

CLWYD PENSION FUND COMMITTEE

Date of Meeting	Wednesday, 29 November 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. The items for this quarter are:

- (a) A Business Plan 2017/18 Quarter 2 update for Administration and Communications (Appendix 1) and the Employer Liaison Team (Appendix 2)
- (b) Current Developments and News
- (c) Administration and communications related policy/strategy implementation and monitoring

There has been slight slippage in the Administration and Communications Business Plan, due to the Website and MSS being delayed, however these have now been launched and noted within the Business Plan.

RECOMMENDATIONS

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

1.00	ADMINISTRATION AND COMMUNICATIONS RELATED MATTERS
1.01	<p>Business Plan 2017/18 Update</p> <p>Appendices 1 and 2 provides a summary of progress against the Administration and Communications Section and Employer Liaison Team sections of the Business Plan up to the end of quarter 2 (July to September 2017). The majority of items are as originally planned but the Committee is asked to note the following:</p> <ul style="list-style-type: none">• The website was launched in October and Member Self Service earlier this month (November).• Workforce planning is complete for all areas within Pensions Administration. In particular, both the Operational Team and Employer Liaison Team have had additional resource and/or change of roles albeit some are on a temporary basis which will need to be reviewed in the next 12 months.• Whilst additional resource has been secured, an extensive training plan has commenced to ensure all staff have the required knowledge and understanding to perform their relevant duties. Due to the complexity of the LGPS and the need for this ongoing training, the benefit of the additional resource will take time to reflect in the performance of the section.• The Employer Liaison Team continues to have a positive impact however no other employers are being actively approached at this stage, nevertheless, if an employer is requiring our assistance we would discuss a solution with them.• Ongoing discussions are being undertaken with Mercers in relation to the aggregation project and, as such, the additional budget requirements have not yet been determined.
1.02	The Committee is asked to note the contents of the business plan.
1.03	<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">• Whilst Mercers will be requesting data extracts to perform data quality analysis in their new updated tool, we are hopeful that the continued implementation of iConnect will result in significant improvement in our data.• Pension Saving Statements have been issued to all those that have exceeded their Annual Allowance within the Clwyd Pension Fund. The statements encourage those individuals to seek tax advice.

Policy and Strategy Implementation and Monitoring																																																												
1.04	<p>Administration Strategy</p> <p>As reported at the last Committee (September 2017) in relation to staffing and resources matters, the 3.7 vacant Pension Assistant posts have been through the recruitment process and have all been filled. Two members commenced on 1 November and the other two are will commence their positions shortly.</p>																																																											
1.05	<p>The latest monitoring information (to 31 October 2017) in relation to Administration is outlined below:</p> <ul style="list-style-type: none"> • Current Cases – Appendix 3 provides the analysis of the numbers of cases received and completed on a monthly basis since April 2017 as well as how this is split in relation to our three unitary authorities and all other employers. As can be seen, a large increase in cases received occurred in July, due to the year-end process, and another big increase arose in September, due to outsourcing of staff from Flintshire County Council. • Key performance indicators (KPIs) – Appendix 4 shows our performance against the key performance indicators that are measured on a monthly basis. As can be seen there has been fluctuation in the numbers and percentages of cases not meeting the KPIs. This has in the main been due to staff movement/turnaround and training. Plans have been implemented to address the low performance in achieving the KPI of deaths cases. 																																																											
1.06	<p>Below is a summary of the internal dispute resolution cases that have been received in the last 12 months. Of the appeals received against employers at Stage 1 in the current year 2017/18, 6 are based on the non-payment of ill health benefits or the level of benefits awarded, 1 is based on the non-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. 3 cases were progressed to Stage 2, 2 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 2 were subsequently rejected at Stage 2. 1 was referred back to the employer for review.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th rowspan="2"></th> <th colspan="4" style="text-align: center; border-bottom: 1px solid black;">2017/18</th> </tr> <tr> <th style="text-align: center;">Received</th> <th style="text-align: center;">Upheld</th> <th style="text-align: center;">Rejected</th> <th style="text-align: center;">Ongoing</th> </tr> </thead> <tbody> <tr> <td>Stage 1 - Against Employers</td> <td style="text-align: center;">7</td> <td style="text-align: center;">1</td> <td style="text-align: center;">4</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Stage 1 - Against Administering Authority</td> <td style="text-align: center;">1</td> <td></td> <td style="text-align: center;">1</td> <td></td> </tr> <tr> <td>Stage 2 - Against Employers</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td></td> </tr> <tr> <td>Stage 2 - Against Administering Authority</td> <td style="text-align: center;">1</td> <td></td> <td style="text-align: center;">1</td> <td></td> </tr> <tr> <th></th> <th colspan="4" style="text-align: center; border-bottom: 1px solid black;">2016/17</th> </tr> <tr> <th></th> <th style="text-align: center;">Received</th> <th style="text-align: center;">Upheld</th> <th style="text-align: center;">Rejected</th> <th style="text-align: center;">Ongoing</th> </tr> <tr> <td>Stage 1 - Against Employers</td> <td style="text-align: center;">7</td> <td></td> <td style="text-align: center;">7</td> <td></td> </tr> <tr> <td>Stage 1 - Against Administering Authority</td> <td style="text-align: center;">1</td> <td></td> <td style="text-align: center;">1</td> <td></td> </tr> <tr> <td>Stage 2 - Against Employers</td> <td style="text-align: center;">3</td> <td></td> <td style="text-align: center;">3</td> <td></td> </tr> <tr> <td>Stage 2 - Against Administering Authority</td> <td style="text-align: center;">1</td> <td></td> <td style="text-align: center;">1</td> <td></td> </tr> </tbody> </table>		2017/18				Received	Upheld	Rejected	Ongoing	Stage 1 - Against Employers	7	1	4	2	Stage 1 - Against Administering Authority	1		1		Stage 2 - Against Employers	2	1	1		Stage 2 - Against Administering Authority	1		1			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	
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1.07	<p>Communications Strategy</p> <p>Both the revised Website and the new Member Self Service have been launched in the last month. The Communications Officer who has led on the</p>																																																											

	<p>implementation of these projects will be providing a demonstration of both at the Committee.</p> <p>The website has separate areas for a number of different audiences as follows:</p> <ul style="list-style-type: none"> • Active Members • Deferred Members • Pensioner Members • Employers • Councillors <p>There are also specific areas for Funding, Investments and Governance, links to our external partners e.g. Local Government Association and a comprehensive suite of reports, papers and strategies.</p> <p>Member Self Service allows all members of the Clwyd Pension Fund with the facility to view their pension records on line and to be able to update certain aspects of their records e.g. their nominated beneficiaries of their death grant.</p>
1.08	The main communication that has been distributed since the last Committee has been the Activation Keys allowing members to gain access to their records via MSS.
1.09	Following the review of the CPF AVC portfolio, all current members contributing to a Prudential AVC have been corresponded with. This communication sets out the options available to those members should they wish to alter their investments choices following the changes. All responses are being directed back to Prudential.
1.10	<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.</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	Appendix 5 provides the dashboard showing the current risks relating to administration and communications. Since the last update, it has been necessary to review the actions relating to the following risks:

	<ul style="list-style-type: none"> • Unable to meet legal and performance expectations (including inaccuracies and delays) due to staff issues (risk reference 1) - Changes are due to the establishment of an Aggregation team and that recruitment to outstanding vacancies have been filled. • Unable to meet legal and performance expectations (including inaccuracies and delays) due to employer issues (risk reference 2) - Changes made due to vacancies having been filled within the Employer Liaison Team. • Service Provision is interrupted (risk reference 6) - Updated due to a full disaster recovery being completed on Wednesday 6 September with a number of ongoing follow up points.
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5.00	APPENDICES
5.01	Appendix 1 - 2017/18 Business plan update (Administration and Communications) Appendix 2 - 2017/18 Business plan update (Employer Liaison Team) Appendix 3 - Current Cases Appendix 4 - Key Performance indicators Appendix 5 - Risk Register

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, Pensions Administration Manager Telephone: 01352 702872 E-mail: helen.burnham@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	<p>(a) The Fund – 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) The Committee – 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</p>

requirements and efficient and effective governance and administration of the Fund.

- (e) **LGPS – Local Government Pension Scheme** – the national scheme, which Clwyd Pension Fund is part of
- (f) **SIP – Statement of Investment Principles** – the main document that outlines our strategy in relation to the investment of assets in the Clwyd Pension Fund
- (g) **FSS – Funding Strategy Statement** – the main document that outlines how we will manage employers contributions to the Fund
- (h) **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.
- (i) **SAB – The national Scheme Advisory Board** – the national body responsible for providing direction and advice to LGPS administering authorities and to DCLG.
- (j) **DCLG – Department of Communities and Local Government** – the government department responsible for the LGPS legislation.
- (k) **AVC – Additional Voluntary Contributions** – provided by Prudential