

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.

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

SUBJECT:	Interim Increase In Administration Section Establishment
BACKGROUND:	
<p>In recent years, the work of the Administration Section has increased both in magnitude and complexity. Despite identifying ongoing efficiencies and improved technology, the team are unable to deliver to the Fund's agreed key performance indicators which include best practice and legal timescales. As a result, Mrs Helen Burnham, Pension Administration Manager, is investigating the most appropriate staffing establishment for the section and expects to deliver a full business case in the next two months. The purpose of this urgent decision under delegated powers is to ask for an interim increase in the establishment whilst that business case is being prepared.</p> <p>Some of the initial research into the increases in workload include:</p> <ul style="list-style-type: none"> • As can be seen in the table below, the number of people joining the scheme each year has increased by over 400% compared to 2013/14. The number of people leaving the scheme has increased by over 150% in the same period. Both of these are key measures relating to areas that result in additional work 	

for the team (i.e. processing new entrants to the scheme and leavers benefits).

Year	Joiners	Leavers
13/14	998	1868
14/15	2327	2330
15/16	2141	2408
16/17	3039	2385
17/18	4146	3097

- This is evidenced further by the increases in each class of scheme member in the last ten years as shown below, meaning respective increases of 120%, 225% and 145% for actives, deferred and pensioner members.

	Active	Deferred	Pensioners
2008/09	14554	7345	8507
2009/10	15073	8024	8820
2010/11	14960	9255	9091
2011/12	14519	10171	9553
2012/13	14920	10855	9874
2013/14	16133	11480	10367
2014/15	15941	12426	10367
2015/16	15989	13049	11478
2016/17	15748	17432	11985
2017/18	17591	16573	12256

Major changes to the scheme, particularly since 2014, have increased the complexity of the Section's work and have had a knock on impact on the levels of work to be completed – both in relation to the amount of work and the technical expertise (and therefore seniority) of staff required to carry it out. Key points include:

- The introduction of a new CARE tranche of scheme benefits from 1st April 2014 which means year end CARE pay must be accurately collected for every active scheme member in addition to ongoing administration of the pre 1st April 2014 final salary scheme.
- This also introduced new rules for members moving job within the Scheme – even just a basic promotion now triggers various options for scheme members which require calculations and communications to them (known as aggregation options), whereas before scheme membership was automatically classed as continuous and no action was required by the Administration Team in the majority of cases.

In this period, there has been very little change to the establishment of the Section's main Operations and Technical teams (i.e. ignoring the separate Employer Liaison Team), albeit there are a number of temporary positions now in place. A more detailed business case is being developed to clarify the specific ongoing requirements and at what grades. In the meantime, to assist with what is becoming a critical issue, it is requested that the establishment be increased by:

- 2 Lead Pension Officers

- 1 Pension Officer

In addition it is requested that the current temporary positions be made permanent. These are as follows:

- 3.7 Pension Assistants– these are positions created in recent years where the team members have no substantive posts.
- 5 Pension Officers – these are positions where substantive Pension Assistant posts exist but it is now felt that the increased complexity of the duties merit that these temporary upgrades should be made permanent.

The additional salary costs relating to the three new posts is estimated to be in the region of £91,944 including oncosts. There are no additional costs as a result of making the temporary positions permanent as costs are already included in the Pension Fund budget for these. All costs will be fully recharged to the Clwyd Pension Fund.

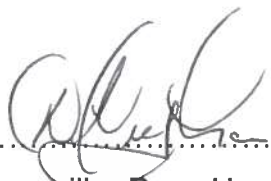
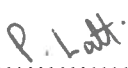

RECOMMENDATION:

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

- creation of 3 additional posts and
- making permanent 8.7 temporary posts

as outlined above, resulting in an additional salary cost to the Pension Fund of approximately £91,944 (including associated on-costs).

By signing below, we confirm that we agree to the above recommendation.

	Signature:	Date:
1a) Chair:	 Councillor Dave Hughes	4/6/18
and/or		
1b) Deputy Chair: Councillor Haydn Bateman
2) Pension Fund Manager:	 Philip Latham	4/6/18
3a) Corporate Finance Manager: Gary Ferguson
or		
3b) Chief Executive:	 Colin Everett	04 06 18
ADDITIONAL REQUIREMENTS (IF APPLICABLE)		