

CLWYD PENSION FUND COMMITTEE

Date of Meeting	Wednesday, 10 th November 2021
Report Subject	Administration and Communications Update
Report Author	Pensions Administration Manager

EXECUTIVE SUMMARY

An administration and communications update is on each quarterly Committee agenda and includes a number of administration and communications related items for information or discussion. The last update report was provided at the September Committee meeting, therefore this update report includes matters since that date.

This update includes matters that are mainly for noting, albeit comments are clearly welcome.

The report includes updates on:

- Current Developments and News – this includes updates relating to the Prudential service issues.
- Day to day tasks and key performance indicators – showing the position to the end of September 2021.
- Communications – including an update on the usage of the Fund's Member Self-Service (MSS) facility, and details of employer engagement and communications sent.
- Update to the Fund's risk dashboard and changes to the administration and communications risks since the last meeting including the consideration of recent recruitment challenges.

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 data-bbox="320 322 783 353">Business Plan 2021/22 Update</p> <p data-bbox="320 394 1374 533">Progress against the business plan items for quarter two of this year is positive for the majority of items with some areas not yet due as illustrated in Appendix 1. Key items to note relating to this quarter's work are as follows:</p> <ul data-bbox="320 577 1385 1980" style="list-style-type: none"><li data-bbox="320 577 1385 1234">• A1 Implement Survivor Benefit Changes – This item continues to remain unchanged due to delays in information being issued by LGA and DLUHC. This area of work is as a result of the changes to the regulations in respect of the calculation of and entitlement to surviving partner pensions in respect of Civil Partners or same sex marriages and the outcome of Elmes versus Essex High Court Ruling. Deceased members who may have a surviving partner entitled to a benefit under the new rulings have been identified. Processes and letters have been drafted and we are still currently awaiting further guidance from the LGA on how to proceed with these cases. As mentioned in previous updates a further case, Goodwin versus the Department for Education, has highlighted that previous changes to regulation may now lead to further discrimination within the Teachers' Pension Scheme and other public service pension schemes (including the LGPS). The DLUHC consultation on the Goodwin changes is also still outstanding. As a result of these national delays the business plan has been updated to show that the work cannot commence in Q1 and Q2, and this will be re-evaluated as the year progresses.<li data-bbox="320 1240 1158 1272">• A2 McCloud – An update is provided later in this report.<li data-bbox="320 1279 1374 1570">• A9 Review of Scheme Member Communications and Processes – A full review is underway of the different types of communication/engagement opportunities we offer to members in conjunction with a review of the skills and expertise required for the vacant Communication Officer post. This work will assist with Communication Strategy update early 2022 and bring the Fund up to date in its communication approach whilst ensuring we attract the right skill set to the vacant post.<li data-bbox="320 1576 1385 1682">• E1 Expand ELT to more employers – The Employer Liaison team has now concluded the transition of Coleg Cambria's processes and so are now processing notifications and i-Connect files on their behalf.<li data-bbox="320 1688 1385 1980">• E2 McCloud ELT services - The main area of work currently relates to FCC. The collaborative working relationship between the Employer Liaison Team and FCC IT colleagues to develop the required data reports is progressing well. Test reports have been developed and data verified with anomalies having been identified. The process is now expanding to retrieve a full data set of information which will also meet ongoing requirements (and not just for the retrospective McCloud rectification).

1.02	<p>Current Developments and News</p> <p>The following details developments and news in addition to business as usual</p> <p><i>McCloud Programme update</i> An update on the progress of the Clwyd Pension Fund McCloud programme is attached as Appendix 2. The programme currently has an overall health status of green, meaning that it is largely on track. A recent review of the programme’s risks has resulted in a change to the assessment of Risk 5 which relates to the recent challenge of appointing staff to vacant positions.</p> <p><i>Other updates</i></p> <ul style="list-style-type: none"> • The Administration Team have collectively continued to work on the data improvement plan for 2020/21 in readiness for the annual review of common and scheme specific data for all pension schemes by The Pension Regulator (TPR). In addition to measuring and capturing the above data required by TPR, the Fund also developed a data improvement plan to capture any other elements of data that was considered to be inaccurate. The submission date for updated data scores to TPR is 10th November and therefore a verbal update will be provided at Committee of the latest position. • Prudential service issues – the Pension Administration Manager along with the Operations Team Leader and the Communications and Regulations Team Leader attended a meeting with the Head of Corporate Pensions at the Prudential to escalate the recent service issues. Whilst assurance was given that provisions had been made to improve the current service being provided, the Fund will continue to monitor and feedback any issues. The Committee are reminded that the service issues are national and therefore not just affecting the Fund. • As part of the Fund’s ongoing commitment to increase engagement with its membership, the Fund in collaboration with Mercer recently held two successful Webinar sessions for those members that may exceed their Annual Allowance and Lifetime Allowance limit. Positive feedback has been received and it is intended that this will be an annual event going forward. Further individual sessions in November have also been offered which are proving very popular. • The Technical Team have successfully rebranded and uploaded all factsheets and guides onto the Fund website. These can be viewed here. All of the factsheets and guides also adhere to the Website Accessibility Standards. • The Technical Team have also launched an Employer specific tab on the Fund website which is password protected. This area of the website contains dedicated sections to a number of current developments and regulation requirements. This will be continuously reviewed and updated.
1.03	<p>Policy and Strategy Implementation and Monitoring</p> <p><i>Administration Strategy</i> The latest monitoring information in relation to administration is outlined below:</p>

Day to day tasks – Appendix 3 provides the analysis of the numbers of cases received and completed on a monthly basis to September 2021 since April 2018 as well as how this is split in relation to our three unitary authorities and all other employers. The number of tasks being completed by the team was consistently high April through to June, reducing in July and August which reflects key dates for annual leave that is typically taken at this time of year. The number of cases created rose significantly in September. This is a more accurate reflection of data being received on time through the i-Connect files in relation to new school starters. Historically this information would have been received gradually over the coming months. The number of cases completed returned to pre-holiday season levels. Priorities for the operations team going forward will be to manage challenging regulatory timescales for a significant number of cases.

Key performance indicators – Appendix 4 shows our performance against the key performance indicators that are measured on a monthly basis up to September 2021. The new summary reports illustrate the number of cases that have been completed. There has been fluctuation across all indicators reflecting team productivity during the peak holiday season. An increase in the number of Leaver/ Transfer Out and Retirement cases completed shows the priority was to focus on cases where a payment is made either to an individual or a third party.

1.04

Internal dispute resolution procedures (IDRP)

There is still one outstanding Stage One IDRP case for 2019/2020. This is ongoing due to COVID 19 delays. The IDRP relates to the tier of ill health awarded by the employer. The Stage One IDRP representative and employer are awaiting a medical report in order to make a final decision. A recent update from the employer suggests that this will be moving forward and a decision on the appeal should be able to be made soon.

With regards to IDRP cases for 2020/2021, there are two Stage One appeals against employers that are still awaiting decisions to be made on the appeal outcomes. These appeals relate to ill health retirement issues.

In relation to the cases for 2021/2022:

- There are three Stage One appeals against employers. One is for non-award of redundancy pension when the member believes they have been made redundant. One is for non-award of ill health retirement. The third one is an appeal made by a member who is not being permitted to work more than 2 years beyond their flexible retirement date. One appeal is ongoing and two have been rejected. However, one of the appeals has been rejected as there is an ongoing employment tribunal and so the appeal cannot be reviewed by our stage 1 representative under those circumstances.
- Currently, no Stage Two appeals have been made by any members.

		2020/2021			
		Received	Upheld	Rejected	Ongoing
	Stage 1 - Against Employers	5	0	3	2
	Stage 1 - Against Administering Authority	0	0	0	0
	Stage 2 - Against Employers	1	0	1	0
	Stage 2 - Against Administering Authority	0	0	0	0
		2021/2022			
		Received	Upheld	Rejected	Ongoing
	Stage 1 - Against Employers	3	0	2*	1
	Stage 1 - Against Administering Authority	0	0	0	0
	Stage 2 - Against Employers	0	0	0	0
	Stage 2 - Against Administering Authority	0	0	0	0
*One of these rejected cases relates to the employment tribunal case which cannot be reviewed.					
There are no Fund cases that are currently with the Pensions Ombudsman.					
1.05	<p><i>Communications Strategy</i></p> <p>The Communications Team has maintained regular engagement with employers and scheme members over recent months. The following communications have been provided since the last update:</p> <ul style="list-style-type: none"> • Seven emails have been sent to all employers providing information in relation to various matters including guidance notes for each type of benefit statement, information from the LGA relating to Shared Cost Additional Voluntary Contributions (SCAVCs) and information regarding the cost management consultation. • Employers have also been asked to promote the 1-2-1 sessions that are being offered by the Fund over the coming months. • LGA bulletins have been provided to employers with particular points of importance highlighted. 				
1.06	<p>Other key points in relation to communications include:</p> <ul style="list-style-type: none"> • The Penpal and Deferred Diaries newsletters were issued to all members, including paper copies to those members who have not yet registered for Member Self Service (MSS). An activation key was included in the communication for those members to encourage registration and increase digital engagement with the Fund. • The Principal Pensions Officer for the Communications team has attended the following virtual meetings; <ul style="list-style-type: none"> ○ Accessibility Working Group ○ LGA bulletin update meetings ○ Information Compliance Officer Group and Joint (LGPS) Communication Group meetings. 				
1.07	<p>Appendix 5 provides an updated summary of Member Self Service (MSS) registered users, which illustrates that enrolment to Member Self Service continues to grow. A further 188 members have registered since the last update taking the total number of registered members to 12,886. During</p>				

	<p>the reporting period, 201 members have requested a retirement pack for their deferred benefit via MSS as opposed to email/post/telephone. The benefit projector continues to be a very popular function with 9,750 benefit projections having been calculated using MSS functionality by members in this last period. There have also been 305 changes to member's Expression of Wish details on MSS.</p>
1.08	<p>Delegated Responsibilities</p> <p>The Pension Fund Committee has delegated a number of responsibilities to officers or individuals. No delegations have been used since the last Committee.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>Following the approval of the McCloud budget for 2021/2022, recruitment is still underway to fill the two temporary positions. The roles were re-advertised in October and interviews will be completed by early November.</p> <p>The position of Communication Officer within the Communications and Regulations Team remains vacant whilst a review of the job description takes place. This will ensure the requirements of the role are still fit for purpose given the number of changes within this area in recent years.</p> <p>As mentioned in the last report, recruitment is also underway to fill temporary vacancies within both the Employer Liaison (two posts) and Operations Teams (two posts). Interviews will be completed early November.</p> <p>Staffing levels will be continuously reviewed within the McCloud, ELT and Administration teams, and consideration given in relation to potential peaks in workload as the McCloud Programme progresses.</p>

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

4.00	RISK MANAGEMENT
4.01	<p>Appendix 6 provides the dashboard and the extract of administration and communications risks. Key changes made to risks since the September Committee are as follows:</p> <ul style="list-style-type: none"> • Risk number 1 - Unable to meet legal and performance expectations due to staff issues. This risk relates to the challenge of recruitment and having sufficient staff numbers to meet expectations. Difficulties have occurred in recruiting to recent vacancies. Concerns have been escalated, positions re-advertised and internal secondment

	<p>opportunities have been offered to alleviate the current situation. The current impact has been increased from “negligible” to “marginal” and the current likelihood has been increased from “low” to “significant”. It is hoped this can be brought back on target in the next few months.</p> <ul style="list-style-type: none"> • Risk number 4 – Scheme members do not understand or appreciate their benefits due to communications being inaccurate, poorly drafted or insufficient. It is hoped that this risk can be decreased in due course due to the promotion of Member Self Service that we have just carried out. However the impact of this may take a few months and therefore the target date has been updated to March 2022. • Risk number 6 – Service provision is interrupted due to system failure or unavailability. Although the cyber risk assessment has been completed for Heywood (and noted accordingly in the internal controls), the risk assessment has not changed; this will be reviewed further when the FCC cyber assessment has been completed.
4.02	<p>The key risks which are furthest from target relate to:</p> <ul style="list-style-type: none"> • Risk number 5 – High administration costs and/or errors due to systems not being kept up to date or not utilised appropriately, or other processes being inefficient. • Risk number 6 - Service provision is interrupted due to system failure or unavailability.

5.00	APPENDICES
5.01	<p>Appendix 1 – Business plan progress 2021/22 Appendix 2 – McCloud Programme update report Appendix 3 – Analysis of cases received and completed Appendix 4 – Key Performance Indicators Appendix 5 – Member Self Service update Appendix 6 – Risk register update</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<ul style="list-style-type: none"> • Report to Pension Fund Committee – Pension Administration Strategy (March 2021) • Report to March Pension Fund Committee - 2021/22 Business Plan (March 2021) <p>Contact Officer: Karen Williams, Pensions Administration Manager Telephone: 01352 702963 E-mail: karen.williams@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) 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 requirements and efficient and effective governance and administration of the Fund.</p> <p>(e) LGPS – Local Government Pension Scheme – the national scheme, which Clwyd Pension Fund is part of.</p> <p>(f) 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> <p>(g) SAB – The national Scheme Advisory Board – the national body responsible for providing direction and advice to LGPS administering authorities and to DLUHC.</p> <p>(h) DLUHC – Department of Levelling Up, Housing and Communities – the government department responsible for the LGPS legislation.</p>