

Avon Pension Fund

LOCAL GOVERNMENT PENSION SCHEME

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SERVICE LEVEL AGREEMENT

Between

Avon Pension Fund

And

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXi

Service Level Agreement (SLA)

Introduction

This SLA is an integral part of the Pensions Administration Strategy (PAS) which came into effect on 1 April 2011, after approval by the Avon Pension Fund Committee. The PAS outlines the joint role of the Avon Pension Fund (the Fund) and Employing Bodies (Employers) in delivering a seamless, efficient and cost-effective pensions service by working together in partnership. It is a legal requirement that both the Fund and the Employer have regard to the PAS when carrying out their functions¹.

Our Service Ethos

The PAS sets out how Employers and the Fund work together as administrators of the LGPS in order to provide the best possible pensions service to our Stakeholders². Our primary Stakeholders are the Members of the LGPS and their dependents, as ultimate service users. But it is important for Employers and the Fund to understand from the outset that we are also Stakeholders, being service users of one another in the giving and receiving of the information we both need in order to administer the Scheme. The PAS highlights three crucial aspects of Service:

- **Seamless Service** - the pensions service which the Fund and the Employer jointly provide will be seamless from the experience of our Stakeholders.
- **Efficient Service** - the pensions service which the Fund and the Employer provide will give Stakeholders accessible and timely quality information. We will achieve this by having appropriate administrative procedures in place, combined with the application of best practice and the use of appropriate technology.

¹ Regulation 65(7) of the LGPS (Administration) Regulations 2008 (Statutory Instrument 2008 No

² The respective administrative and decision-making roles of the Fund and the Employers (known as 'discretions') are helpfully listed by the Local Government Employers organisation on their website at: <http://www.lge.gov.uk/lge/core/page.do?pageId=279288>

- **Cost-Effective Service** - the pensions service which the Fund and the Employer provide will maintain costs at industry average levels, or below. We will achieve this by streamlining our administrative processes, applying industry best practice, investing in the use of technology where appropriate and maintaining a culture of continuous improvement.

Although the LGPS is currently exempt from the Pensions Regulator's national standards for the quality of pension records³, we will aim to achieve these standards as a matter of course.

Legislation requires the Employer to publish policies on the discretions it has under Regulations 12, 13, 18 and 30 of the LGPS (Benefits) Regulations 2007. The Employer will keep these policies under review and forward a copy to the Fund.

Engaging the Employer with the LGPS

In order to provide a truly seamless, effective and cost-effective pensions service, both the Fund and the Employer must have staff with an appropriate level of knowledge about the LGPS and associated administrative procedures.

The Employer must ensure therefore that their HR, Payroll and Finance staff who deal with pensions issues as part of their work are appropriately trained so that they are able to understand and minimise pensions risk and can engage in the wider pensions agenda⁴. Pensions risk includes Employer funding liabilities as well as compliance with pensions legislation and disclosure of information requirements.

The Employer must appoint a Pensions Lead Officer to be their primary liaison with the Fund and be responsible for disseminating LGPS information to appropriate officers in their organisation, as well as ensuring the Fund receives all information it requires to administer the LGPS. The Fund will maintain an Employer Website with information about the LGPS and administrative procedures which the Employer should follow.

All sensitive personal data will be transferred between the Fund and the Employer via a secure portal.

The Fund will hold regular meetings with Scheme Employers. The Fund will do everything possible to ensure that these meetings are effective and the Employer should ensure that they make every effort to be represented and interact with the Fund and at these meetings.

³ <http://www.thepensionsregulator.gov.uk/guidance/guidance-record-keeping.aspx>

⁴ The Employer should consider sending their officers on training courses, such as the 'Understanding the Employer Role' course run by the Local Government Employers organisation

The Fund operates an ongoing *Learning and Development Programme* for its own staff to ensure that they are knowledgeable in the LGPS Regulations, investments and benefits administration.

Measuring the quality of our Service

The Employer must ensure that the Fund receives all data it requires to administer the LGPS with the time limits outlined in Appendix 1. The Fund is required to report an Employer to the Pensions Ombudsman if pension contributions are not received by the 19th of the month following deduction.

Accountability

Summary reports on all employers performance will be submitted to the Avon Pension Fund Committee at its quarterly meetings and both the Fund and Employers will be accountable for their performance.

Also legislation requires that the Fund and the Employers publish statistics on their performance against the targets outlined in Appendix 1.

Quality and Review

Regular meetings will take place as agreed between the Fund and the Employer but no less than every six months to review the effectiveness of the joint working arrangements and its contribution towards objectives.

Changes to the Agreement

Changes to this SLA will be implemented following full consultation and analysis of impacts on both the Fund and the Employer. The overriding condition to any such changes is that they are undertaken in the best interests of the members of the Fund. Any changes will take place using an agreed and managed process and within a time scale that minimises disruption and equalises financial issues.

The terms and conditions of this SLA are hereby agreed between the following parties:

Agreed and signed on behalf of the Employer.

Signed:

Position:

Date:

***Agreed and signed on behalf of Bath and North East Somerset Council
(the Administering Authority)***

Signed:

Position:

Date: