

## CLWYD PENSION FUND

### SCHEME OF DELEGATION

The Clwyd Pension Fund has certain functions which are delegated to the Chairman, Vice-Chairman and/or Officers of the Fund by the Pension Fund Committee. This paper outlines the decision made, the powers under which it is made, when the decision was taken, and by whom.

<b>DELEGATED POWERS BEING USED (extracted from agreed PFC delegations):</b>	<b>Delegation:</b>	Other urgent matters as they arise.
	<b>Delegated Officer(s):</b>	HCPF and either CFM or CMHR , subject to agreement with Chair and Vice Chair (or either, if only one is available in timescale)
	<b>Communication and Monitoring of Use of Delegation</b>	PFC advised of need for delegation via e-mail as soon as the delegation is necessary. Result of delegation to be reported for noting following PFC.

<b>SUBJECT:</b>	Temporary Increase in Administration Section Establishment
<b>BACKGROUND:</b>	
<p><b>Introduction</b></p> <p>In recent months, the work of the Administration Section has increased due to a number of short-term issues. In addition, there appears to be a general increase in the number of retirement cases to be processed compared to previous years. This, together with a number of ongoing vacancies and staff turnover challenges, is having an impact on the team's ability to meet its agreed service standards. Work is being undertaken to consider whether there should be an increase in the structure of the team on a permanent basis, but whilst that is being considered, to ensure that the current increases in work can be delivered to the appropriate standards, it is requested that up to 5 FTE temporary Pension Officer posts are established. As a result of a recent round of recruitment, a number of candidates have been identified who could immediately be offered some of these positions, if approved.</p> <p><b>Increases in workload</b></p> <p><i>Project work</i> - During 2022/23 there have been a number of one-off tasks that have resulted in staff having less time to focus on business as usual work. These have</p>	

included dealing with pensioner communication preference notifications and enquiries following recent privacy notices. In addition the 1 April 2021 backdated pay award resulted in over 200 retirement and deferred benefit calculations having to be recalculated, and balance payments made where appropriate. The 1 April 2022 pay award has just been agreed and already over 1,100 recalculations of retirement or deferred benefits have been requested. To put this in context:

- the total number of retirements received in the 12 months to 31 March 2022 was just over 1,700 and deferred members was just over 2,000 (overall approximately 3,700).
- the total number of recalculations in the 12 months to 31 March 2022 was just over 150 in total (compared with 1,300 so far this year).

These figures help illustrate what a significant impact over 1,300 recalculations (between the 2021 and 2022 pay awards) are having and will continue to have on the day to day work of the team until all the pay award cases have been recalculated.

*General trend in retirement cases* - Some initial work has been carried out to investigate a perceived increase in the number of “normal” retirement cases recently. These particularly relate to the number of deferred members who are taking payment of their retirement benefits. Further work is being done to investigate this together with some modelling of potential future cases to determine whether the team can expect case work to continue at increased levels.

### **Impact on KPIs and “open” cases**

As well as the increases in work outlined in the previous paragraph, the team has been impacted by a number of resignations and secondments in the team (e.g. to the McCloud project team) which have resulted in vacant positions that they have not been able to fill for significant periods. Such a high turnover has also resulted in increased time spent on training and fewer experienced staff members who have less availability for day to day work (which in turn impacts on efficiency).

The team’s overall “outstanding case” numbers have been around 5,000 since December 2021, but these increased to around 5,500 in June 2022 and around 6,000 in October 2022. A lot of work was done in the years to 2019/20 to reduce outstanding case numbers to around 5,000 and it is concerning to see that they are now steadily increasing again.

Evidence is also starting to appear in relation to some downward trends in retirement, quotation and deferred calculation key performance indicators. It is expected that the true impact on these will become more evident in future months (due to the fact a larger proportion of the cases already received but not yet processed are expected to miss target service standards).

### **Availability of candidates**

Following five unsuccessful attempts at advertising vacant positions (dating back to July 2020), the Pensions Administration Manager worked with HR to review the job descriptions and job advertisements. As a result, the most recent recruitment drive is likely to result in the **existing** vacant positions being filled. In addition, a number of other candidates were considered to be suitable for recruitment if positions were

made available. Given the difficulty in recruiting in the current climate, it seems appropriate to try to benefit from this situation.

### **Temporary increase in establishment**

To assist with the issues outlined above, it is requested that the establishment of the Pensions Administration Team be increased by the equivalent of up to 5 FTE Pension Officer positions on a temporary basis for the period to 31 March 2024. Should it be determined that it would be beneficial to recruit any of these positions at Pension Assistant level, it is requested such flexibility be permitted, as long as the overall cost to the Fund does not exceed the cost of 5 FTE Pension Officer positions. It is hoped that around half of these additional positions could be filled by the additional candidates identified from the recent round of advertising, and then further recruitment could take place for any remaining positions.

The additional annual salary costs relating to the new posts is estimated to be in the region of £122,500 (based on 2022 pay scales) meaning:

- For 2022/23, a maximum cost of £41,000 if all positions were filled for the four months from 1 December (which is unlikely)
- For 2023/24, a cost of £122,500, given the posts would be temporary for the full year to 31 March 2024.

There will be additional on-costs (such as national insurance and pension contributions). All costs would be fully recharged to the Clwyd Pension Fund.

### **Ongoing review**

In the meantime, the Pensions Administration Manager will continue investigating trends in workloads and potential changes to the structure, in the hope that a recommendation for change to the permanent structure is included with the 2023/24 Business Plan.

### **RECOMMENDATION:**

To agree to the interim Pension Administration Section establishment changes of:

- creation of up to 5 FTE additional temporary Pension Officer posts,
- with flexibility to create temporary Pension Assistant posts for some or all of this, subject to the overall cost being no more than the agreed total cost,

resulting in an additional salary cost to the Pension Fund of approximately £122,500 per annum (plus associated on-costs).