


Non-Executive Report of the: Pensions Committee Thursday, 24 June 2021	 TOWER HAMLETS
Report of: Kevin Bartle, Interim Corporate Director, Resources	Classification: Open (Unrestricted)
Pensions Administration and LGPS Quarterly Update – March 2021	

Originating Officer(s)	Miriam Adams
Wards affected	(All Wards)

Executive Summary

To provide Members with information relating to the administration and performance of the Fund over the last quarter as well as update on key LGPS issues and initiatives which impact the Fund.

Recommendations:

The Pensions Committee is recommended to:

1. Note and comment on the contents of this report and appendix; and
2. Agree the admission of Purgo Supply Services Limited to the Scheme.

1. REASONS FOR THE DECISIONS

- 1.1 This Committee need to receive this report on a regular basis to discharge its duty.

2. ALTERNATIVE OPTIONS

- 2.1 There are no alternative options to this report.

3. DETAILS OF THE REPORT

ADMINISTRATION UPDATE

- 3.1 Scheme Membership at 31 March 2021. A core part of running the pension fund is the maintenance of scheme membership records that enable scheme benefits to be calculated in addition to dealing with new members joining and members leaving the scheme. This activity is carried out in house. The team also deals with employer related issues, including new employers and cessation.

Membership Numbers	Active	Deferred	Undecided	Pensioner	Frozen
LGPS	7,263	7,992	306	6,693	1,826
% of Membership	30.16	33.19	1.27	27.79	7.58
Change from last quarter	-75	79	97	14	126

Membership Category	At 31/12/20	+/- Change (%)	31/3/21
Active	7,338	1.03%	7,263
Deferred	7,913	-0.99%	7,992
Pensioner (incl spouse & dependant members)	6,679	-0.21%	6,693
Undecided	209	-31.70%	306
Frozen	1,700	-6.90%	1,826
Total	23,839		24,080

- 3.2 Employers with active members at 31 March 2021.

Administering Authority	Scheduled Bodies
London Borough of Tower Hamlets	Attwood Academy (Ian Mikardo School)
Admitted Bodies	Canary Wharf College
Agilisys Limited	City Gateway
Compass Contract Services Limited	East London Arts & Music
East End Homes	London Enterprise Academy
Gateway Housing Association (formerly Bethnal Green and Victoria Park Housing Association)	Letta Trust (Stebon and Bygrove Schools)
Greenwich Leisure Limited	Mulberry Academy
One Housing Group (formerly Island Homes)	Paradigm Trust (Culloden, Old Ford and Solebay Primary Schools)
Tower Hamlets Community Housing Limited	Sir William Burrough
Vibrance (formerly Redbridge Community Housing Limited)	St. Pauls Way Community School
Wettons Cleaning Limited	Tower Hamlets Homes Limited
Mediquip	Tower Trust (Clara Grant and Stepney Green Schools)
Atlantic Cleaning	Wapping High School
Purgo Supplies Services Limited	

3.3 The table below shows tasks completed and outstanding at 31 March 2021.

Task type	Tasks Outstanding 31/12/20	New Tasks	Tasks Closed	Tasks Outstanding 31/3/21
Transfer in quotes	32	50	66	16
Transfer Out quotes	17	32	29	20
Employee estimates	14	92	81	25
Retirement quotes	11	147	134	24
Preserved benefits	37	85	97	25
Opt out	8	121	123	6
Refund Calculations	30	117	122	25
Refund Payments	4	74	56	22
Death in payment or in service	26	138	121	43
Actual Transfers In	28	27	45	10
Actual Transfers Out	9	7	2	14
Others	72	221	242	51
Starters	0	352	278	74
Leavers	41	125	132	34
Total Tasks	329	1588	1528	389

EMPLOYER UPDATES

3.4 As at the time of writing of this report all data for March 2021 has been uploaded to the i-connect pensions portal although the pensions team currently uploads for the employers listed below. The team is currently working on reviewing data in readiness for Annual Benefit Statements due on 31 August 21.

The focus remains to get the following employers, LEA schools and their payroll provider to onboard the uploading of monthly employee payroll data to the i-Connect pensions portal.

- Mulberry Academy Trust
- Tower Hamlets Council
- Tower Trust
- St Pauls Way Trust
- Tower Hamlet Homes
- East End Homes
- Bowden House School
- Cayley School

Admission of New Employers

3.5 Purgo Supply Services Limited was admitted to the Fund on 1 April 2021. The employer provides cleaning services to St Pauls Way Trust Academy.

A total of 10 employees of the Trust TUPE over to the new employer on a pass through admission agreement basis. The Academy Trust in this case becomes the fall back employer.

LGPS UPDATES

SAB A-Z Guide

- 3.6 Scheme Advisory Board launches online A-Z guide to Responsible Investing. Although not a complete guide it provides a glossary of Responsible Investing terms.

McCloud Updates

- 3.7 Ministerial Statement on McCloud issued setting out the high level objectives of government in applying the remedy in England and Wales following consultation.

The key points are:

- Underpin protection will apply to LGPS members who meet the revised qualifying criteria, principally that they were active in the scheme on 31st March 2012 and subsequently had membership of the career average scheme without a continuous break in service of more than five years.
- The period of protection will apply from 1st April 2014 to 31st March 2022 but will cease earlier where a member leaves active membership or reaches their final salary scheme normal retirement age (normally 65) before 31st March 2022.
- Where a member stays in active membership beyond 31st March 2022, the comparison of their benefits will be based on their final salary when they leave the LGPS, or when they reach their final salary scheme normal retirement age, if earlier.
- Underpin protection will apply to qualifying members who leave active membership of the LGPS with an immediate or deferred entitlement to a pension.
- A 'two stage process' will apply for assessing the underpin so that, where there is a gap between a member's last day of active membership and the date they take their pension, members can be assured they are getting the higher benefit.
- Scheme regulations giving effect to the above changes will be retrospective to 1st April 2014.

A full Government response, containing further detail on the matters addressed above, and on other issues which were covered in the consultation, will be published later this year. The Government also announced the Public Service Pensions and Judicial Office Bill that will deal with the amendments required for McCloud remedy.

Exit Payment Update

- 3.8 MHCLG wrote to all chief financial officers of councils and combined authorities in England, letting them know about a new requirement to provide data on exit payments. Councils will be asked to provide data on all redundancy payments, pension strain payments and other special payments made in consequence of an exit for 2014/15 to 2020/21 by the end of May 2021. The data will be used to inform delivery on exit payment policy.

Member Self Service (MSS) Roll Out

- 3.9 The implementation of Member Self Service (MSS), the pensions portal to enable scheme members access their records, update home address, nominations and telephone numbers. Scheme members can also print out simple estimates. It is envisaged that this will in future reduce the number of such queries received from members.

A phased roll out approach will be utilised to allow the team time to action set up queries received.

Roll out will commence with active scheme members circa 7,263. Upon completion of active scheme member roll out, deferred members will commence in September circa 7,992.

4. EQUALITIES IMPLICATIONS

- 4.1 There are no specific equalities implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 There are no direct financial implications arising from the contents of this report.

7. COMMENTS OF LEGAL SERVICES

7.1 The Pensions Committee is required to consider pension matters and ensure that the Council meets its statutory duties in respect of the Fund. It is appropriate having regard to these matters for the Committee to receive information from the Pensions Administration team about the performance of the administration functions of the pension fund and updates on the LGPS generally.

7.2 When carrying out its functions as the administering authority of its pension fund, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector duty).

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- NONE

Local Government Act, 1972 Section 100D (As amended)

List of "Background Papers" used in the preparation of this report

<https://ri.lgpsboard.org/items>

Officer contact details for documents:

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Appendix 1

Monthly Data Submission at March 2021 Position

Employer Name	Employer Code	Employer Type	Monthly data uploaded	Data Submitted to
Wapping High School	00024	Scheduled Body	Employer/Payroll provider	31/03/2021
Paradigm Trust	00033	Scheduled Body	Employer/Payroll provider	31/03/2021
Canary Wharf College	00021	Scheduled Body	Employer/Payroll provider	31/03/2021
City Gateway	00025	Admitted Body	Employer/Payroll provider	31/03/2021
Tower Trust	00031	Scheduled Body	Employer/Payroll provider	31/03/2021
REDBRIDGE CHL (Vibrance)	00004	Admitted Body	Employer/Payroll provider	31/03/2021
Greenwich Leisure Limited	00007	Admitted Body	Employer/Payroll provider	31/03/2021
Gateway (Bethnal Green & Vic)	00010	Admitted Body	Employer/Payroll provider	31/03/2021
Sir William Burrough Academy	00018	Scheduled Body	Employer/Payroll provider	31/03/2021
Agilisys	00022	Admitted Body	Employer/Payroll provider	31/03/2021
London Enterprise Academy	00023	Scheduled Body	Employer/Payroll provider	31/03/2021
Medequip	00035	Admitted Body	Employer/Payroll provider	31/03/2021
LETTA Trust	00028	Scheduled Body	Employer/Payroll provider	31/03/2021
THCH (Closed Scheme)	00003	Admitted Body	Employer/Payroll provider	31/03/2021
THCH (Open Scheme)	00008	Admitted Body	Employer/Payroll provider	31/03/2021
Compass Contract	00027	Admitted Body	Employer/Payroll provider	31/03/2021
One Housing (Toynbee Island)	00011	Admitted Body	Employer/Payroll provider	31/03/2021
Ian Mikardo Academy	00029	Scheduled Body	Employer/Payroll provider	31/03/2021
Olga Primary School	00128	Scheduled Body	Employer/Payroll provider	31/03/2021
Wettons Cleaning Services Ltd	00034	Admitted Body	Employer/Payroll provider	19/03/2021
Atlantic Cleaning Services	00037	Admitted Body	Employer/Payroll provider	31/03/2021
East London Arts & Music	00030	Scheduled Body	Employer/Payroll provider	31/03/2021
Bishop Challinor Catholic Federat	00131	Scheduled Body	Pensions Admin Team	31/03/2021
EPM Live	00001	Main Scheme	Employer/Payroll provider	31/03/2021
Bowden House	00001	Main Scheme	Employer/Payroll provider	31/03/2021
LBTH Payroll				
Tower Hamlets LBC	00001	Main Scheme	Pensions Admin Team	31/03/2021
Cayley Primary School	00001	Main Scheme	Pensions Admin Team	31/03/2021
Itres (Fortnightly Payroll)	00001	Main Scheme	Pensions Admin Team	28/03/2021
Central Foundation	00001	Main Scheme	Pensions Admin Team	31/03/2021
East End Homes	00006	Admitted Body	Pensions Admin Team	31/03/2021
Mulberry Academy	00026	Scheduled Body	Pensions Admin Team	31/03/2021
St Pauls Way Trust Academy	00019	Scheduled Body	Pensions Admin Team	31/03/2021
Tower Hamlets Homes	00013	Scheduled Body	Pensions Admin Team	31/03/2021