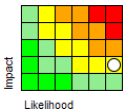
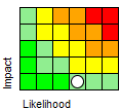
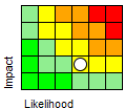
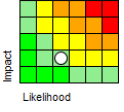


# P&I Administration Risks

Report Type: Risks Report

Generated on: 29 November 2017

Risk Name	Risk Description	Current Score	Direction of Travel	Target Score	Action Name	Action Progress	Risk Owner	Latest Note	Date Reviewed
Employer LGPS knowledge	Lack of employer understanding of the LGPS and knowledge of the Service Level Agreement may cause incorrect information to be provided and additional queries from employers						Julie Edwards	Training events are provided for employers and the Employer Liaison Team provide ongoing support in addition to the Benefits Administration Team. Scheme information is also continually updated on the website & through quarterly newsletters. Face to face meetings are arranged where data quality issues are identified. The complexity of the Scheme means that the circumstances will be encountered several times a year.	29-Nov-2017
Staff Capacity Issues	A lack of capacity due to staff losses or sickness could adversely affect the workload of the pensions section resulting in decreased productivity.						Julie Edwards	The Pensions & Investment team has worked hard in recent years to increase capacity to take into account the level of workloads and also to build up capacity. Use of overtime and temporary staff also continues. Sickness absence is managed in accordance with the Council's Health and Attendance policy.	29-Nov-2017
Pensions Administration Software	The risk that the pensions administration software (Altair) causes disruption due to system crashes etc. leading to calculation errors, delays and a loss of working time.						Julie Edwards	Not within the Pensions and Investments Team control but errors can be recorded in order to notify supplier. Continuity arrangements in place. Regular client relationship management meetings.	29-Nov-2017
Software Updates	Software updates resulting from scheme changes may create errors in calculations thus resulting in more time spent checking and re-doing calculations.						Julie Edwards	Not within the Pensions and Investments Team control but errors can be recorded in order to notify supplier. Continuity arrangements in place. The level of manual intervention has reduced significantly since 2016 but BAT continue to advise where this is required so that this can be raised with Heywoods	29-Nov-2017
Staff Retention	Staff retention. There is a risk of losing trained staff to other organisations due to a lack of flexibility in the career matrix.						Julie Edwards	The Pensions Officer career matrix was reviewed in 2016 to make this more in line with current PO demands & responsibilities. This has resulted in improvements in staff retention & morale.	29-Nov-2017

Risk Name	Risk Description	Current Score	Direction of Travel	Target Score	Action Name	Action Progress	Risk Owner	Latest Note	Date Reviewed
Quality / Timeliness Data from Employers	Poorly performing employers/payroll providers can cause additional work on the pensions team by not providing information which they have a statutory duty to provide. This results in wasted time chasing employers and creating a backlog of work.	 Impact Likelihood		 Impact Likelihood			Julie Edwards	The employer SLA's should help ensure employers provide the required information. The Pensions Administration Strategy includes a charging policy. 1-1 meetings with employers are conducted to go over issues with information. Employer Liaison Team working on a risk basis,	29-Nov-2017
TUPE / Payroll Provider Changes	Additional work and disruption is caused due to outsourcing and changes in schools payroll providers creating losses of vital information. This results in a lot of extra work on pensions administration staff attempting to piece together information which should have been provided	 Impact Likelihood		 Impact Likelihood			Julie Edwards	The employer SLA's should help make employers provide the required information. The Pensions Administration Strategy includes a charging policy. 1-1 meetings with employers being conducted to go over issues with information. Employer Liaison Team working on a risk basis, Responsibility on employers to manage their contractors.	29-Nov-2017
TUPE Transfers / Academy Conversions	The increase of TUPE transfers / schools opting for academy status has resulted in an increased workload for pensions staff. The TUPE officer must deal with the admission agreements as well as liaising with external contractors and the fund actuaries. The range of employees involved differ between employer but range from one employee to hundreds.	 Impact Likelihood		 Impact Likelihood			Julie Edwards	A dedicated post exists to deal specifically with TUPE transfers therefore reducing the risk impact on the team. Need to monitor future requirements and create backup capacity to deal with workload spikes.	29-Nov-2017
Guaranteed Minimum Pension reconciliation	The end of contracting-out of the Additional State Pension from April 2016 means that a Guaranteed Minimum Pension reconciliation of the Fund's records with the HMRC's records will need to be completed by 2018. This reconciliation may result in identifying overpayments/underpayments. If the reconciliation is not complete before the closing of the office this could result in the Fund being liable for GMP's which we should not be responsible for.	 Impact Likelihood		 Impact Likelihood			Julie Edwards	There have been some delays initiating this project, ITM undertook stage 1 data analysis of the review and will shortly be commencing the remainder of the project.	29-Nov-2017
Mid / High Earner Optouts due to Tax Legislation	Tax legislation in respect of high-earners pensions contributions could result in a departure of high-earners from the Fund. High-earners leaving the Scheme could be perceived as senior management not advocating the benefits of the LGPS	 Impact Likelihood		 Impact Likelihood			Julie Edwards	LGE has issued a leaflet setting out the implications of the tax changes for high-earners which has been forwarded to high-earners and is on the Fund's website. Ongoing communications to scheme members highlighting the benefits of the Scheme.	29-Nov-2017

Risk Name	Risk Description	Current Score	Direction of Travel	Target Score	Action Name	Action Progress	Risk Owner	Latest Note	Date Reviewed
Admitted Bodies Deficits	If Admitted Bodies who joined the Fund prior to 1997 fail or if current Admitted Bodies reduce their active members to 0, then the Fund has no powers to ensure these organisation make good any deficit.						Julie Edwards	Encouraging organisations against this route. Use of network groups to lobby for change in Regulations. DCLG admit that the issue needs looking at. Consultation paper prepared.	29-Nov-2017
Mid / high earner optouts due to high employee contribution rates	The 3% on average increase employee pension contributions implemented, with effect from 1 April 2014, by increasing the tiers of contributions paid by mid/high earners could result in a departure of mid/high-earners from the Fund. Mid/High-earners leaving the Scheme could be perceived as senior management not advocating the benefits of the LGPS. During current period of low pay increases members may opt out due to pressures on household budgets.						Julie Edwards	Not within the Pension & Investments Team's control, but there are ongoing communications to Scheme members highlighting the benefits of the Scheme.	29-Nov-2017
Annual Benefits Statements Issuance	The Public Sector Pensions Act 2013 requires that Annual Benefits Statements are issued to Scheme Members by 31 August. There is a risk that the Regulator will issue a fine although this is the position for most local authorities.						Julie Edwards	Robust timetable, employer training, provide employer support to submit correct returns and review process. Additional temporary resources were recruited to support the 2016/17 year end. 88.5% of ABSs were issued to active scheme members by 31 August 2017. The Employer Liaison Team a currently working on the remaining queries.	29-Nov-2017