Business Plan 2015/6 to 2017/8 – Q3/4 Update
Administration and Communications

Key Tasks

Key:

(green)	Complete
(light green)	On target or ahead of schedule
(yellow)	Commenced but behind schedule
(red)	Not commenced
xN	Item added since original business plan
xM	Period moved since original business plan due to change of plan /circumstances
x̶	Original item where the period has been moved or task deleted since original business plan

Ref	Key Action -Task	2015/6 Period				Later Years	
		Q1	Q2	Q3	Q4	2016/17	2017/18
A1	Preparation of Member Data for Valuation and Funding reviews		x	x		x	
A3	Annual Benefit Statements	x	x	x		x	x
A4	Pension Increase, Care revaluation and review	x			x	x	x
A5	Backlog of transfers and aggregation	x	x	xM	xM		
A8	End of contracting out incl GMP issues	x	x	x	x	x	x
A10	Pension Administration Strategy and Performance Standards	x	x	xM	xM		
A12	Dealing with backlog	x	x	x	x	x	
A13	I-Connect		x	x	x	x	x
A14	Delays due to implementation of LGPS2014	x	x	xM	xM		
A16	Trivial Commutation	x	x	x		x	
A17	Communications Strategy	x	x	xM	xM		
A18	Website revamp			x			
A20	Document production and word integration		xN	xN	xN	xM	
A21	3rd Party Administrators Framework			xN	xN	xN	

Administration and Communication
Task Descriptions

A1 – Preparation of Member Data for Valuation and Funding reviews
What is it?

Triennial actuarial valuation as at 31 March 2016 and a funding review as at 31 March 2015 require the pensions administration team to provide data to the actuary. This generally involves additional year end cleansing. This work is particularly detailed for the 2016 actuarial valuation.

Timescales and Stages

Data for 31 March 2015 review:	2015/16 Q2/3
Data for 31 March 2016 valuation:	2016/17 Q1/2

Resource and Budget Implications

Carried out by the Technical Team in the main with assistance from the Communications Officer when communicating the valuation results. All internal costs are being met from the existing budget.

A3 – Annual Benefit Statements
What is it?

Statements that we send out to all current employees and deferred pensioners on an annual basis detailing the pension benefits they are entitled (or are projected at retirement) to receive from the Fund as at 31 March of that year. There are statutory deadlines setting out when these statements must be issued by, and preparing accurate statements depends on receiving timely and correct data on all employees from each employer in the Fund.

Timescales and Stages

Receive and process data from employers:	Q1 each year
Prepare and check statements:	Q1/2 each year
Issue statements to all members:	Q2/3 each year

Resource and Budget Implications

Carried out in the main by the Technical Team with input from the Communications Officer and Operations Team. All internal costs are being met from the existing budget.

A4 – Pension Increase, CARE Revaluation and review
What is it?

The requirement that all pensions in payment are correctly increased in line with the relevant Pensions Increase (Review) Order. Also, for all benefits earned in the new LGPS 2014 scheme, the requirement that all benefits earned over the year are correctly increased in line with the relevant Treasury Order.

Timescales and Stages

Provisional Increase orders applied:	2014/15 Q4
Testing of provisional increases:	2015/16 Q1
Applying 'live' increases across all cases:	2015/16 Q1

Resource and Budget Implications

Carried out by the Technical Team, Payroll Team, Communications Officer and Operations Team. All internal costs are being met from the existing budget.

A5 – Backlog of transfers and aggregation

What is it?

Given national uncertainty as to how exactly transfers were going to work regarding the new LGPS 2014 CARE scheme, and as to how members' benefits would be aggregated, a backlog of such cases has built up. Now that this uncertainty has largely been resolved, this case backlog needs to be revisited to eliminate it, although it should be noted that investing resources to reduce this backlog will have a knock on effect that could result in day to day administration cases being delayed.

Timescales and Stages

Identify cases and establish plan to resolve:	2015/16 Q1
Clear cases internally:	2015/16 Q1/2
Clearing cases using external support:	2015/16 Q1/2

Resource and Budget Implications

To be completed by the Operations Team. Internal costs are being met from the existing budget albeit this will utilise some of the overtime budget.

A8 – End of Contracting out including GMP issues

What is it?

The government's announcement that contracting out will cease and that HMRC will no longer be responsible for maintaining GMP member records. This means that the onus will be on individual Funds to ensure that the GMP data they hold on their systems matches up to the data held by HMRC before they cease holding these records. Unfortunately this has generally shown significant discrepancies between the two sets of GMP data, and a significant amount of work will be required to determine the correct benefits, ensure all systems are updated and to process a significant number of over/underpayment calculations. After the GMP records are reconciled for former pensionable employees, the Fund will also verify national insurance information held for active members. All GMPs and national insurance information must be reconciled by December 2018, the date HMRC will cease to provide their services. The timescales below are subject to change depending on the magnitude of the work.

Timescales and Stages

GMP data reconciliation and investigation:	2015/16 to 2017/8
Benefit correction and system updates:	2015/16 to 2017/8
Reconciliation of national insurance information:	2017/8 Q1-4
Communication of end of contracting out:	Ongoing

Resource and Budget Implications

This project will be led by the Technical Team with assistance from a dedicated team within Operations and some future assistance from the Communications Officer. However, due to the magnitude of this project, we are investigating utilising assistance from an external supplier.

A10 – Pension Administration Strategy and Performance Standards

What is it?

A documented strategy outlining how we deliver our administration services, the high level service standards we will provide and we expect from employers, how these will be measured and reported, and the key risks to this service. The draft strategy must be consulted on with key stakeholders (mainly employers) prior to approval. A key output will be regular monitoring of standards against those included in the strategy.

Timescales and Stages

Develop draft strategy:	2015/16 Q1
Consult:	2015/16 Q1/2
Pension Fund Committee Approval:	2015/16 Q1/2

Resource and Budget Implications

To be led by Pension Fund Administration Manager with assistance from the Technical Team and the Communications Officer. All internal costs are being met from the existing budget. There will also be some external costs associated with this exercise relating to advice on the appropriate strategy.

A12 – Dealing with backlog

What is it?

A backlog of member cases to be dealt with (calculations and updating of member records). Initially this was identified as being 3,000 cases and this has been reduced by the pensions administration team to around 1,700 (as at February 2015). Plans are now in place to further reduce and eventually eliminate this accumulated backlog over time, including using the Fund's Actuary to help in a number of cases. This will be subject to oversight by a Project Steering Group involving key employers and chaired by the Chief Officer People and Resources.

Timescales and Stages

Management of project including prioritisation:	2015/16 Q1/2
Ongoing support from external providers:	2015/16 Q3/4
Working through and eliminating backlog:	to 2016/17

Resource and Budget Implications

The majority of this work is being outsourced to the Fund's Actuary and it will be managed by one of the Operations Principal Pensions Officers (at least initially) with her duties being backfilled to a large degree by others in the Operations Team. It will also require some assistance from the rest of the Operations Team. Employers will also need to dedicate appropriate time to providing the information to reduce the backlog. There will be substantial external costs associated with this exercise.

A13 – I-Connect

What is it?

On-line computer module that will allow information to be submitted by employers more directly and efficiently into the pension administration system. It involves employers uploading data directly into I-Connect from their payroll systems. I-Connect will be provided to the Fund's three Councils as separate stages. The first stage will be ensuring that the correct member records are held on the administration system.

Timescales and Stages

Denbighshire CC:	2015/16 Q2-Q4
Flintshire CC;	2016/17 Q1-Q4
Wrexham CBC:	2016/17 Q3 to 2017/18 Q1

Resource and Budget Implications

Data cleansing will be carried out by the Operations Team and then the Technical Team will roll out I-Connect to the employers. All employers will also need to dedicate appropriate resource to develop file uploads and carry out testing. All internal costs are being met from the existing budget.

A14 – Delays Due to Implementation of LGPS2014

What is it?

As a result of the late issue of the Regulations governing the new LGPS 2014 scheme and the significant amount of work preparing for the new scheme and the administration system not being fully operational for all cases on 1 April 2014, there are number of cases to be dealt with that have built up.

Timescales and Stages

Identify cases and establish plan to resolve:	2015/16 Q1

Resource and Budget Implications

To be determined.

A16 – Trivial Commutation

What is it?

This is where a member who is entitled to a small pension can elect to give up the entirety of that pension and instead receive their benefit as a single lump sum payment, to reduce the administrative burden on Funds paying a large number of very small pensions over a number of years as well as providing greater clarity from a funding perspective. The government has recently increased the allowable limit for members to trivially commute their pension in relation to their single pension (£10,000 value) and total benefits (£30,000), and this has meant that more members are now eligible to choose this. The pension administration team will need to identify all historical cases that are eligible in the two categories and communicate with them to determine whether they would like to commute their pensions for lump sums. In addition, they will need to update their processes for all future retirements.

Timescales and Stages

Update processes for future cases:	2015/6 Q2
Identify members eligible to commute under £10,000:	2015/16 Q1/2
Communicate with eligible members and pay lump sums:	2015/16 Q2/3
Identify members eligible to commute under £30,000:	2016/17 Q2/3
Communicate with eligible members and pay lump sums:	2016/17 Q3/4

Resource and Budget Implications

Identification of cases will be by the technical team with the processes dealt with by a small team within the Operations Team. All internal costs are being met from the existing budget.

A17 – Communications Strategy

What is it?

A documented strategy setting out how we will engage and communicate with stakeholders and customers, and our communication objectives for the forthcoming financial year. The strategy is developed and signed off by the Pension Fund Committee. A strategy is already in place but is due to be reviewed.

Timescales and Stages

Review existing strategy:	2015/16 Q1
Consult:	2015/16 Q1/2
Pension Fund Committee Approval:	2015/16 Q1/2

Resource and Budget Implications

To be led by Pension Fund Administration Manager with assistance from the Communications Officer. All internal costs are being met from the existing budget. There will also be some external costs associated with this exercise relating to advice on the appropriate strategy.

A18 – Website revamp

What is it?

An overhaul of the Pension Fund's website, considering the ease of navigation, the look and feel and also ensuring that the relevant content is included and correct. As part of this review, the Communications Officer will consider options in relation to how the existing website can be updated including utilising wording prepared at a national level.

Timescales and Stages

Update website:	2015/16 Q3

Resource and Budget Implications

This will be a significant amount of work carried out in the main by the Communications Officer with some assistance from the Technical Team.

A20 - Document Production and Word Integration

What is it?

Utilising the Pensions Software (Altair) to set up documents to create and maintain the standard layout of letters, summaries and other documents. Variable data may be populated from data held within the system.

After the completion of a benefit calculation or a bulk calculation, or following a selection of members, the variable data is merged with the document text to produce the required generated documents for each member. Documents are listed in the Document History List. They can be printed immediately or late.

Timescales and Stages

Obtain all current letters in use	2015/16 Q2/3
Update System with all letters including testing	2015/16 Q3/4

Resource and Budget Implications

To be led by the Technical Team with assistance from the Operational Team. All internal costs being met by the existing budget.

A21 - 3rd Party Administrators Framework

What is it?

To set up a national Framework with other Pensions Fund to enable the procurement of 3rd Party Administrators to assist in project work, where internal resources are not sufficient to cope or have the required knowledge and experience to undertake whilst continuing to do "business as usual"

Timescales and Stages

Procurement of advisor to Framework	2015/16 Q3
Out to Tender	2015/16 Q4
Appointment to Framework	2016/17 Q1/2

Resource and Budget Implications

To be led by the Pension Fund Administration Manager. All internal costs to be met by the existing budget. There will be some initial set-up costs involved in this process, to be determined.