

Automatic Enrolment - the Essex Experience

Context

Essex is a large authority with 570 schools and a significant mix of local authority, foundation and voluntary aided schools and academies.

As one of the first authorities to reach their staging date on 1 April 2013, Essex had no examples to learn from. Decisions had to be made early on: their staging date was brought forward to 1 January 2013 to avoid the end of the financial year. They also decided to invoke the transitional delay period, deferring automatic enrolment of their eligible jobholders until 2017. This decision was made to reduce work to be undertaken at their staging date, to spread costs and to give them the opportunity to assess the impact of wider pension reforms taking place before 2017.

Project Group

A project group was set up, with a dedicated project manager, approximately 8 months prior to their staging date, consisting of:

- Employer pensions officer
- HR representatives (schools' and corporate)
- Payroll (operational, systems and data)
- Pension administrators
- Communications team

They also called on their legal team as required.

The project group was crucial to the smooth running and successful implementation of automatic enrolment in Essex. A steering group was also set up to make decisions on areas within the legislation that required employer decisions and areas of automatic enrolment that required an interpretation. Decisions made by the steering group were recorded in a 'policy' to demonstrate in the future why relevant decisions were made, for example, the approach taken with schools transition (see below).

Determine approach to different schools

This was an area that Essex tackled early on and about which there was little clarity at the time. The subsequent advice from the LGA set this out very clearly (paragraphs 25-27 of the [LGPC's Automatic Enrolment Guide](#)).

The primary question was to identify where the employer responsibilities for pension automatic enrolment lay.

- The local authority is the employer in all maintained schools for the purposes of the Teachers' Pension Scheme (TPS) and Local Government Pension Scheme (LGPS).
- Whoever "holds the contract" is the employer for automatic enrolment.
- Academies are the employer for all purposes.

An additional factor was that the staging dates for foundation schools (including a Trust school that is a foundation school), voluntary aided schools and foundation special schools depend on whether the school had the same or a different PAYE reference as the authority – and some of their foundation and voluntary aided schools had the same PAYE reference and some had a different PAYE reference.

This led Essex to develop a single approach for all their maintained schools: they asked foundation schools (including a Trust school that is a foundation school), voluntary aided schools and foundation special schools to bring their staging dates in line with Essex's, where it was different. The rationale behind this was to avoid conflict between the authority's needs/responsibilities under the TPS/LGPS and governing body responsibilities under automatic enrolment, and it also made processes, such as payroll, easier in terms of staging timeframes.

Foundation and voluntary aided schools were asked for written consent to bring forward their staging date as this had to be sent to the Pensions Regulator. The schools were also asked to accept their liabilities/responsibilities under automatic enrolment and to give Essex permission to deal with the Pensions Regulator on their behalf. All of their maintained schools signed up.

Communication is key

As Essex does not have direct contact with school employees, a communications plan was developed to communicate with them, this included:

- Posters for all schools to display
- Dedicated employee website
- Dedicated helpline number
- Briefings for all school administrators so that they understood changes to processes and could deal with first level queries
- Formal letters to governing bodies and head teachers setting out their legal obligations to provide data, pass on communications to their staff etc.
- Letters to employees pre and post staging. [LGPS template letters](#) produced by the LGA were used as they explained how automatic enrolment related in respect of requirements of the TPS and LGPS

Payroll

The single approach with schools was partly to facilitate ease of managing payroll processes which are key to managing automatic enrolment. Only 20 schools did not use Essex's payroll service – had it been more they might have taken a different approach with foundation and voluntary aided schools.

A special system/process for non-payroll schools was developed whereby the 20 schools managed the payroll process side but report to Essex for monitoring so that they can then report to the Pensions Regulator.

Their experience has been made a little more difficult by the fact that their payroll software provider was not able to provide a workable solution to manage automatic enrolment at their staging date. They developed a "plan B" which involved a lot of spread sheets, which was quite complicated for 38,000 payroll records.

Looking forward

The staging date is not the end. As their project and steering group prepare to close down, Essex is in the process of identifying who will be responsible for re-enrolment in 3 years' time and automatically enrolling staff at the end of the transitional delay period in 2017.

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