



## PENSIONS COMMITTEE

**Subject Heading:**

The Havering Pension Fund Charging Policy

**SLT Lead:**

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Section 151 Officer

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**Policy context:**

Local Government Pension Scheme Regulations 2013

**Financial summary:**

The policy is in place to ensure there is no adverse financial impact on the Fund regarding the growing numbers of scheme employers and their obligations.

**The subject matter of this report deals with the following Council Objectives**

Communities making Havering	[x]
Places making Havering	[x]
Opportunities making Havering	[x]
Connections making Havering	[x]

**SUMMARY**

The charging policy was originally introduced in November 2014 to formally set out the Pension Fund policy relating to the actuarial and legal charges for specific areas of work along with more general costs such as strain costs or charges relating to poor performance and late payment of scheme contributions or member benefits.

The charging policy is reviewed every three years to ensure that it is still fit for purpose and includes the most recent guidance from the Pensions Regulator. This year the policy has been updated to ensure it can be used in conjunction with the newly proposed Pensions Administration Strategy which enables the Fund to

charge for additional administration time where an employer does not meet their obligations against a published set of performance standards.

## **RECOMMENDATIONS**

The Committee is recommended to approve the revised Charging Policy for a further 3 year period.

## **REPORT DETAIL**

1. The Pension Fund introduced a charging policy to provide guidance to scheme employers on the type of work that will incur charges associated with being a scheme employer within in the LGPS and provide clarity on who is responsible for meeting those costs.
2. The charging policy has been reviewed to ensure that the content is still fit for purpose and includes the most recent guidance from the Pension Regulator's code of practice 14 concerning the governance and administration of public service pension schemes.
3. The policy has also been reviewed to ensure it can be used in conjunction with the newly proposed Pensions Administration Strategy, which enables the Fund to charge for additional administration time where an employer does not meet their obligations against a published set of performance standards
4. With the continued increase in the number of scheme employers, setting out a charging policy is an effective tool to minimise employer risk of failing to comply with the information requirements. It can also ensure the fund is not placed at risk of increased costs in supporting the growing numbers of scheme employers.
5. The draft charging policy was circulated to all scheme employers for comment. No responses have been received.
6. The draft charging policy has been reviewed and agreed by the Local Pensions Board.
7. The policy will next be reviewed in 2024 or following any material change in any of the other policies or regulations that feed into the policy.

## IMPLICATIONS AND RISKS

### **Financial implications and risks:**

There are no financial implications arising directly from this report.

However, the establishment of a charging policy would ensure that the cost of additional administration are charged fairly as possible amongst employers and that resources are allocated in the most appropriate manner.

### **Legal implications and risks:**

Whilst not a formal consultation the Committee should pay regard to the responses received from scheme employers before making any recommendations as to the final content of the Charging strategy.

### **Human Resources implications and risks:**

There are no HR implications or risks arising directly that impact on the Councils workforce.

### **Equalities implications and risks:**

There are no direct equality implications regarding this matter.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants. We will ensure that disabled people with sensory impairments are able to access the strategy.