

CLWYD PENSION FUND COMMITTEE

Date of Meeting	21 March 2017
Report Subject	Pension Administration Update including Administration Strategy
Report Author	Clwyd Pension Fund Manager

EXECUTIVE SUMMARY

The Pension Administration Team are progressing a number of areas to improve services in line with the Administration Strategy. This report provides an update on a number of these and demonstrations and presentations will also be provided at the Committee.

The Committee are also being asked to agree some small changes to the Fund's Administration Strategy.

The GMP reconciliation procurement has now been completed and Equiniti have been appointed to carry out this work.

RECOMMENDATIONS

1	That the Committee note the contents of the report.
2	That the Committee agree the changes to the Fund's Administration Strategy.

REPORT DETAILS

1.00	ADMINISTRATION DEVELOPMENTS
1.01	<p>Demonstration and Presentations</p> <p><i>Member Self Service</i></p> <p>One of the key elements in the 2017/18 business plan is the implementation of Member Self-Service. This will provide members with an easy-to-use interface to the pensions section. This will enable them to access information, undertake data amendments, view their documents and carry out benefit projections online without taking up valuable administration staff time.</p> <p>David O’Keefe-Williams from Aquila Heywood will be attending the Pension Fund Committee and will provide a demonstration of the Member Self-Service facility.</p>
1.02	<p><i>Employer Liaison Team</i></p> <p>As mentioned at previous Committees, an Employer Liaison Team (ELT) was established in December 2016 to provide assistance to Fund Employers. The services are now well developed and Kerry Robinson, the Principal Pensions Officer for the ELT will carry out a presentation to the Committee outlining the services the team will provide, how these are being developed and which employers are using or plan to use the ELT.</p>
1.03	<p><i>Key Performance Indicators</i></p> <p>As has been mentioned at previous Committee meetings, the Pension Administration Team have been developing their work flow management systems and the reporting it produces over the last two years. Some of the key outputs of this are the measures against the key performance indicators included in the Administration Strategy. Karen Williams and Sandra Beales, Principal Pensions Officers will present the latest results to the Committee providing an explanation of what they mean. This will become a regular report at future Committee meetings.</p>
1.04	<p>Administration Strategy</p> <p>As a result of the work done by the Administration Team in the last year, including the elements covered above, a number of required changes have been identified to the Administration Strategy. Appendix 1 includes a tracked version of the Strategy with the recommended changes. The key changes are:</p> <ul style="list-style-type: none">• Adding a section describing the Employer Liaison team• Some changes to the timescales and wording in the service standards and key performance indicators to align with the development work that has been undertaken• Some small changes to the measures against the key performance indicators to make them more relevant. <p>The Committee are asked to agree the updated Administration Strategy as attached in Appendix 1. All changes to the Policy are highlighted in yellow.</p>

1.05	<p>GMP Reconciliation Procurement – Delegated Responsibilities</p> <p>The Business Plans for 2016/17 and 2017/18 include the need to reconcile certain Fund information relating to being contracted out of the State Pension arrangements with information held on HMRC's records. This is often referred to as GMP reconciliation. Due to the major amount of work involved with this, it was decided to outsource the work. We also believe this will result in greater efficiencies in the way the work is carried out. The Committee agreed in February to delegate the decisions relating to this procurement to the Clwyd Pension Fund Manager and Corporate Finance Manager. We are pleased to announce that the contract has now been awarded to Equiniti and it will be completed by their specialist GMP reconciliation team. Ongoing updates on this project will be provided to the Committee.</p>
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2.00	RESOURCE IMPLICATIONS
2.01	<p>All costs associated with the items discussed are included in the annual budgets. The costs associated with the GMP reconciliation are estimated and will vary depending on the quality of data and number of records that do not match.</p>

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	<p>Information about the consultation for the Administration Strategy is included within the Strategy.</p>

4.00	RISK MANAGEMENT
4.01	<p>The two highest risks in the administration section of the risk register are:</p> <ul style="list-style-type: none"> • Unable to meet legal and performance expectations (including inaccuracies and delays) due to employer issues • Scheme members do not understand or appreciate their benefits <p>The matters considered within this report, particularly the Employer Liaison Team and Member Self-Service, will assist in reducing these risks.</p>
4.02	<p>There are a number of other high risks in the administration risk register that continue to be a concern, including not being able to meet legal and performance expectations due to staffing. The Administration Team continue to be particularly busy and are still recruiting. This will continue to be monitored whilst improvements are being put in place.</p>

5.00	APPENDICES
5.01	<p>Appendix 1 – Administration Strategy.</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Earlier Committee reports on improvements to the Administration service.</p> <p>Contact Officer: Helen Burnham, Pension Administration Manager Telephone: 01352 702872 E-mail: helen.burnham@flintshire.gov.uk</p>

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> <p>(e) LGPS – Local Government Pension Scheme – the national scheme, which Clwyd Pension Fund is part of</p> <p>(f) Actuarial Valuation - The formal valuation assessment of the Fund detailing the solvency position and determine the contribution rates payable by the employers to fund the cost of benefits and make good any existing shortfalls as set out in the separate Funding Strategy Statement.</p>