CLWYD PENSION FUND COMMITTEE	

Date of Meeting	Tuesday, 23rd March 2021
Report Subject	Administration Strategy
Report Author	Pensions Administration Manager

EXECUTIVE SUMMARY

As part of the 2020/21 to 2022/23 business plan, it was agreed to review the existing Administration Strategy for the Fund. This report brings the Strategy to the Committee for consideration.

The Administration Strategy was originally agreed in 2016 and minor updates have been made since then. Since it was last reviewed, the ways of working within the Fund have evolved and the Strategy has now been updated to reflect this. The main changes are to reflect that the default requirement for employers to provide data by using i-Connect and to more clearly define the responsibilities and local performance standards expected for employers and the Administration Team. It is a legal requirement, as well as good practice, to consult with employers when reviewing the Administration Strategy and therefore it is intended that the Strategy will be shared with the Fund's employers after the Committee consider the proposed changes.

RECOMMENDATIONS	
1	The Committee consider and approve the updated Administration Strategy which is attached in Appendix 1, subject to consultation with stakeholders.
2	The Committee delegate any final minor changes, following consultation, to be made by the Head of Clwyd Pension Fund and Pensions Administration Manager, with any more substantive changes being brought back to Committee for consideration.

REPORT DETAILS

1.00	**ADMINISTRATION STRATEGY FOR CONSIDERATION**
1.01	*Background* The Fund's existing Administration Strategy was agreed by the Committee in March 2016 and has been subject to minor amendments since then. Prior to March 2016, the Fund did not have an Administration Strategy. Although the LGPS Regulations define the minimum requirements to include within an Administration Strategy, it is not currently compulsory to have one, albeit it is considered good practice. This is, however, likely to change in the future as the LGPS Scheme Advisory Board has formally requested that the MHCLG update the LGPS regulations to require each administering authority to have an Administration Strategy.
1.02	The aim of the Administration Strategy is to ensure both the Pension Fund team and the employers are fully aware of their responsibilities under the Scheme, and to outline the performance standards they are expected to meet to ensure the delivery of a high-quality, timely and professional administration service. Its focus is on working in partnership with employers and the Strategy clearly outlines how the Clwyd Pension Fund Administration Team will assist employers in understanding their responsibilities and delivering those responsibilities. It sets out a formal process to be followed where an employer is not carrying out their responsibilities with the aim of working in partnership to rectify the situation but with flexibility to escalate to a more formal approach if required.
1.03	There are several other Fund policies and strategies that either complement or supplement the Administration Strategy including but not limited to: • the Communications Strategy, • the Procedure for Recording and Reporting Breaches of • the Personal Data Retention Policy • the Voluntary Schemes Pays Policy.
1.04	*Proposed amendments* It is considered that much of the existing Administration Strategy remains to be appropriate overall. The main changes are driven by the transition to i-Connect as the system that must be used by all CPF employers to communicate the majority of scheme member information to the administration team.
1.05	The other main changes are driven from the fact that Strategy is now incorporating areas that were previously held in a separate Service Level Agreement with employers. It is considered to be more efficient and clearer if as much information as possible is held in one place, and so separate Service Level Agreements will only continue for ad-hoc services (such as those provided by the Employer Liaison Team).
1.06	Appendix 1 includes the proposed updated Administration Strategy. Due to the number of changes, they are not highlighted but a version with all the proposed changes highlighted is available on request to the Pensions Administration Manager. The key changes are as follows:

	• Including a new section on employer duties and responsibilities (which in the main came from the existing Service Level Agreement). This includes:
	    o the requirement for each employer to appoint a Nominated Representative that assumes responsibility for all pension matters for that organisation.
	    o the requirement for each employer to submit a list of authorised officers to the Administration Team, which will enable a secure transfer of information and decisions between the administration team and the employer.
	    o how year-end information must be provided by the employer, including provision of an annual compliance statement, which provides confirmation that the data received is accurate and correct.
	    o data protection requirements including highlighting the need for the employer to notify the Administration Team if any data that has been shared with them is found to be inaccurate.
	    o detailing responsibilities in respect of key administration processes for both employers and the Administration Team, and, defining the local performance standards that CPF have adopted. By including this information into the strategy, it eliminates the requirement for an annual service level agreement exercise to be undertaken.
	• A clearer emphasis that employers are to submit data via i-Connect throughout the strategy but where supplementary information (such as forms) is already required, then that information must be sent securely to the Administration Team.
	• Expanding the administration processes that are deemed to be Key Performance Indicators in assessing performance; in the main this relates to the Fund's performance, but given some of the indicators relate to legal and the complete process, they are also useful indicators of delays with employers and other parties.
	• Introducing monthly updates that will be sent to employers outlining the employers' performance against key performance standards.
	• Setting out more clearly how the Administration Team will support employers including availability of guidance available to and also making clearer the potential for recharging costs to employers where there is no clear improvement in poor performance or where employers are unwilling to engage with the Administration Team.

1.07	*Consultation and completion* The LGPS regulations require that the Administration Strategy changes should be consulted on with Scheme employers and such other persons as we consider appropriate. Accordingly, it is intended to share the proposed amendments to the Administration Strategy with all employers and the Fund's Pension Board.
1.08	The Committee is asked to consider the proposed changes to the strategy, approve it, and delegate any minor changes following consultation with employers and the Board to be made by the Head of Clwyd Pension Fund and Pension Administration Manager. Where more significant changes are suggested because of the consultation exercise, a further proposed strategy will be taken back for consideration to the next Committee meeting.

2.00	RESOURCE IMPLICATIONS
2.01	There are no resource implications as a result of this report at this time. However, the use of i-Connect for receiving information from employers will assist in delivering ongoing efficiencies within the team.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The Administration Strategy will be subject to consultation with both employers and the Pension Board.

4.00	RISK MANAGEMENT
4.01	The Fund's risk register includes the following key risk: • That the Fund is unable to meet legal and performance expectations due to employer issues, such as employers not understanding their responsibilities or not having access to efficient data transmission. This is currently an amber risk and the majority of the proposed actions to bring this risk back on target are as contained within this Administration Strategy.

5.00	APPENDICES
5.01	Appendix 1 – draft Administration Strategy

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Report to Pension Fund Committee – Administration Strategy Statement (March 2016) and (September 2019) **Contact Officer:** Karen Williams, Pensions Administration Manager **Telephone:** 01352 702963 **E-mail:** karen.williams@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, administration team 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) **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.

(g) **SAB – The national Scheme Advisory Board** – the national body responsible for providing direction and advice to LGPS administering authorities and to DCLG.

(h) **MHCLG – Ministry of Housing, Communities and Local Government** – the government department responsible for the LGPS legislation.

(i) **MSS – Member Self-Service** – an on-line portal where scheme members can log in and view certain information on their CPF pension record including scheme history and annual benefit statements. It also provides the facility for members to update information, such as their address and to carry out projections of their benefits. The system can also be used to send electronic notifications to scheme members, either individually, or on bulk such as alerting members to an update on the website or annual benefit statements being uploaded.

(j) **I-Connect** – a system which allows employers to upload data that is then validated and downloaded onto the CPF administration system (Altair). This is generally carried out monthly and provides greater assurance in the accuracy of scheme member records as well as ensuring they are updated in a more-timely manner.