

Administration Strategy



Background

The Environment Agency is responsible for the local administration of the Environment Agency Active and Closed Pension Funds (the EAPF), which are part of the Local Government Pension Scheme (the LGPS). It is one of around 90 Administering Authorities responsible for managing LGPS Funds in England and Wales.

The EAPF has three employers with contributing Fund members; the Environment Agency, Natural Resources Wales (NRW) and Shared Services Connected Limited (SSCL). It has just over 39,000 Fund members including contributing, deferred and pensioner members. The EAPF outsources its pension administration to a third party administrator and Capita currently perform this role.

Each LGPS Administering Authority should develop its own administration strategy. In this document we have described the EAPF's pension administration strategy.

Purpose

In this strategy statement we have set out:

- Our administration objectives.
- Our approach to delivering pensions administration.
- Our expected quality and performance standards for key stakeholders including the Pension Fund, our current Fund employers, our third party administrator, and any future Fund employers. These standards are published at eapf.org.uk/policies/service-standards
- At a high level, the roles and responsibilities of the various stakeholders involved in pension administration including the employers, Pensions Committee, the Pension Board and the Pension Fund Management Team. More detail on the roles and responsibilities of the Committee, Board and Pension Fund Management Team can be found at eapf.org.uk/trustees and at eapf.org.uk/about-the-fund. Fund employer responsibilities can be found [at eapf.org.uk/policies](https://eapf.org.uk/policies)
- How we will monitor performance levels and the action we may take where we find repeated performance problems.
- The key risks that may affect our ability to delivery this strategy.

Objectives

Our main administration objectives are to ensure the EAPF:

- Provides a high quality, proactive, efficient and cost effective service for our members and employers, and provides appropriate and timely engagement.
- Pays accurate benefits and collects correct contributions from the right people in a timely manner.
- Sets out clear roles and responsibilities for the Fund itself, our third party administrator and our employers as set out in the LGPS Regulations, this administration strategy and other relevant documentation.
- Maintains accurate records and communicates all information and data accurately, and in a timely and secure manner.
- Employs appropriate technology and best practice to continually improve the quality of service.

These objectives are best achieved when the Fund, its administrators and Fund employers are clear about their roles and responsibilities, and work together in partnership. Further information and the methodologies that we use to provide this clarity is provided within the Performance Monitoring, Benchmarking and Associated Policies section of this document.

Sustainability

The Environment Agency Pension Fund strategy is underpinned by ensuring its external partners and the services it procures, forms an important part in delivering a sustainable future. To this end, the Fund endeavours to understand how our suppliers contribute to achieving their sustainable development goals, such as wise use of natural resources, the reduction of energy consumption, reducing carbon dioxide emissions, waste minimisation and fair and ethical trade and social justice.

Regulatory Background

The LGPS is a statutory scheme, established by an Act of Parliament. The 2013 LGPS Regulations outline the key responsibilities of administering authorities and Fund employers. The regulations include specific provisions recommending the Fund develops an administration strategy.

In addition, the EAPF must comply with overriding legislation covering such areas as disclosure of pension's information, freedom of information, age discrimination, data protection and disability discrimination.

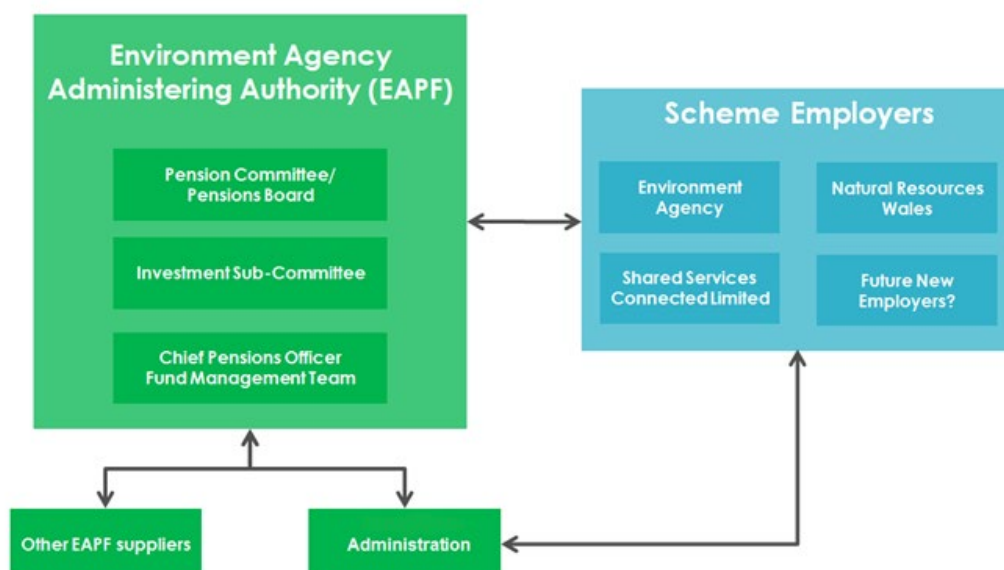
EAPF Approach

The Environment Agency does not provide Fund administration as a core service and we have contracted it out to a specialist third party administrator.

The EAPF and its third party administrator, working very closely with our Fund employers, their respective payroll providers and other organisations, are responsible for the delivery of a high quality, value for money administration service.

We want to ensure our members, and other interested parties, receive the appropriate level of service and we fully comply with our statutory requirements.

We have illustrated the key stakeholders in this relationship below:



We use agreed procedures when liaising and communicating between the EAPF, our third party administrators and our Fund employers. All our procedures, describing the requirements of all parties are set out in a comprehensive Procedures manual.

Monitoring Performance

We will monitor the performance of all parties against the objectives as outlined in the table below on a monthly basis. We will report performance to the Pension Committee quarterly and in our Annual Report & Financial Statements.

Objectives	Measurement
<p>Provides a high quality, proactive, efficient and cost effective service</p>	<p>Measured against key performance indicators* as set out in our Service Standards on the eapf.gov.uk website.</p> <p>We participate in LGPS benchmarking exercises.</p> <p>We receive:</p> <ul style="list-style-type: none"> • at least 90% positive responses from annual member satisfaction survey • positive employer feedback with minimal or no employer complaints including at least 95% satisfaction on any employer satisfaction surveys completed.
<p>EAPF pays accurate benefits and collects the correct contributions from the right people in a timely manner</p>	<p>Positive audit results through National Audit Office, Internal Audit and other reviews.</p> <p>We achieve key target service standards.</p> <p>We receive at least 90% positive responses from our annual member satisfaction survey.</p>
<p>EAPF sets out clear roles and responsibilities for the Fund, our third party administrator and our employers</p>	<p>Minimal issues identified as part of annual data checks and ongoing reconciliations. All issues resolved within 2 months.</p> <p>We achieve key target service standards.</p> <p>We receive:</p> <ul style="list-style-type: none"> • at least 90% positive responses from annual member satisfaction survey • positive employer feedback with minimal or no employer complaints including at least 95% satisfaction on any employer satisfaction surveys completed. • Employer roles and responsibilities are set out on the EAPF website and all Fund employers are reminded of these annually. • meet with Fund employers annually to ensure roles and responsibilities are clear and fully understood.

<p>EAPF identifies, mitigates and monitors potential risks to the Fund and our employers</p>	<p>Monthly administration risk review reports and quarterly report presented to Pension Committee.</p>
<p>EAPF puts in place effective governance arrangements to monitor and improve pension administration</p>	<p>Quarterly reporting to Pension Committee and included in Annual Report & Financial Statements.</p> <p>Identify and report issues, learning and improvements to Pension Committee.</p>
<p>EAPF maintains accurate records and communicates all information and data accurately, and in a timely and secure manner</p>	<p>Ensure we carry out annual common and scheme specific data quality testing and achieve the following targets:</p> <ul style="list-style-type: none"> - Common data target of 100% for records from June 2010 - Common data target of 95% for pre June 2010 data - Scheme specific data target to be determined each year <p>Data improvement plan is in place and shows continual progress.</p> <p>Minimal issues identified as part of annual data checks and ongoing reconciliations. All issues resolved within 2 months.</p> <p>No breaches of data security protocols.</p> <p>Positive audit results through National Audit Office, Internal Audit and other reviews.</p>
<p>EAPF uses appropriate technology and best practice in order to continually improve the quality of service</p>	<p>We achieve a target of 55% of contributing members, 22% of deferred members and 25% of pensioners successfully registered on EAPF Online.</p> <p>For electronic newsletters, we achieve a 53% open rate with 38% of those opening the newsletter successfully clicking through to content.</p> <p>For segment specific communications, we achieve a 48% open rate with 23% of those opening the message successfully clicking through to content.</p> <p>We receive at least 90% positive responses from annual member satisfaction survey.</p>

*The Fund has set out its key performance indicators on the EAPF website. The Fund aims to meet all legal timescales in 100% of cases (including in respect of issuing annual benefit statements) and 95% on other key performance indicators. The Fund has an agreed Service Level performance of 97% completion with our current Third Party Administrator (other than legal timescales where a 100% target is worked to).

Where we identify areas of improvement from benchmarking or performance monitoring, the EAPF Pension Administration Manager will be responsible for putting in place a Recovery Plan to make the improvements.

We will provide a quarterly update report for our plans and record progress against improvements to the Pensions Committee. We will keep new procedures or practices under review to monitor their effectiveness.

Benchmarking

The Fund monitors its performance in relation to a number of activities and costs against other LGPS Funds by participating each year in the CIPFA Benchmarking Club to measure the EAPF's performance against other LGPS Funds. We present the results of this benchmarking to our Pension Committee and Pension Board annually and provide a short summary in our Annual Report & Financial Statement.

Recharge of administration costs

The Fund works closely with employers to ensure all functions and tasks are carried out to agreed quality standards and we will provide the necessary training, and work with employers to introduce or amend processes to improve the level of service delivery going forward.

The Fund can consider the recovery of all additional administration costs incurred from any resulting poor performance. The EAPF Chief Pensions Officer will decide if and when to exercise this discretion.

Associated Policies

The Governance arrangements for the EAPF are summarized in our [Governance Policy](#) which gives an overview of our management structure, decision making and employer engagement. Our [Governance Compliance Statement](#) shows the Fund's position in relation to the Government's own best practice standards.

We are committed to providing our members and other stakeholders with comprehensive communications that enable them to engage with their Scheme and this is explained in our [Communications Policy](#).

The Fund provides a [Funding Strategy Statement](#) which summarizes how we will fund our pension liabilities. It also provides an [Investment Strategy Statement](#) which sets out the principles and strategy that governs the way we invest the assets of the Fund.

We have a [Responsible Investment Policy](#) that provides investment principles which embed our commitment to Responsible Investment, and delivering a sustainable and sufficient return to the Fund.

The EAPF operates a clear and transparent [Risk Management Policy](#) which assists in the monitoring of potential risks and mitigation.

We ensure officers, trustees and Fund employers have the appropriate skills and that regular training is in place to deliver a high quality service to members. This is explained in detail in our [Training Policy](#).

Key risks

We have outlined the key risks to the delivery of this strategy below. The EAPF Chief Pensions Officer will work with the Pension Committee to monitor these and other key risks and consider how we will respond to them.

- Changes in government / legislative requirements such as the removal or addition of responsibilities.
- Service delivery issues, for example, our third party administrator not providing the expected services or a robust, up to date administration system.
- The prevention, identification and response to potential Cybercrime threats.
- Data Security and the resultant security and management of records.
- Retention and technical resilience issues for key staff within our Pension Fund Management Team, our third party administrator or our Fund employers that affect delivery of our administration strategy.
- Pensions staff (EAPF, employer or our third party administrator) not having suitable resource and/or knowledge to undertake their responsibilities.

Implementation and review

The EAPF Pensions Committee approved this strategy on 18 December 2019.

It is effective from 18 December 2019, and we will keep it under review to ensure it remains up to date and meets the necessary regulatory requirements.

In preparing this pension administration strategy, we have consulted with our Fund employers and our third party administrator. If we need to revise this strategy, we will notify our Fund employers and our third party administrator.

We will publish the current version of the strategy statement on our website at www.eapf.org.uk and will make paper copies available on request.

You should send any questions about this pension administration strategy to:

David Williams
Pension Administration Manager

Contact details

If you have any questions regarding your pension entitlement you can contact our pension administrator, Capita, by:



Using the **'Contact the EAPF'** button on the website at www.eapf.org.uk



Emailing info@eapf.org.uk



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