

Bath & North East Somerset Council			
MEETING:	AVON PENSION FUND COMMITTEE	AGEN ITEM NUMB	
MEETING DATE:	10 DECEMBER 2010		
TITLE:	NEW PENSIONS ADMINISTRATION STRATEGY: PREPARING FOR CHANGE		
WARD:	'ALL'		
AN OPEN PUBLIC ITEM			
List of attachments to this report:			
Appendix 1 - Draft Pensions Administration Strategy			

1 THE ISSUE

Legislation in 2008 introduced the requirement for every local authority pension fund to have a Pensions Administration Strategy in place by October 2008. Subsequently however the legal requirement and the deadline were removed, however the government did announce that it was felt to be *good practice* to have one.

APF has therefore drafted its Pensions Administration Strategy (**Appendix 1**) and has consulted on it with Fund Employers who have provided their input which is included in the document.

The Committee is asked to approve the draft Strategy to become effective from April 2011.

2 RECOMMENDATION

2.1 That the Committee approves the draft Pensions Administration Strategy for the Avon Pension Fund to be effective from 1st April 2011.

3. FINANCIAL IMPLICATIONS

- 3.1 Employers who participate in the Avon Pension Fund are charged for the cost of administration of the Fund by an allowance of 0.5% in their pension contribution rate. This is a flat-rate amount and takes no account of the amount of administration work necessary for each Employer which is impacted upon its level of performance. The new Strategy will allow the Fund to make an additional monetary charge to Employers (following consultation) to cover its costs where the amount of administrative work carried out is disproportionate to other employers.
- 3.2 Any statutory fine levied on the Fund for a breach of its responsibilities which is a direct result of poor administration by an Employer will be passed on to that Employer.

4. THE ISSUE: NEW PENSIONS ADMINISTRATION STRATEGY DOCUMENT

4.1 PURPOSE / CONTENT:

- 4.1.1 The purpose of the new Administration Strategy is to assist both Employers and the Fund to develop best practice to meet challenges that we know are coming and will affect the administration of the Fund. The Strategy will allow Employers and the Fund to work more closely together. It brings together areas which are already in train in one document to produce a coherent and understandable Strategy for both the Fund and Employers to work to.
- 4.1.2 Key elements which are fundamental to the success of the Strategy are improved communications, comprehensive training and pushing ahead with technological advances for data transfer.
- 4.1.3 Employers and the Fund will be accountable against agreed performance targets which will be set out in Service Level Agreements. A **Stewardship Report** will be produced for Employers by the Fund and discussed at regular Performance / SLA review meetings (Annex 3 of the Administration Strategy details the Performance Criteria to be reported in Stewardship Report).
- 4.1.4 Summary reports on Employers performance will be included in future quarterly Administration Reports to the Committee starting late in 2011 once sufficient data has been compiled.
- 4.1.5 A fundamental part of the Strategy in improving the Service will be the continuing development of **electronic data transmission** and “stretch” targets in 2012 have been set for all Employers to achieve this by bulk batch submission -smaller Employers who will do this by individual electronic forms will have six months longer to comply.

4.2 TIMETABLE/PROGRESS

- 4.2.1 The Fund produced a Draft Strategy Document which was issued to Fund Employers in September for consultation with a deadline for comments of 12 November 2010.
- 4.2.2 A consultation meeting was held with Employers’ key representatives in October 2010 and the document now brought to Committee incorporates their suggested amendments and those subsequently received from other employers. Very little feed back was received from Employers outside the Consultation Meeting; Employers were generally supportive; Minor changes raised on accountability have been incorporated in the Strategy Statement where appropriate.

4.2.3 A series of meetings with Employers will take place starting in the New Year to agree new or revised SLAs as appropriate and to work with Employers to develop their electronic transmission of data.

4.3 APROVAL

The Committee is asked to approve the draft Pensions Administration Strategy which will then be “rolled out” to Fund Employers in January 2010 and become effective from 1st April 2011.

4. RISK MANAGEMENT

4.1 This report contains only recommendations to note – no risk assessment is therefore necessary.

5 EQUALITIES

5.1 No equalities impact assessment is required.

6 CONSULTATION

6.1 Consultation has taken place with all Fund Employers as described in this report.

7 ISSUES TO CONSIDER IN REACHING THE DECISION

7.1 The issues to consider are contained in the report.

8 ADVICE SOUGHT

8.1 The Council's Monitoring Officer and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

Contact person	Steve McMillan, Pensions Manager Tel: 01225 395254
Background papers	None