

CLWYD PENSION FUND COMMITTEE

Date of Meeting	Thursday, 16 th February 2017
Report Subject	Pension 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 – two areas have been extended due to staffing changes.
- (b) Current Developments and News including an update on the Employer Liaison Team (ELT), i-connect and the Judges' pension ruling.
- (c) Administration and communications related policy/strategy implementation and monitoring – this includes the latest statistics on the number of cases being dealt with by the administration team, which highlights a high volume of work continuing to be received (Appendix 4).

It also provides a summary of the key administration and communication elements in the current risk register (Appendix 2).

RECOMMENDATIONS

1	That the Committee consider the update and provide any comments.
2	That the Committee agree to delegate the decision regarding the appointment of the GMP reconciliation provider to Philip Latham, Pension Fund Manager and Gary Ferguson, Corporate Finance Manager.

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 of quarter 3 (October to December 2016). 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 GMP Reconciliation (A10) tender document has been sent and submissions received on the 3rd February. To enable the project to commence, the Committee is asked to delegate the decision regarding the appointment of the provider to the Clwyd Pension Fund Manager and Corporate Finance Manager.• I-connect (A12) implementation for Denbighshire County Council was delayed slightly until January.• Backlog to 31 March 2013 (Mercers) (A4) – This continues to run behind schedule and will continue into Q4 of 2016/17. Further information is provided later in this report.
1.02	<p>The Committee is asked to note the contents of the business plan update and agree the recommendation to delegate responsibility for appointing the successful provider for the GMP Reconciliation project.</p>
	Current Developments and News
1.03	<p>The Employer Liaison Team (ELT) has been set up since 1st December 2016 and will provide assistance to Fund Employers by providing accurate and complete notifications to the Fund (and other Employer duties) in a timely manner. The progress made by the ELT will be monitored and reported on a regular basis.</p> <p>The employer on-line data transmission tool, I-connect, has now been successfully implemented for Bodelwyddan Castle Trust, Prestatyn Town Council and Denbighshire County Council. Work is now underway to progress with other employers as per the business plan.</p> <p>It was announced on Monday 16th January that the London Central Employment Tribunal has upheld a claim by 210 judges that they suffered age, race or sex discrimination as a result of the protections given to older judges when changes were made to the judiciary's pension arrangements for post 2015 accrual. The outcome of this case may have implications for public service schemes including the LGPS. There is no immediate action to take but it is worth being aware of a longer-term risk to scheme finances (and potential benefit for certain members) if this judgment is ultimately</p>

upheld and found to apply more widely.

Following the GMP reconciliation exercise a consultation concerning the proposed methodology for equalising pensions for the effect of GMP's was issued in November 2016. It is intended to respond to the consultation and a verbal update will be provided at the Committee.

1.04

Policy and Strategy Implementation and Monitoring

Administration Strategy – 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:

LGPS						
Status	Jul	Aug	Sep	Oct	Nov	Dec
Active	15,837	15,786	16,007	15,872	15,865	15,897
Undecided Leaver	2,590	2,742	2,658	2,769	2,726	2,701
Leaver	9,948	9,984	10,014	10,062	10,100	10,136
Deferred	10,779	10,864	10,969	11,085	11,188	11,238
Pensioner	9,964	9,985	10,038	10,073	10,123	10,145
Spouse/Dependant	1,619	1,614	1,614	1,613	1,613	1,622
Death	6,792	6,816	6,845	6,880	6,906	6,934
Frozen	1,020	1,035	1,048	1,058	1,062	1,059
Opt out*	1,013	1,045	1,064	1,084	1,107	1,123
Total	59,562	59,871	60,257	60,496	60,690	60,855

*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	July	Aug	Sept	Oct	Nov	Dec
Active	53	57	57	57	57	56
Undecided Leaver	1	1	1	1	1	2
Leaver	0	0	0	0	0	0
Deferred	7	7	7	7	7	10
Pensioner	22	22	22	22	22	22
Spouse/Dependant	4	5	5	5	5	5
Death	7	7	7	7	7	7
Frozen	0	0	0	0	0	0
Total	94	99	99	99	99	102

1.05

In relation to staffing and resource matters, there are currently 5 pension assistant posts going through the recruitment process. These posts have become available due to the promotion of the current pension assistants to pension officers following the establishment of the Employer Liaison Team (ELT).

1.06

The latest monitoring information (to 31 December 2016) in relation to administration is outlined below:

- Day to day tasks – Appendix 4 provides the analysis of the numbers of

tasks received and completed on a monthly basis. As can be seen:

- Current workloads – statistics had improved since the last review but due to staffing changes referred to in paragraph 1.05 these have temporarily dipped. This was expected during this period of change.
- There is ongoing progress with the completion of older outstanding cases which have been reduced considerably during this financial year.
- Mercers backlog cases - included as Appendix 3 is a summary of the backlog work that is being carried out by Mercers in relation to 2014/5 cases. Note these are counted in a different way to the items included in Appendix 4 which shows tasks within a case, (whereas Appendix 3 is the actual cases). The majority of cases will be completed by the end of February 2017. There are a number of pre 2003 cases where further interpretation of the payroll data is required. A revised completion date will be provided once interpretation has been agreed.

1.07 • Key performance indicators – more work is being undertaken and results will be presented at the next committee.

1.08 • Internal dispute resolution procedures – 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 2016/17, 3 are based on the non-payment of ill health benefits, 2 are based on the date of payment of benefits with a further 2 relating to the refusal of flexible retirement. There has been 1 appeal received against the Administering Authority which is in relation to an incorrect estimation of benefits. This has now proceeded to a Stage 2 appeal. All of the appeals received against Employers at Stage 2 in 2016/17 relate to the early release of benefits not being granted which were rejected at Stage 1.

	2016/17			
	Received	Upheld	Rejected	Ongoing
Stage 1 - Against Employers	7		6	1
Stage 1 - Against Administering Authority	1		1	
Stage 2 - Against Employers	3			3
Stage 2 - Against Administering Authority	1			1
	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				

1.09 *Communications Strategy* – The Communication Officer has provided the following services since the last update in September 2016.

- 2 Pre retirement Presentations
- Leaver’s Fayre
- An All Wales Communications Group meeting

1.10 The following communication has been distributed during this period:

- At the September Committee, it was reported that approximately

	400 deferred members who left service in 2015/16 had not received their annual benefit statement due to us awaiting guidance from DCLG. This issue has since been resolved and all members concerned have now received an up to date statement.
1.11	<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	The cost of the GMP reconciliation project is included in the current budget and any further costs expected on receipt of tenders to complete the work will be incorporated into the 2017/18 business plan which will be brought to the March Pension Fund Committee.

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

4.00	RISK MANAGEMENT
4.01	<p>Appendix 2 provides the dashboard showing the current risks relating to administration and communications. In addition, in relation to these risks, it provides details of:</p> <ul style="list-style-type: none"> • the key risks (i.e. ranked 15 or above in the above dashboard) • any new risks • risks that have changed by a score of 3 or more and • risks that have been removed since the previous report.
4.02	Since the last update, reported to the 27 September Committee, there have been no changes to the Administration Risk Register. However, a review of the risk register is being undertaken and will be presented at the March Committee.

5.00	APPENDICES
5.01	<p>Appendix 1 - 2016/17 Business plan update</p> <p>Appendix 2 – Risk Register Update</p> <p>Appendix 3 – Mercer Backlog Progress</p> <p>Appendix 4 – Analysis of tasks received and completed</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Report to Pension Fund Committee – Business Plan 2016/7 to 2018/19 – 22 March 2016</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) 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>