

CLWYD PENSION FUND COMMITTEE

Date of Meeting	Wednesday, 20 September 2017
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.

- (a) A Business Plan 2017/18 Quarter 1 update for administration and communication and the Employer Liaison Team.
- (b) Current Developments and News.
- (c) Administration and communications related policy/strategy implementation and monitoring, the current risks and how they are being managed.

In summary, there is some slippage in the Business Plan, mainly due to year end pressures, but this has been addressed in Quarter 2. The focus remains on making improvements to provide a service in line with the Administration and Communication Strategies. There is new project on 'aggregation' that we wish to add to the Business Plan and the report seeks Committee approval to make this change.

RECOMMENDATIONS

1	That the Committee consider the update and provide any comments, including in relation to the results of the communications satisfaction surveys.
2	That the Committee agree a change to the Business Plan to include a new project on 'aggregation'.

REPORT DETAILS

1.00	ADMINISTRATION AND COMMUNICATIONS RELATED MATTERS
1.01	<p>Business Plan 2016/17 Update</p> <p>Appendix 1 provides a summary of progress against the administration, communications and Employer Liaison Team Business Plans up to the end of quarter 1 (April to June 2017). The majority of the work was completed as originally planned or is being addressed in Quarter 2.</p> <ul style="list-style-type: none">• The website launch is now planned for week commencing 18 September 2017 and the Member Self Service for during October 2017.• Work force planning is on-going. The more immediate concern relating to the staffing within the Technical Section, which was considered and approved at the previous Committee, has progressed and the immediate risks within the Technical Section have therefore be addressed.• The original backlog project which was outsourced to Mercers is now complete (as summarised in Appendix 3)., albeit some of the final cases have been passed to the Employer Liaison Team to gather the required employer information due to lack of systems access within Mercers• The Employer Liaison Team is still relatively new but already having a positive impact. The current commitments to assist Wrexham County Borough Council and Flintshire County Council need time to bed in before discussing with any more employers.
1.02	<p>Workflow and data quality is being continually monitored by officers, with oversight from the Pension Board. At this point in time the performance targets set in the Administration Strategy are not being achieved albeit there is an improving trend. There remains a considerable number of outstanding cases to be completed. A review of these cases identified a large number where 'aggregation' is required. This is where members move/leave employments, and have more than one pensionable employment, and therefore there are a number of options available relating to whether or not (and how) those records are 'aggregated' which need to be conveyed to the member concerned.</p> <p>We currently have in the region of 3,500 outstanding cases where members need either to be informed that their records have been aggregated or be provided with their options. These cases are complex and the administration team members undertaking them need excellent knowledge of deferred benefits, transfer values and estimates and are therefore at Pension Officer level. Accordingly a new temporary team is being created from existing Pension Assistants who will be trained to enable them to undertake these Pension Officer tasks. Due to the number of cases involved discussions are also taking place with Mercer on</p>

	<p>whether they can provide some resource now the original backlog project has been completed. This is being treated as a new project in the Business Plan so progress can be monitored and reported and Committee are asked to approve this addition to the Business Plan resulting in an increase in the staffing costs budget of £13,683 plus any additional Mercers costs.</p>
1.03	<p>The Committee is asked to note the contents of the business plan and the update above, and approve the addition to the business plan and budget, which will be subject to ongoing updates and monitoring.</p>
1.04	<p>Current Developments and News</p> <p>A separate LGPS Update report has been provided by Mercer and included with the Committee papers. Particular points to note in relation to the impact on Clwyd Pension Fund are as follows:</p> <ul style="list-style-type: none"> • The "Brewster" judgement means that we will be reviewing any scheme members who died in the period between 2008 and 2014 when a "nominated cohabiting partner" test was applied, so as to determine whether we should now retrospectively pay a survivor's benefit. • Data security – we are currently working with Flintshire County Council's data protection and IT specialists on the subjects of the new General Data Protection Regulations and cybercrime. A further update on our plans and progress will be brought to future Committee meetings.
1.05	<p>Policy and Strategy Implementation and Monitoring</p> <p><i>Administration Strategy</i></p> <p>In relation to other staffing and resource matters, there are currently 3.7 Pension Assistant posts going through the recruitment process relating to the Employer Liaison Team and a longer term vacancy. These posts have become available due to the promotion and also the movement of the current Pension Assistants to Pension Officers.</p>
1.06	<p>The membership numbers, and performance monitoring reports which will compare performance to targets in the Administration Strategy to 31 August 2017, will be provided as a handout at Committee.</p>
1.07	<p>Below is a summary of the internal dispute resolution cases received in the last 12 months. Of the appeals received against Employers at Stage 1 in the current year 2017/18, 4 are based on the non-payment of ill health benefits, 1 is based on the no-payment of deferred benefits on compassionate grounds. There has been 1 appeal received against the Administering Authority which is in relation to a late payment of deferred benefits. 2 cases were progressed to Stage 2, 1 in respect of the Employer and non-payment of ill health benefits and 1 against the Administering Authority for late payment of deferred benefits. All appeals at Stage 2 were rejected at Stage 1 and have subsequently been rejected at Stage 2.</p>

		2017/18			
		Received	Upheld	Rejected	Ongoing
Stage 1 - Against Employers		5	1	4	0
Stage 1 - Against Administering Authority		1		1	0
Stage 2 - Against Employers		1		1	0
Stage 2 - Against Administering Authority		1		1	0
		2016/17			
		Received	Upheld	Rejected	Ongoing
Stage 1 - Against Employers		7		7	
Stage 1 - Against Administering Authority		1		1	
Stage 2 - Against Employers		3		3	
Stage 2 - Against Administering Authority		1		1	
1.08	<p>Communications Strategy</p> <p>A major element of communication completed by the legal deadline of 31st August was the issue of the annual benefit statements to active, deferred, pension credit and deferred pensioner members.</p>				
1.09	<p>More generally, the Communication Officer has provided a number of presentations on Member Self Service at various locations. In addition, the following communications have been distributed during this period:</p> <ul style="list-style-type: none"> • Clwyd Catch Up (for pensioners) • Penpal Newsletter (for active members) • Deferred Benefit Statements with Newsletter • Active Annual Benefit Statements with Newsletter • Posters advertising the launch of Member Self Service <p>These have included the notifications required by regulation that members will not receive paper copies of their Annual Benefits Statements unless they opt out of Member Self Service.</p>				
1.10	<p>In addition, the Communications Officer recently undertook satisfaction surveys with scheme members and employers. The results of the survey are attached in Appendix 4. The Pension Fund Committee is asked to comment on the results.</p>				
1.11	<p>Delegated Responsibilities</p> <p>The Committee has delegated a number of responsibilities to officers of the Fund, one being making decisions relating to admitting new bodies to the Fund or allowing bodies to exit the Fund.</p> <p>As a result of alternative delivery models being introduced a number of new employers have joined the Clwyd Pension Fund :-</p> <ul style="list-style-type: none"> • Holywell Leisure • Cartref Ni • Newydd • Aura <p>Two employers have also withdrawn from the Fund and have received termination certificates from the Actuary determining the final monies due to the Fund as a result of their termination:-</p> <ul style="list-style-type: none"> • Denbighshire Voluntary Services 				

- Cymryd Rhan

2.00 RESOURCE IMPLICATIONS

2.01 The additional cost of the temporary promotion of three Pension Assistants to Pension Officers for the Aggregation project is £13,683 per annum. The budget has been adjusted. There will also be some additional consultancy costs if Mercer is also used to assist with the project, which will be reported back to future meetings.

3.00 CONSULTATIONS REQUIRED / CARRIED OUT

3.01 None directly as a result of this report.

4.00 RISK MANAGEMENT

4.01 Appendix 2 provides the current risks relating to administration and communications. There are a number of risks which are higher than target but improvements are in place to gradually reduce these risks towards the target. The highest risk remains not meeting legal and performance expectations.

5.00 APPENDICES

5.01 Appendix 1 - 2017/18 Business plan update
 Appendix 2 – Risk Register Update
 Appendix 3 – Mercer Backlog Progress
 Appendix 4 – Satisfaction Survey Results

6.00 LIST OF ACCESSIBLE BACKGROUND DOCUMENTS

6.01 Report to Pension Fund Committee – Business Plan 2017/8 to 2019/20 – 21 March 2017

Contact Officer: Helen Burnham, Pension Administration Manager
Telephone: 01352 702872
E-mail: Helen.Burnham@flintshire.gov.uk

7.00 GLOSSARY OF TERMS

7.01 (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>(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) LGPS – Local Government Pension Scheme – the national scheme, which Clwyd Pension Fund is part of</p> <p>(e) 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.</p> |
|--|--|