CLWYD PENSION FUND COMMITTEE

Date of Meeting	Wednesday, 21 March 2018
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) Current Developments and News – the potential impact of the review of indexation and equalisation of GMPs

(b) Administration and communications related policy/strategy implementation and monitoring - including the latest performance statistics (appendices 1 and 2) and the positive results from the implementation of Member Self-Service.

RECOMMENDATIONS	
1	That the Committee consider the update and provide any comments

REPORT DETAILS

1.00	ADMINISTRATION AND COMMUNICATIONS RELATED MATTERS
1.01	**Business Plan 2017/18 Update** An update on the business plan is included in a separate report.
1.02	**Current Developments and News** A separate LGPS Update report has been provided by Mercer and included with the Committee Papers. In general we are aware of the points highlighted in the report and a number of these are specifically referred to in the separate Business Plan report. However, more specifically it is worth noting the following point: • GMP Indexation & Equalisation – Since 2016 Public Service Schemes have been required to pick up the full costs of fully indexing GMP's for those members who reach SPA before 6th December 2018. Following a consultation, the interim solution is to extend the period from 6th December 2018 to 6th April 2021 whilst the Government will continue to review the solution for the longer term. This will impact on the Clwyd Pension Fund pensioners who reach SPA between 6th December 2018 to 6th April 2021. The Fund will now be required to provide full (inflation proofing of pensions for those members. We are currently reviewing our pensions administration software and processes to incorporate this.
1.03	**Policy and Strategy Implementation and Monitoring** *Administration Strategy* The latest monitoring information in relation to administration is outlined below: • Day to day tasks (to February 2018) – Appendix 1 provides the analysis of the number of tasks added (i.e. new work to do) and completed on a monthly basis since April 2017 including the split in relation to our three unitary authorities and all other employers. The information is now provided as a graph so that the ongoing trends in workloads can be better understood. The following observations and explanations for the information in the graphs should be noted: o Over the longer period, it shows a fundamental increase in the monthly number of tasks being added. o The December 2017 low figures illustrate the impact of seasonal holidays both at the Fund's employers and within the Administration Team.

	o Other than December and February, in recent months there has been a substantial increase in added tasks due to (a) the transfers of FCC employees to Aura and NEWydd and (b) data cleansing for implementing iConnect for Aura, NEWydd and Flintshire. o In addition, a large amount of resource has been focussing on the implementation of iConnect which means less tasks completed in February. • Key Performance Indicators (to January 2018) – Appendix 2 shows performance against the key performance indicators that are measured on a monthly basis. This is also now being presented as graphs to show the trends since April 2017. The information shows KPIs in relation to three measures (legal deadlines, the overall experience and the CPF Administration Team's internal turnaround) against seven key process areas. The charts show fluctuation in most areas and the Pension Administration Manager will be happy to answer questions on specific points. Some of the reasons for these include: o Staff turnaround (mainly due to internal promotions and moves), training and long term sickness. Training plans are in place. o Ongoing work on iConnect and the impact of Christmas holidays (impacting December/January). The processes relating to the death of a scheme member have also been reviewed and this should positively impact those KPIs in future months.
1.04	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 2017/18, all are based on non-payment of ill health benefits, or the level of benefits awarded, other than 1, is based on non-payment of deferred benefits on compassionate grounds and 1 is based on the hours and pensionable pay used. • There has been 1 appeal against the Administering Authority which is in relation to a late payment of deferred benefits. 4 cases were progressed to Stage 2; 3 in respect of the employer and non-payment of deferred benefits of which 1 was referred back to the employer. • Both appeals against the Administering Authority (in 2016/17 and 2017/18), which were rejected at Stage 2, have been progressed to the Pensions Ombudsman. We are currently awaiting their determination. (see table below)

	2017/18			
	Received	Upheld	Rejected	Ongoing
Stage 1 - Against Employers	12	2	6	4
Stage 1 - Against Administering Authority	1		1	
Stage 2 - Against Employers	3	2	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	

1.07	*Communications Strategy* Following the launch of Member Self-Service in November 2017 the Communication Officer has been to numerous employers promoting the use and take up of the service. Information concerning the use of Member Self-Service is attached in Appendix 5, which demonstrates the positive take-up and the resulting improvements since implementation, which include efficiencies and more up to date data.
1.08	No major communication has been distributed since the last Committee however numerous revised Activation Keys for allowing members to gain access to their records via Member Self-Service have been issued as the main distribution sent out in November 2017 had an expiry date for security reasons. Following the review of existing processes in relation to the death of scheme members, communications have been completely reviewed including introducing a booklet to explain what happens on the death of a scheme member.
1.09	**Delegated Responsibilities** 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.

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	Information on the key administration and communications risks is included in the business plan report.

5.00	APPENDICES
5.01	Appendix 1 – Analysis of tasks received and completed Appendix 2 – Key performance indicators Appendix 3 – Member Self Service update

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	No relevant background documents. **Contact Officer:** Helen Burnham, Pensions Administration Manager **Telephone:** 01352 702872 **E-mail:** helen.burnham@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	(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 (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. (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 (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. (e) **LGPS – Local Government Pension Scheme** – the national scheme, which Clwyd Pension Fund is part of (f) **SAB – The national Scheme Advisory Board** – the national body responsible for providing direction and advice to LGPS administering authorities and to DCLG. (g) **MHCLG – Ministry of Housing, Communities and Local Government** – the government department responsible for the LGPS legislation.