

ITEM NO: 5(a)(ii)

Report To:	Pension Fund Management Panel and Advisory Panel
Date:	2 March 2012
Reporting Officer:	Peter Morris, Executive Director of Pensions
Subject:	INFORMATION SERVICES WORKING GROUP – REVIEW OF TERMS OF REFERENCE
Report Summary:	<p>The Fund's pension administration responsibilities are a vital part of the administering authority's duties. However, whilst there are several investment related Working Groups, there is only Information Services that concentrates on pension administration work, and this is primarily focussed on communication and regulatory change. Governance may improve if the terms of reference were extended to cover all aspects of pensions administration.</p>
Recommendations:	<p>The Panel are recommended to approve the revised terms of reference as detailed in 1.3 and the renaming of Information Services Working Group as Pension Administration Working Group.</p>
Financial Implications: (Authorised by the Borough Treasurer)	<p>There are no financial implications.</p>
Legal Implications: (Authorised by the Solicitor to the Fund)	<p>Trustees have a statutory duty to monitor all aspects of the Fund's administration processes, to ensure effective administration of the LGPS and appropriate communication between scheme members and the administering authority.</p>
Risk Management:	<p>The administering authority needs to deliver an effective service. A purpose of extending the terms of reference is that it is considered that the broader terms of reference will contribute to improvements in the flow of information between the employer and administering authority.</p>
Access to Information:	<p>NON-CONFIDENTIAL</p> <p>This report does not contain information which warrants its consideration in the absence of the Press or members of the public.</p>
Background Papers:	<p>There are no background papers to this report.</p> <p>For any further information please contact Ged Dale, Head of Pensions Administration, tel 0161 301 7227, email ged.dale@gmpf.org.uk</p>

1. INTRODUCTION

- 1.1 The Information Services Working Group was created in 1997 to “monitor the Fund’s communication activities with its members and the effectiveness of the way information is distributed, and support and promote the activities of the Pensions Office with and within employers”. It has since broadened to also consider regulatory matters.
- 1.2 The role of Working Groups is an important one, but whilst there are several investment related Working Groups, there is only one administration related Working Group, being Information Services. As described in 1.1 however, its terms of reference are quite narrow. It is though considered that governance would improve if a Working Group were to take into account all aspects of pensions administration (excluding audit which is already covered by the Ethics & Audit Working Group), as this would allow items to be considered in greater depth.
- 1.3 It is therefore proposed that a new Pensions Administration Working Group replace the existing Information Services Working Group and has the following terms of reference:

To monitor, and advise the Management and Advisory Panels as necessary regarding:

- (i) the effective administration of the LGPS, including:
- the performance of the Pensions Office and employing authorities regarding the standards set out in the pensions administration strategy;
 - Pensions Office policies and procedures;
 - pension administration benchmarking;
 - proposed responses to national consultations relating to or affecting the LGPS;
 - the Pensions Office’s response to wider pension issues and national developments affecting pension administration;
 - the implementation of changes affecting the LGPS and / or the administration of pensions.
- (ii) the training and support of:
- members of the Pension Fund Management & Advisory Panel;
 - employing authority colleagues including approved doctors.
- (iii) effective communication with Fund members and employing authorities, including:
- face to face communication, such as pension road shows, forums and meetings with employer pension officers;
 - The Pensions Office Helpline;
 - written communications, and also e-comms including the website, e-mail alerts and GMPF on-line.
- (iv) the effective use and maintenance of Pensions Office systems and other physical resources;
- (v) the provision of Scheme additional voluntary contributions;
- (vi) business continuity plans and procedures; and
- (vii) any other matter that materially relates to pension administration.

2. RECOMMENDATION

- 2.1 The Panel are recommended to approve the revised terms of reference as detailed in 1.3 and the renaming of Information Services Working Group as Pension Administration Working Group.