late
Failure to submit requested pay data relating to Annual Allowance by the 5 th July	£100 per day from date specified, up until the date the data is received
Failure to submit monthly data match files eg CARE pay by last day of the following month or, provide them outside of the Peninsula Pensions template	£100 per day from the day after the last day of the following month, up until the date return is received / received in correct format
Failure to notify Peninsula Pensions of member leaving the LGPS (as opposed to potential retirement - relating to either termination of employment or opting-out) within 1 month of the event	£50 per member plus an additional £50 per member for each subsequent month late
Failure to notify Peninsula Pensions of any retirement within 1 week following final pay period.	£200 per member plus an additional £200 per member for each subsequent month late
Whereas a result of the Employer's failure to notify Peninsula Pensions of a retirement, interest becomes payable on any lump sum or death grant paid, Peninsula Pensions will recharge the total amount of interest to the Employer (in addition to any late payment fees stated)	Interest calculated in accordance with Regulation 71 of the LGPS Regulations 2013
Failure to notify Peninsula Pensions of the death in service of a member within 2 weeks of the Employer receiving notification	£200 per member plus an additional £200 per member for each subsequent month late

Failure to pay over the monthly contributions to the Fund by the 19th of the month following deduction of the contributions	Interest calculated on a daily basis equal to the Bank of England Base Rate plus 1%
Failure to provide the monthly contribution forms	£50 per occasion plus an additional £50 per occasion for each subsequent month late
Failure to provide Peninsula Pensions with the End of Year return by 30th April	£100 per day from 1st May to date return is received
Failure to respond to requests to resolve member queries (for example queries related to annual returns or leaver forms) within 2 weeks of request	£50 per member request plus an additional £50 per member for each subsequent month late
1 estimate per year per employer led retirement 'type' There is also the strain calculation report for employers which can be provided by PP, to help when looking at potential costs.	£100 per estimate request plus VAT per additional request (assuming same reason for leaving requested)
Failure to pay invoices from Peninsula Pensions within the prescribed payment period	Interest calculated on a daily basis equal to the Bank of England Base Rate plus 1%
Consistent failure to engage with Peninsula Pensions when contacted / to provide accurate data / or with attendance at training /focus sessions without advising/notice.	£50 per occasion plus an additional £50 per occasion for each subsequent month late
Any other failure to comply with the employer duties included in either the 'Communication' section, the 'payments to Fund' section, or the 'scheme members information section' of the Pension Administration Strategy within the prescribed timescales, where not specifically mentioned separately above.	£50 per occasion plus an additional £50 per occasion for each subsequent month late
Admission Agreements - We require contributions to be deducted from the TUPE date and paid across by 19th of following month. This applies even if admission agreement documentation not completed. If an actuarial report not requested/received at TUPE date,	Interest calculated on a daily basis equal to the Bank of England Base Rate plus 1%

contributions to be paid within 2 weeks of admitted body receiving report.	
Fines received by either Peninsula Pensions or the LGPS Fund from regulatory bodies eg HMRC, TPR, ICO due to an employer breach	Amount of the fine will be fully recharged
Additional ad-hoc work caused to Peninsula Pensions by late and/or inaccurate submissions of data due to underperformance of employer.	This work will be charged in line with the average staff daily rate of £200, <i>in addition</i> to relevant fee quoted above where appropriate.

Notes to Charging Schedule

- Notifications of new starters, changes, absences, leavers, retirements, and death in service must give full and accurate information as detailed in the Employer's Guide.
- Regulation 71 of the LGPS Regulations 2013 states that interest must be calculated at one per cent above base rate on a day-to-day basis from the due date to the date of payment and compounded with three-monthly rests. If late payment of a lump sum or death grant occurs as a result of a failure by the scheme member or scheme member's representative to provide the information to the Fund, the Fund will be liable for the payment of any interest due.