

Committee:	Date:
Local Government Pensions Board	08 June 2021
Subject: The City Corporation's Pensions Scheme - Update	Public
Report of: The Chamberlain	For Information
Report author: Matt Mott – Chamberlain's Department	

Summary

At the Board's meeting on 20 October 2016, it was agreed that information regarding a range of topics in relation to the Corporation's Local Government Pensions Scheme (the Scheme) would be provided at each meeting. 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	<p>The Data Retention Policy is due an annual review in June.</p> <p>Following the review by the Pensions Office in 2020 no changes were made, however, to ensure all scheme employers are aware of the way data is retained by the Fund a copy of the policy was provided to all employers.</p> <p>The Pension Office will review the policy by the end of the month to ensure it is still appropriate.</p> <p>CoL Pension Fund Data Retention Policy (Appendix B).</p>
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	1 IDR
Public Service Pensions Reporting Breaches of Pension Law	None to report
Any audit reports relating to the administration of the Scheme	None to report
Any reports relating to the administration of the Pension Scheme which have been considered by other Committees	None to report.

<p>Guaranteed Minimum Pensions (GMP) Reconciliation</p>	<p>Pension data is continuing to be analysed and JLT/Mercer are liaising with HMRC.</p> <p>HMRC have advised that they will issue a final report. Due to Covid 19 this has been delayed and HMRC have not indicated when this will be published..</p> <p>A report will be brought to the Board once the reconciliation has been completed.</p>
<p>Covid 19</p>	<p>Due to Covid 19 the Pensions Office continue to work from home .</p> <p>The TPR, LGA & SAB guidance remains and 3 key services should be retained at all times and they are:</p> <ul style="list-style-type: none"> • Continued payment of pension benefits to existing pension members • Commencement of pension benefits to new retirees • Ceasing of pension payments due to notification of death. <p>The Pensions Office has continued to provide all services to scheme members, although postal communications are still a challenge.</p> <p>Generally communication continues to be by email and phone calls. Where scheme members have not or are unable to verify their details letters are still posted.</p> <p>The Pensions Office has created a shared team folder which staff access when they visit the office (voluntarily) to print and post letters.</p> <p>This is a collaborative effort as the letters posted could be from any colleague and any aspect of the pension administration.</p> <p>As Covid restrictions ease we hope to visit the office on a more regular basis to check inbound post and continue to send out letters.</p> <p><i>Returning to the Office.</i> The Corporation intends to begin a gradual return to the Guildhall from 21 June</p>

	<p>The Corporation is looking ahead to what the future holds for the way we work and the Workplace Steering Group have developed a set of Workplace Design Principles of which the key recommendations are that:</p> <ul style="list-style-type: none"> • workplaces be used as a space for collaboration • employees are provided with the appropriate technology • staff are managed on their output, objectives and priorities, not on their physical presence in the workplace <p>There is a Chamberlain’s “return to office” working group that the Pension Office is part of to ensure the business needs of the pension administration and the needs of its employees are considered in a new long term fundamental change into working more flexibly to allow us to be more efficient and responsive.</p>
<p>Procurement of Pension Administration System</p>	<p>The applications have been moderated by procurement, IT and the Pensions Office and the Chamberlain has authorised the award of contract and commencement of work.</p> <p>The Procurement Team have written to all applicants notifying them of the decision to award the contract</p> <p>Appendix C is a copy of the latest report (Gateway 5) that has been signed off by The Chamberlain and shared with Procurement, IT and Town Clerks departments.</p> <p>Appendix C Gateway 5 Report Non Public</p>
<p>Scheme Year End Process</p>	<p>Scheme employers including the Corporation have submitted the necessary scheme member data to the Pensions Office, such as pensionable pay, pension contributions, working hours etc.</p> <p>The Pensions Office is currently running this information into the pensions software system, Altair and completing necessary data checks in doing so.</p> <p>The Year End process is a necessary collection of scheme member data at scheme Year End (31 March) to ensure all information held on Altair is the most recent</p>

	<p>and most accurate as possible. This information is used for scheme member benefit calculations throughout the coming year including pension benefit values included in annual benefit statements .</p>
<p>City Print contract</p>	<p>APS have been provided with templates of the bulk printing the Fund requires throughout 2021/22.</p> <p>The first three distributions, the LGPS pensioner newsletter with Pension Board Employer Representative advert , the Police pensioner newsletter and the Pension Board Employer Representative advert to deferred members, have been successfully mailed. This amounts to approximately 10,000 items of post.</p> <p>The annual benefits statement will be the next mailing as they have a statutory deadline of 31 August 2021.</p> <p>The statements will be processed in two mailings, the deferred statements will be distributed in July followed by the distribution of the active member statements in August.</p> <p>These two mailing will be approximately a further 9,000 items of post.</p>
<p>Public Sector Pensions Legal Challenge</p>	<p><u>Lord Chancellor and Secretary of State for Justice v McCloud and others</u></p> <p>The underpin was put forward as a remedy to end discrimination in the MHCLG LGPS McCloud consultation in 2020. The underpin is a protection that allows qualifying scheme members to retire with a pension based on the 2008 final salary scheme instead of the 2015 CARE scheme if the values are higher.</p> <p>On 13 May 2021 MHCLG issued a ministerial statement confirming the LGPS underpin will be amended for the purpose of the McCloud remedy. Legislation is anticipated to be in force by April 2023.</p> <p>However, the McCloud remedy, has yet to be formalised by MHCLG.</p> <p>It is understood the final remedy will resemble the proposal as confirmed in the recent ministerial statement, although not all detailed information has been provided.</p>

	<p>LGPS Funds have already begun making plans to identify scheme members that may have been discriminated against and software providers are already developing their pensions systems to provide necessary calculations based on the probability of what the remedy will look like.</p> <p>This means there is a risk that the work currently being undertaken may need to be changed or at least amended when the formal remedy is published. Without taking such a risk and acting now the Funds and software providers will likely be unable to deliver on the legislation in 2023.</p> <p>The MHCLG Consultation 2020 is attached as Appendix D for information only as it sets out the details of the proposal.</p>
<p>Target Operating Model (TOM)</p>	<p>A 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 been finalised and the implementation of the TOM has begun – although many areas of it are still under consultation. It is anticipated to be fully in place with effect from 31 March 2022.</p> <p>When further relevant details are known they will be brought to the attention of the Board.</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 - Corporation retention policy

Appendix C – Gateway 5 report NON PUBLIC

Appendix D – MHCLG Consultation amendments to LGPS Underpin

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