

CLWYD PENSION FUND COMMITTEE

Date of Meeting	Wednesday, 20 March 2019
Report Subject	Administration Training
Report Author	Principal Pensions Officers

EXECUTIVE SUMMARY

The purpose of this report is to introduce the administration training that will be carried out at the Committee meeting.

RECOMMENDATIONS

1	That the Committee note this report, note the contents of the CIPFA guidance and participate in the training session at the meeting.
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REPORT DETAILS

1.00	CURRENT ISSUE
1.01	<p>Background</p> <p>Several administration and communication matters are included in the responsibilities of the Committee including:</p> <ul style="list-style-type: none">a) Ensuring the Clwyd Pension Fund is managed and pension payments are made in compliance with the extant Local Government Pension Scheme Regulations, Her Majesty's Revenue & Customs requirements for UK registered pension schemes and all other relevant statutory provisions.b) Determining the Pension Fund's aims and objectives, strategies, statutory compliance statements, policies and procedures for the overall management of the Fund, including in relation to the following areas:<ul style="list-style-type: none">i) Administration Strategy – approving the Fund's Administration Strategy determining how the Council will administer the Fund including collecting payments due, calculating and paying benefits, gathering information from and providing information to scheme members and employers.ii) Communications Strategy – approving the Fund's Communication Strategy, determining the methods of communications with the various stakeholders including scheme members and employers.c) Monitoring the implementation of these policies and strategies on an ongoing basis.
1.02	<p>The Pension Board also has key responsibilities relating to administration and communication matters, as it has been established to assist the Administering Authority with:</p> <ul style="list-style-type: none">• securing compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme, and requirements imposed in relation to the LGPS by the Pensions Regulator• ensuring the effective and efficient governance and administration of the Pension Fund.
1.03	<p>It is therefore critical that all Pension Fund Committee and Pension Board members have a reasonable understanding of what the scheme benefits are and how these are being administered. This is emphasized in the Fund's Training Policy which states:</p> <p><i>"In relation to knowledge and skills of those managing the Fund, our objectives are to:</i></p> <ul style="list-style-type: none">• <i>Ensure that the Clwyd Pension Fund is appropriately managed and that its services are delivered by people who have the requisite knowledge and expertise, and that this knowledge and expertise is maintained within the continually changing Local Government Pension Scheme and wider pensions landscape.</i>

	<ul style="list-style-type: none"> • <i>Those persons responsible for governing the Clwyd Pension Fund have sufficient expertise to be able to evaluate and challenge the advice they receive, ensure their decisions are robust and well based, and manage any potential conflicts of interest.</i> <p><i>All Pension Fund Committee members, Pension Board members and senior officers to whom this Policy applies are expected to continually demonstrate their own personal commitment to training and to ensuring that these objectives are met."</i></p>
1.04	<p>Administration Training</p> <p>Training will be provided at the Committee by some of the Fund's Principal Pensions Officers. This will cover three main areas as outlined below and which will provide Committee and Board members with:</p> <ul style="list-style-type: none"> • an appreciation of what benefits scheme members can receive • how some of the pension administration team training is carried out, and • an understanding of how the Committee and Board should oversee the administration of the Fund.
1.05	<p><i>Scheme Benefits</i></p> <p>This session will provide Committee and Board members with an overview of the scheme benefits, including who can join the scheme and the cost to scheme members. It is the same training that is provided to scheme members at regular workshops to help them understand the benefits of being in the LGPS.</p>
1.06	<p><i>Interactive Training</i></p> <p>Over tea and coffee, Committee and Board members will work through an on-line training module on the Altair administration system. There are a number of on-line modules and these are used by the pension's administration team as part of their ongoing training.</p>
1.07	<p><i>Oversight of administration by the Committee and Board</i></p> <p><i>This session will focus on the Fund's administration aims and objectives, how administration is delivered and explaining the information that is provided to the Committee and Board.</i></p> <ul style="list-style-type: none"> • <i>How the administration is delivered</i> • <i>The role of the Committee and Board in overseeing the delivery of administration</i> • <i>The Fund's administration strategies and objectives</i> • <i>How these are monitored, and what other information you should expect to see.</i>
1.08	<p><i>CIPFA has recently published guidance to assist Committee members, Board members and senior officers in their role in overseeing the administration of LGPS funds. A copy of the guidance is attached and all members are asked to note the contents of the guidance.</i></p>

2.00	RESOURCE IMPLICATIONS
2.01	The complexity and frequent changes of administration continues to put resource pressures on LGPS funds. The team has recently been subject to some changes and new roles which are currently being recruited to and trained.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None.

4.00	RISK MANAGEMENT
4.01	<p>The current highest scored risks relating to administration are:</p> <ul style="list-style-type: none"> • Employers not understanding or meeting their responsibilities which could lead to us being unable to meet our legal or performance expectations, and • Poorly trained or insufficient staff numbers which could lead to us being unable to meet our legal or performance expectations – this will remain a risk while recruitment continues and new team members undergo training.

5.00	APPENDICES
5.01	CIPFA – Administration in the LGPS

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>No background information.</p> <p>Contact Officer: Kerry Robinson, Principal Pension Officer Telephone: 01352 702814 E-mail: kerry.robinson@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>(a) The Fund – 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</p>

management and stewardship of the Fund.

- (c) **The Committee – 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) **LGPS – Local Government Pension Scheme** – the national scheme, which Clwyd Pension Fund is part of
- (e) **CARE – Career Average Revalued Earnings** – With effect from 1 April 2014, benefits accrued by members in the LGPS take the form of CARE benefits. Every year members will accrue a pension benefit equivalent to 1/49th of their pensionable pay in that year. Each annual pension accrued receives inflationary increases (in line with the annual change in the Consumer Prices Index) over the period to retirement.
- (f) **APP – Assumed Pensionable Pay** - where a scheme member has had a period of reduced or no pay child related leave, or reduced or no pay sick leave, then (in simple terms) a notional pay figure is used for CARE pay which is a higher amount than the actual pay received. This is called "assumed pensionable pay" or "APP".