

CLWYD PENSION FUND COMMITTEE

Date of Meeting	Tuesday, 24 May 2016
Report Subject	Administration and Communications Update
Report Author	Pensions Administration Manager

EXECUTIVE SUMMARY

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

- (a) Business Plan 2016/17 update (Appendix 1) for administration and communication - all areas are on target.
- (b) Current Developments and News including updates on the Universal Data Extract delays and Equitable Life changes to investments
- (c) Administration and communications related policy/strategy implementation and monitoring - this includes the latest statistics on the number of tasks being dealt with by the administration team, which highlights a high volume of work continuing to be received.

RECOMMENDATIONS

1	That the Committee consider the update and provide any comments.

REPORT DETAILS

1.00	ADMINISTRATION AND COMMUNICATIONS RELATED MATTERS																																																								
	Business Plan 2016/17 Update																																																								
1.01	<p>Appendix 1 provides a summary of progress against the administration and communications section of the Business Plan up to the end April 2016. All items are as originally planned.</p> <ul style="list-style-type: none"> GMP Reconciliation – We are currently investigating how to outsource this project due to the major resource requirements. Further details will be provided at the next Committee. 																																																								
1.02	The Committee is asked to note the contents of the business plan update																																																								
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1.03	In order to provide data to the Fund actuaries for the 2016 valuation, our administration system providers (Heywood) have been developing an updated program to extract scheme member data called the Universal Data Extract. This should have been available before April so it could be tested with the Fund actuary. However, the extract has been further delayed and Clwyd Pension Fund are due to have it released to them on 31 May 2016. Assuming there are no issues with the extract this should not impact the valuation timetable but there is a risk given it is untested by us.																																																								
1.04	Equitable Life as outlined in a separate LGPS Update report, have changed their annual management charges and reduced the number of funds members are eligible to invest in. Clwyd Pension Fund has a number of scheme members who have accumulated Additional Voluntary Contribution (AVC) funds with Equitable Life so these changes may have an impact on them. Equitable Life are contacting members direct.																																																								
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1.05	<i>Administration Strategy</i> – This has been implemented from 1 April 2016 and has been published on the Clwyd Pension Fund Website.																																																								
1.06	To provide some context to the magnitude of the services provided by the Administration Section, the latest membership figures for the Fund in relation to the last six months are as follows:																																																								
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Death	6,552	6,578	6,616	6,642	6,677	6,709
Frozen	894	898	925	939	955	977
Opt out*	857	862	882	890	916	930
Total	58,178	58,242	58,670	58,847	59,021	59,128

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

The membership numbers in relation to the Councillors' scheme are as follows:

Councillors Scheme						
Status	Nov	Dec	Jan-16	Feb	Mar	Apr
Active	55	55	55	54	54	53
Undecided Leaver	2	2	2	3	3	3
Leaver	0	0	0	0	0	0
Deferred	5	5	5	5	5	6
Pensioner	22	22	22	22	22	22
Spouse/Dependant	4	4	4	4	4	4
Death	6	6	6	6	6	6
Frozen	0	0	0	0	0	0
Total	94	94	94	94	94	94

1.07 In relation to staffing and resource matters, a vacant post for a part time pension assistant is going through the recruitment process.

1.08 The latest monitoring information (to 30 April 2016) in relation to administration is outlined below:

- Day to day tasks – Appendix 2 provides the analysis of the numbers of tasks received and completed on a monthly basis since April 2015 as well as how this is split in relation to our three unitary authorities and all other employers. As can be seen:
 - Current workloads – On average more tasks are being completed than the amount of tasks coming in, allowing older cases to move forward. There were an extra 1,090 tasks completed in the month of April alone against what was expected of the team and once recruitment has been completed this should improve further.
 - Progress with older cases – 2014/15 tasks are progressing with only 264 outstanding and these are still on target to be completed in Quarter 1 of 2016/17.
 - Mercers backlog cases - included as Appendix 3 is a summary of the backlog work that is being carried out by Mercers in relation to pre 31 March 2013 cases. Note these are counted in a different way to the items included in Appendix 2 which shows tasks within a case, whereas Appendix 3 is the actual cases). The target for completion is still within Quarter 2 of 2016/17.
 - It was anticipated to be able to provide a report on Key Performance Indicator's for this Committee however more work is being undertaken to ensure that the reports are robust.

1.09	<ul style="list-style-type: none"> Internal dispute resolution procedures – Below is a summary of the internal dispute resolution cases that have been received in the last 12 months. 2 received in the current year 2016/17 are based on the non-payment of ill health benefits and 1 is based on the date of payment of benefits (deferred into pay on ill health grounds) <table border="1" data-bbox="300 309 1374 772"> <thead> <tr> <th></th> <th colspan="4">2016/17</th> </tr> <tr> <th></th> <th>Received</th> <th>Upheld</th> <th>Rejected</th> <th>Ongoing</th> </tr> </thead> <tbody> <tr> <td>Stage 1 - Against Employers</td> <td>3</td> <td></td> <td></td> <td>3</td> </tr> <tr> <td>Stage 1 - Against Administering Authority</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Stage 2 - Against Employers</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Stage 2 - Against Administering Authority</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <th></th> <th colspan="4">2015/16</th> </tr> <tr> <th></th> <th>Received</th> <th>Upheld</th> <th>Rejected</th> <th>Ongoing</th> </tr> <tr> <td>Stage 1 - Against Employers</td> <td>6</td> <td>3</td> <td></td> <td>3</td> </tr> <tr> <td>Stage 1 - Against Administering Authority</td> <td>2</td> <td>1</td> <td>1</td> <td></td> </tr> <tr> <td>Stage 2 - Against Employers</td> <td>1</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>Stage 2 - Against Administering Authority</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Since the last Committee an appeal against the Administering Authority has been upheld. This was where a spouse had married her husband after his retirement and we (CPF) classed the spouse as a post retirement marriage, however the spouse concerned had been married to the same individual previously and the decision made was based on the interpretation of the regulations.</p>		2016/17					Received	Upheld	Rejected	Ongoing	Stage 1 - Against Employers	3			3	Stage 1 - Against Administering Authority					Stage 2 - Against Employers					Stage 2 - Against Administering Authority						2015/16					Received	Upheld	Rejected	Ongoing	Stage 1 - Against Employers	6	3		3	Stage 1 - Against Administering Authority	2	1	1		Stage 2 - Against Employers	1	1			Stage 2 - Against Administering Authority				
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1.10	<p><i>Communications strategy</i> - This has been implemented from 1 April 2016 and has been published on the Clwyd Pension Fund Website.</p>																																																												
1.11	<p>The Communication Officer has provided the following services since the last update (i.e. relating to the period from 01 March 2016 to 30 April 2016):</p> <ul style="list-style-type: none"> 22 full days of Pension Surgeries 1 Pre-Retirement Course Attended the North Wales Payroll Group 																																																												
1.12	<p>The following communications have been distributed during this period:</p> <ul style="list-style-type: none"> Penpal Newsletter emailed Pension Increase Letters Clwyd Catch Up 																																																												
1.13	<p>Delegated Responsibilities</p> <p>The Pension Fund Committee has delegated a number of responsibilities to officers or individuals. No delegated responsibilities were used in the last quarter in relation to administration and communication matters. There are however a number of outsourcing exercises going on at different authorities which will potentially mean some new Employers within the Fund.</p>																																																												

2.00	RESOURCE IMPLICATIONS
2.01	None directly as a result of this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None directly as a result of this report.

4.00	RISK MANAGEMENT
4.01	The administration and communications risks facing the Fund are in a separate report.

5.00	APPENDICES
5.01	Appendix 1 - 2016/17 Business plan update Appendix 2 - Analysis of tasks received and completed Appendix 3 – Progress with backlog by Mercers

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Report to Pension Fund Committee – Business Plan 2016/7 to 2018/19 – 22 March 2016. Contact Officer: Helen Burnham, Pensions Administration Manager Telephone: 01352 702872 E-mail: helen.burnham@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	<p>(a) CPF – Clwyd Pension Fund – The Pension Fund managed by Flintshire County Council for local authority employees in the region and employees of other employers with links to local government in the region</p> <p>(b) Administering authority or scheme manager – Flintshire County Council is the administering authority and scheme manager for the Clwyd Pension Fund, which means it is responsible for the management and stewardship of the Fund.</p> <p>(c) PFC – Clwyd Pension Fund Committee - the Flintshire County Council committee responsible for the majority of decisions relating to the management of the Clwyd Pension Fund</p> <p>(d) LPB or PB – Local Pension Board or Pension Board – each LGPS Fund has an LPB. Their purpose is to assist the administering authority in ensuring compliance with the scheme regulations, TPR requirements and efficient and effective governance and administration of the Fund.</p>

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| | <ul style="list-style-type: none">(e) LGPS – Local Government Pension Scheme – the national scheme, which Clwyd Pension Fund is part of(f) TPR – The Pensions Regulator – a government organisation with legal responsibility for oversight of some matters relating to the delivery of public service pensions including the LGPS and CPF.(g) SAB – The national Scheme Advisory Board – the national body responsible for providing direction and advice to LGPS administering authorities and to DCLG.(h) DCLG – Department of Communities and Local Government – the government department responsible for the LGPS legislation. |
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