

Committee:	Date:
Local Government Pensions Board	8 February 2021
Subject: The City Corporation's Pensions Scheme - Update	Public
Report of: The Chamberlain	For Information
Report author: Matt Mott – Chamberlain's Department	

Summary

This reports provides information regarding a range of topics in relation to the Corporation's Local Government Pensions Scheme (the Scheme). Members have indicated that information regarding communications be provided on an annual basis and all of the other items of information will be provided at each meeting except for when there is no updated information since the previous meeting

Item	Update
Annual schedule of events for the Pensions Scheme	Update provided (Appendix A)
Data Protection Act 2018 (DP18) – Data Retention Policy	No amendments since last Board Meeting
Information of Scheme Record Keeping	No amendments since the last Board meeting.
A record of any complaints or disputes under the Scheme's complaints procedure	None to report
Public Service Pensions Reporting Breaches of Pension Law	None to report
Any audit reports relating to the Pensions Fund	None to report
Any reports relating to the administration of the Pension Scheme which have been considered by other Committees	Pension administration system procurement paper – Digital Services Sub Committee 16 November 2020 Committee Paper (non- public Appendix B) (for information)
Guaranteed Minimum Pensions (GMP) Reconciliation	Pension data is continuing to be analysed and JLT are liaising with HMRC. The last data cut has been completed and the report by HMRC received by JLT. The Pensions Office are in discussion with JLT regarding next steps and outcomes. The process has been delayed due to COVID 19, however, it is still the intention to

	bring a report to the Board once the reconciliation has been completed.
Covid 19	<p>The Pensions Office still continue to work from home developing and amending processes to communicate securely with scheme members.</p> <p>There had been limited and voluntary visits to the Guildhall to access incoming post and to post letters to deferred scheme members where there is no other known form of contact information.</p> <p>This ceased with the introduction of Tier 4 and is not likely to change during this lockdown.</p> <p>However, working from the Guildhall would be considered in the event of a staff request where there were extenuating circumstances such as physical and mental wellbeing.</p>
The Target Operating Model (TOM)	<p>The new TOM has been announced for the financial year 2021/22 and a high level structure has been approved by the Court of Common Council.</p> <p>Recruitment to senior posts in the new structure has commenced and is expected to be finalised by 31 March 2021.</p> <p>Once recruitment has concluded the TOM will be implemented, subject to staff consultation, and is anticipated to be in place with effect from 31 March 2022.</p> <p>When further details are known they will be brought to the attention of the Board</p>
Procurement of Pension Administration System	<p>The tender was released on Friday 8 January 2021 with a closing date of 9 February 2021.</p> <p>Pensions Office staff will evaluate the applications with procurement. The preferred outcome of the tender process will then be reported to the Digital Services Sub Committee (DSSC) at their March meeting.</p> <p>Following the DSSC meeting it is the intention to formally appoint a provider to commence a new contract with effect from 14 October 2021.</p>
Automatic data transfer	The Corporation has begun the verification of their digital data and from February will begin

	<p>initial implementation of an automated data service</p> <p>Once the procurement of the pension administration software system has been completed the Pension Office will liaise with the other teams/departments with regards to regular automated transfer of the required scheme member data to the pension system.</p>
City Print contract	<p>APS have now successfully completed all mailings for 2020, including active and deferred annual benefit statements (ABS), newsletters and P60s.</p> <p>Discussions have commenced and pricing estimates requested for the coming year.</p> <p>The service provided by APS will continue to be monitored both by the Pensions Office and the Corporation.</p>
Public Sector Pensions Legal Challenge Update	<p><u>Lord Chancellor and Secretary of State for Justice v McCloud and others</u></p> <p>We are aware that Government departments together MHCLG and LGA are working together with scheme advisers such as actuaries, legal professionals and unions to resolve the issue of age discrimination.</p> <p>Pension Office staff have attended webinars with the Local Government Association and LGPS Officer groups and the current software provider in relation to McCloud.</p> <p>No new information was forthcoming at these events and we are still waiting for further detail and guidance.</p> <p>We understand that discussions are continuing at a national level.</p>
Exit Payment Cap	<p>The Exit Payment Cap legislation formally came into effect from 4 November 2020.</p> <p>This legislation formally bars public sector scheme employers paying more than £95,000 to an employee exiting their employment.</p> <p>The employer cost towards early unreduced payment of the LGPS benefits, known as the Strain on the Fund, is included in the £95,000 cap calculations as well as</p>

	<p>employer statutory and compensatory payments such as redundancy payments.</p> <p>Currently the LGPS regulations are not capped and permit immediate and unreduced payments of pension benefits upon redundancy if the employee is aged 55 and over.</p> <p>The LGPS regulations are being amended with regards to the new legislation. These amended regulations, however, are not expected to be made and laid by Parliament before April 2021. We are also aware that there is a judicial review of the Exit Payment Cap legislation.</p> <p>The Corporation and the Pension Office have been collaborating with regards to processing of redundancy/exit payments and the risk of employees exceeding the cap. Any known potential redundancies for the first period of 2021 are being monitored.</p> <p>Further information will be brought to the Board when more is known.</p>
Flexible Retirement Opportunity	<p>The City Corporation has offered their employees aged 60 and over by a certain date, an opportunity to elect for Flexible Retirement.</p> <p>The effect on the fund and payment of strain cost has been monitored.</p> <p>Following a request by the Board at the meeting on 5 October 2020 a separate report is on today's agenda.</p>
Pension Board Training	<p>Board members have continued to progress the completion of the TPR online training tool. All Members of the Board are asked to check their training and complete outstanding modules if they have any.</p> <p>Training at Board meetings has not continued as anticipated through 2020, largely due to COVID 19. Training at Board meetings is not essential, however, is recommended.</p> <p>It is proposed McCLoud and the 95k cap are topics for training, depending on available information, at future Board meetings.</p>

Recommendation

The Board is recommended to consider the information provided in the following reports and provide any comments in relation to this information.

Appendices:

Appendix A– Annual Schedule of Events

Appendix B – DSSC report (Non Public)

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