



City of Westminster

Committee Agenda

Follow On Agenda

Title:

Pension Fund Committee

Meeting Date:

Tuesday 21st June, 2016

Time:

7.00 pm

Venue:

**Rooms 3 and 4, 17th Floor, City Hall, 64 Victoria Street,
London SW1E 6QP**

Members:

Councillors:

Suhail Rahuja (Chairman)
Antonia Cox
Ian Rowley
Patricia McAllister



Members of the public are welcome to attend the meeting and listen to the discussion Part 1 of the Agenda

Admission to the public gallery is by ticket, issued from the ground floor reception at City Hall from 6.00pm. If you have a disability and require any special assistance please contact the Committee Officer (details listed below) in advance of the meeting.



An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact the Committee Officer, Toby Howes, Senior Committee and Governance Officer.

**Tel: 020 7641 8470; Email: thowes@westminster.gov.uk
Corporate Website: www.westminster.gov.uk**

Note for Members: Members are reminded that Officer contacts are shown at the end of each report and Members are welcome to raise questions in advance of the meeting. With regard to item 2, guidance on declarations of interests is included in the Code of Governance; if Members and Officers have any particular questions they should contact the Head of Legal & Democratic Services in advance of the meeting please.

FOLLOW ON AGENDA

PART 1 (IN PUBLIC)

7. PENSIONS ADMINISTRATION UPDATE

Report of the Director of People Services.

(Pages 1 - 4)

8. TRIENNIAL VALUATION UPDATE

Report of the Director of People Services.

(Pages 5 - 6)

Charlie Parker
Chief Executive
17th June 2016



City of Westminster

Pension Fund Committee

Date:	21st June 2016
Classification:	General Release
Title:	Pension Auto Re Enrolment
Report of:	Carmel Millar Director of People Services (Interim)
Wards Involved:	All
Policy Context:	Financial Control
Financial Summary:	Auto enrolment should increase cash flow into the pension fund

1. Executive Summary

- 1.1 As requested by the Pension Fund Committee, this report sets out details of the upcoming Re-enrolment of staff into the LGPS.
- 1.2 The role of People Services is to ensure that Westminster complies with its duties to enrol staff into an eligible pension scheme every three years. In addition we aim to ensure that we promote the benefits of the Local Government Pension Scheme (LGPS) to staff as a recruitment and retention tool and maintain income into the Westminster fund.

2. Current Position

- 2.1 Following the introduction of auto enrolment legislation, Westminster Council implemented full auto enrolment on our initial staging date of July 2013, where anyone who had previously opted out of either the LGPS Westminster fund or the Teachers Pension scheme were re-enrolled.
- 2.2 Westminster has a duty under the legislation to enrol staff again to an eligible pension scheme every three years and therefore we are due to hit our next staging date on the 1st of July 2016.
- 2.3 The Pensions Officer for Westminster has met with the Pensions Officer for BT to ensure that they understand the requirements of Auto Enrolment and BT will be writing to all eligible staff to advise them that they will be opted into the scheme

and to all non eligible to staff to advise them of the circumstances in which they can be opted into the scheme. Anyone who has opted out within the previous 12 months will not be required to be auto enrolled this time and will be treated as non eligible.

2.4 For reference the eligibility criteria are as follows;

- Is Age 22 or over
- Is under State Pension Age (SPA)
- Earns £11,000 annually determined by monthly pay in July of £916 per month
- Opted out of the pension scheme prior to August 2015
- Does not have a certificate of protection from HMRC prior to 2016 offering protection as a result of meeting the Life Time Allowance limit.

2.5 People Services are also liaising with the Pension Regulator and are in contact with them regarding the staging dates for a number of schools who may have alternative staging dates to Westminster's main body. The Pension Regulator determines staging dates via the employer payroll returns related to the PAYE reference. Schools often have different PAYE references where they have left the main payroll service and many of the faith schools are employers for pension purposes in their own right.

2.6 Staff wanting to opt out will need to download the opt out form from our pension website and upload to BT to action in August via Service Now if paid by BT. If they are paid by another provider they will need to send the form to their payroll provider to action. We will ask BT and the other payroll providers to advise us of any opt in's in July and the opt outs that follow in the next three months and update the committee accordingly

3. Summary

3.1 As of the date of writing this report Westminster remains on track to complete all functions to comply with auto enrolment in July 2016.

Date:	21st June 2016
Classification:	General Release
Title:	Surrey Pension Administration Performance
Report of:	Carmel Millar Director of People Services (Interim)
Wards Involved:	All
Policy Context:	Financial Control
Financial Summary:	Limited

1. Executive Summary

- 1.1 As requested by the Pension Fund Committee, this report sets out details of the current performance of the pension administrators Surrey County Council.
- 1.2 The aim of People Services is to ensure that our pension administration standards are consistently high, that data is accurately maintained, that information is provided to members in a timely fashion and that payments are made promptly.

2. Current Position

- 2.1 Westminster moved its pension administration service to Surrey County Council in September 2014.
- 2.2 The initial service provided by Surrey was broadly comparable to that provided by the funds former administrators the London Pensions Fund Authority (LPFA).
- 2.3 However the service from April 2015 to March 2016 deteriorated considerably. The main factor was that the BT Shared Service contract went live in April 2015 with a number of staff who were not knowledgeable on Local Government or the pension scheme and its requirements. This meant that Surrey administration staff and Westminster staff were not getting answers to queries that they raised and this had a knock on impact for Surrey dealing with other cases.

Senior Surrey staff have been heavily involved throughout 2015/2016 to develop interface files from BT Agresso payroll system into the pensions Altair system. The level of support that Surrey had to provide to help get this essential task completed was beyond what they were contractually required to do but it was in all parties' interests that this was completed as this is the file that allows new starter records to be set up automatically.

- 2.4 In addition Surrey took on the pension administration work for our Bi borough partners from September 2015. The data for Bi borough inherited from Capita was in a poor state and required a lot of attention. The impact of this was that staff working on Westminster work were now being stretched over a number of contracts and the requirements of the bi borough were time consuming.
- 2.5 The pension's officer has been aware that Surrey has been generally struggling to maintain service levels in 2015 / 2016. Estimates are not returned within timescale, retirements have generally been processed late. Surrey has been slow to acknowledge or respond to general queries.
- 2.6 The Pensions Officer has made Surrey aware that improvement is necessary. They have now implemented a new phone system and access does seem to be much better. Surrey have had an internal re-organisation and are going through a recruitment exercise to bring in more staff with the relevant skills to be able to administer the LGPS for a larger network of members.

3. Summary

- 3.1 People Services will work with both BT and Surrey County Council to improve the pension service to members going forward and will keep the committee informed of progress.
- 3.2 We continue to monitor the performance of Surrey and to drive for performance improvement



City of Westminster

Pension Fund Committee

Date:	21st June 2016
Classification:	General Release
Title:	Actuarial Valuation Data Issues
Report of:	Carmel Millar Director of People Services (Interim)
Wards Involved:	All
Policy Context:	Financial Control
Financial Summary:	The quality of data may impact the LGPS Employers rate from April 2017

1. Executive Summary

- 1.1 As requested by the Pension Fund Committee, this report sets out the current position regarding the state of the Westminster Pension Fund data ahead of the data being sent to the actuary for valuation purposes.
- 1.2 The aim of People Services is to ensure that data held on the administration system Altair is as accurate as possible to ensure the pension fund liabilities are correctly calculated with minimum allowance by the actuary.

2. Current Position

- 2.1 All fund employers were requested to submit their end of year files by 29th April 2016. Employers with missing end of year files were chased by the Pensions Officer.
- 2.2 The position ahead of preparing this report is that end of year data from 3 small employers is still outstanding for the year 2015/2016. These employers are King Solomon Academy, Olympic South Ltd (HATS) and Allied Healthcare.
- 2.3 It appears from contribution records that the last staff who were active with Allied Health Care have left in the last year and the Pensions Officer has chased leaver forms for these staff. This may mitigate the need for a year end file for this employer.

- 2.4 For two employers there are specific data queries that have gone back to them on the CARE Pay figures completed in the return. This is in respect of Minerva Academy which is a small fund employer and the Housing Ombudsman Service which is a medium sized employer.
- 2.5 There is also a query that has gone back to JPL catering as they have not provided CARE pay or whole time pay on their return. Again this is a very small fund employer.
- 2.6 The main Westminster file produced by BT has been submitted and it has been confirmed that the file structure is fit for purpose.
- 2.7 At this point in time we are still reviewing the file data quality and a potential issue has been highlighted with some staff on the report having a low whole time equivalent pensionable remuneration quoted. This figure is important in monitoring the final salary benefits build up prior to April 2014. The data is still being reviewed though potentially this relates to claims based staff who are paid hourly at different rates of pay and not from one agreed salary rate. The Pensions Officer is working with BT and Surrey to resolve the queries where possible.

3. Summary

- 3.1 We remain on track to send the members data to the actuary in the middle of July.
- 3.2 People Services will continue to chase the smaller employers to ensure that all returns are made and complete with CARE pay data prior to uploads being sent to the actuary.