

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CLWYD PENSION FUND COMMITTEE**

DATE: **26th NOVEMBER 2015**

REPORT BY: **CHIEF OFFICER (PEOPLE AND RESOURCES)**

SUBJECT: **ADMINISTRATION AND COMMUNICATIONS UPDATE**

1.0 PURPOSE OF REPORT

1.01 To provide Committee Members with an update on administration and communications related issues.

2.0 BACKGROUND

2.01 An administration and communications update is on each quarterly Committee agenda and includes a number of administration and communications items for information or discussion. The items for this quarter are:

- Business Plan 2015/16 update (Appendix 1)
- Risk register update (Appendix 2)
- Policy and strategy implementation and monitoring.
- Delegated responsibilities (Appendix 3)

3.0 BUSINESS PLAN UPDATE – QUARTER 2

3.01 Appendix 1 provides a summary of progress against the administration and communications section of the Business Plan up to the end of quarter 2 to 30 September 2015. The majority of items are as originally planned but the Committee is asked to note the following:

- A5 – Backlog of Transfers and Aggregation, whilst progression has been made, guidance is still awaited in some aspects from GAD
- A10 – Pensions Administration Strategy and Performance Standards - see agenda item 9.
- A13 – I-Connect – good progress is being made with Denbighshire CC commencing testing and a number of medium sized employers showing interest following the demonstration at the employers' meeting
- A14 – Delays due to implementation of LGPS, progress made but still awaiting amending regulations.
- A17 – Communications Strategy – see agenda item 9.

3.02 The following tasks have been added to the business plan:

- A20 – Document Production and Word Integration – work to commence in quarter 2, this is to assist the staff within the pensions section for automated letters and standardised documentation.
- A21 – 3rd Party Administrator Framework – work to commence on this project in quarter 3. (See paragraph 3.03)

- 3.03 The Clwyd Pension Fund Manager and the Pensions Administration Manager attended a meeting with other LGPS to discuss a national framework for 3rd party administrators. Although full outsourcing is not on our agenda, we have asked for a “project lot” to be included which can be used where Fund’s require additional resource or expertise.

The Fund will be a “founder member” of the framework along with other Funds and it is anticipated that there will be a financial cost of approximately £5k - £20k associated with this. As the framework is utilised by subsequent LGPS, these costs will be recovered.

4.0 RISK REGISTER UPDATE

- 4.01 Appendix 2 provides the dashboard showing the current risks relating to administration and communications. In addition, in relation to these risks, it provides details of:
- the key risks (i.e. ranked 8 or above in the above dashboard)
 - any new risks
 - risks that have changed by a score of 3 or more and
 - risks that have been removed since the previous report.

5.0 POLICY AND STRATEGY IMPLEMENTATION AND MONITORING

Update on staffing matters

- 5.01 There has been a minor restructure within the section. Following the resignation of a Principal Pension Officer, the operations teams have been reduced from 3 to 2. To improve workflow, the pensions officer posts have been reduced and new posts with additional responsibilities have been created, “lead pension officer”. Instead of 8 pension officers, we now have 4 lead pension officers and 4 pension officers.
- 5.02 All temporary posts have now been made permanent.

Performance measures on day to day tasks

- 5.03 Despite the manual intervention required, the workflow is being managed by the operational team. The table below shows the number of cases completed during this and last financial year, split by quarter.

	Q2 2014	Q3	Q4	Q1 2015	Q2
Retirements	224	217	184	201	198
Deaths	75	105	114	89	94
Transfers In	44	30	2	3	3
Transfers Out	17	9	7	4	7
Estimates	175	152	142	155	26
Deferred	266	347	155	117	373

In addition, Mercers have been working through a historical backlog of cases and to the end of October, 667 cases from a total of 2363 had been completed (28%). Mercers are confident that the backlog is on schedule to be completed by next summer.

The latest membership figures for the last six quarters are:

Status	Q1 2014	Q2	Q3	Q4	Q1 2015	Q2
Active (full LGPS)	15,726	15,550	15,798	15,887	15,827	15,792
Active (50:50 LGPS)	12	10	6	6	10	19
Undecided Leaver	3,065	3,465	3,266	3,400	3,736	3,640
Deferred	8,600	8,768	9,413	9,026	9,314	9,556
Pensioner	8,930	9,048	9,186	9,250	9,381	9,494
Spouse/Dependants	1,557	1,575	1,593	1,587	1,587	1,599
Frozen	821	813	856	871	871	884
Total	38,711	39,229	40,118	40,027	40,726	41,787
Opt Outs*	529	585	628	662	734	800

* This excludes members who have opted out prior to March 2013.

There are no matters to report on the Councillors scheme. The membership numbers are shown below:

Status	As at 30 September 2015
Active	54
Undecided Leaver	2
Deferred	5
Pensioner & Spouse/Dependants	26
Total	87

Communications Policy

5.04 The Communication Officer has provided the following services during quarter 1 and 2.

- A pre-retirement seminar (35 participants)
- One training session for Pension Fund Councillor Members
- 6 days of pension surgeries (1 -2 1's)

5.05 The following communications have been distributed in quarter 1 and 2, all of which include information about Freedom & Choice and Pension Board opportunities:

- Clwyd Catch Up - Pensioner Newsletter
- Deferred Benefit Statements
- PenPal – Active Members Newsletter

6.0 DELEGATED RESPONSIBILITIES

6.01 The Pension Fund Committee has delegated a number of responsibilities to officers or individuals. Appendix 3 updates the Committee on the areas of delegation used since the last meeting.

7.0 RECOMMENDATIONS

7.01 That Committee Members note the contents of the report and agree the amendments to the Business Plan in paragraph 3.02.

8.0 FINANCIAL IMPLICATIONS

8.01 Approximately £5k - £20k for “founder members” of the 3rd Party Administrators Framework.

9.0 ANTIPOVERTY IMPACT

9.01 None directly as a result of this report.

10.0 ENVIRONMENTAL IMPACT

10.01 None directly as a result of this report.

11.0 EQUALITIES IMPACT

11.01 None directly as a result of this report.

12.0 PERSONNEL IMPLICATIONS

12.01 None directly as a result of this report

13.0 CONSULTATION REQUIRED

13.01 None directly as a result of this report.

14.0 CONSULTATION UNDERTAKEN

14.01 None directly as a result of this report.

15.0 APPENDICES

15.01 Appendix 1 - 2015/16 Business plan update

15.02 Appendix 2 - Risk register update

15.03 Appendix 3 – Delegated Responsibilities

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: 24th March 2015 Pension Fund Committee
 - Clwyd Pension Fund Business Plan 2015/16 to 2017/18
 - Clwyd Pension Fund Risk Policy and Register

Contact Officer:

Helen Burnham, Pensions Administration
Tel: 01352 702872
Fax:01352 702356
e-mail: Helen.Burnham@flintshire.gov.uk