Business Plan 2024/25 to 2026/27 – Q1 Update

Administration and Communications

Key Tasks

Key:

	Complete
	On target or ahead of schedule
	Commenced but behind schedule
	Not commenced
xN	Item added since original business plan
xM	Period moved since original business plan due to change of plan /circumstances
~~x~~	Original item where the period has been moved or task deleted since original business plan

Administration and Communications (including the Employer Liaison Team) Tasks

Ref	Key Action -Task	2024/25 Period				Later Years	
		Q1	Q2	Q3	Q4	2025/ 2026	2026/ 2027
Essential Regulatory-Driven Areas							
A1	McCloud judgement	x	x	x	x	x	
A2	National Pensions Dashboard	x	x	x	x	x	
A5	Preparation of Member Data for Interim Valuation and Triennial Valuation	x	x			x	
Priority Fund-Driven Projects							
A6	Review Administration & Communications Related Policies and Strategies	x	x	x	x	x	x
A7	Implement the updated Communications Strategy	x	x	x	x	x	x
A8	Benefit payment decisions and requirements	x					
A9	Employer escalation procedure	x					
Employer Liaison Team (ELT) Projects							
E1	Expand ELT to more employers	x					

Essential Regulatory Driven Areas

A1: McCloud judgement

What is it?

The McCloud judgement refers to an age discrimination court case where protections for older members, introduced during the Government's reforms of public service pension schemes in 2014 and 2015, were deemed to result in unlawful age discrimination. In the LGPS the protections applied to members in the new career average scheme who were within ten years of their Normal Pension Age (NPA) on 1 April 2012 in the form of a “better of both” promise. This means comparing the benefits payable under the career average and final salary schemes and paying the higher amount. This protection is called the underpin.

To remove the discrimination, the LGPS Regulations were updated with effect from 1 October 2023, providing all qualifying members with protection for the remedy period (1 April 2014 to 31 March 2022). Whilst regulations are in place for the main element of the remedy, as at March 2024, further regulations are still awaited to implement requirements for excess service for teachers. In addition, guidance is awaited before certain new member events can be progressed (for example transfers, divorce, flexible retirement). Guidance is also required before historic member events during the remedy period can be reviewed. Guidance is expected in Q1 2024.

Implementing the McCloud remedy has involved a large-scale retrospective data collection exercise, which we have nearly completed. It has a significant impact on our administration processes and systems, and has required regular communications with employers and scheme members. Due to the significant additional resource requirements, we have dedicated McCloud team members.

While our administration system has been largely updated to ensure compliance with the McCloud regulations, certain areas still require attention. Finalising the data collection exercise is crucial for dealing with business as usual cases on an automated basis.

Once guidance is received, and all the McCloud data is updated to our administration system, we will start reviewing all scheme member events that occurred during the remedy period (known as rectification). This exercise is expected to be largely carried out in bulk, although a degree of manual intervention is anticipated, and testing will establish the likely amount of manual work. Statutory guidance setting out the priority of rectification is expected in Q1 2024.

Timescales and Stages

Data collection from all employers (already commenced)	31 March 2024
Data validation and upload to Altair (already commenced)	2024/2025 Q1
Identify and update service for members where multiple records are not combined	2024/2025 Q1
Issue communications to scheme members and gather, verify and upload data on members' previous public service pension scheme membership	2024/2025 Q3
Identify and verify (if required) previous LGPS membership using the LGPS NI database	2024/2025 Q2
Finalise how processes and calculations will need to change to implement McCloud into business as usual (BAU) (ongoing)	2024/2025 Q1
Identify and re-combine aggregated and concurrent records as required to ensure the underpin is calculated correctly	2024/2025 Q3
Recalculation of leavers' benefits (benefit rectification) – process recalculations and prepare letters to members and pay balance of benefits	2024/2025 Q4
Ongoing communications to scheme members as required	2024/2025 Q1 to Q4
Assess the impact of the Teachers' excess service outcome	To be confirmed
Identify and review individuals where their benefits were affected by the previous underpin with Annual Allowance implications or Lifetime Allowance Protection	2024/2025 Q4
Finalise and issue new annual benefit statements to include McCloud information	2025/2026 Q2

Resource and Budget Implications

The additional internal resource allocated to the dedicated McCloud programme team will continue throughout 2024/2025. Although the work is being led and managed by dedicated McCloud team members, it impacts across all of the Administration Team. There continues to be additional costs relating to consultancy (including programme management which is being provided by the Independent Adviser), incidentals such as postage and printing, and system costs. The budget for 2024/2025 is £446k in total.

A2: National Pensions Dashboard

What is it?

The National Pensions Dashboard is a Government initiative intended to allow all pension savers in the UK access to view the values of all of their pensions online, including state pension, through one central platform. The Pension Schemes Act 2021, The Pensions Dashboards Regulations 2022 and The Pensions Dashboards (Amendment) Regulations 2023 provide the legal framework for implementing the dashboard. All pension schemes must connect to the dashboard infrastructure by their "staging date" as determined by the Department for Work and Pensions (DWP) with the dashboards made publicly available shortly after schemes have onboarded. The staging date for all public sector pension schemes including the LGPS is expected to be 30 September 2025. Legislation is expected soon which will confirm the timings and provide further clarity.

A formal Fund Pensions Dashboard project will be established in Q1 2024/2025

The dashboard requirements also extend to Additional Voluntary Contributions (AVCs). The Fund therefore needs to engage with Prudential and Utmost, its AVC providers, to ensure they are meeting the dashboard requirements.

Although the Fund will be relying on its Integrated Service Provider (ISP), its administration software provider (Heywood) and the AVC providers to carry out the majority of the work relating to the implementation project, there will be additional work for the Fund including new processes when the dashboard is up and running. Also, the Fund's responsibility is to ensure the legal requirements relating to dashboards are met. Therefore, there will still be a significant amount of work for the Fund relating to the implementation of the dashboard and once it is live.

The Pensions Administration Manager is participating in a PLSA working group on the development of the Dashboard. The Fund has also volunteered to be part of the testing of the pension dashboard enhancements being integrated into the administration software.

Timescales and Stages

Project set up including finalising the project initiation documentation	2024/2025 Q1
Data cleansing exercise	2024/2025 Q1 to Q4
Appointing an Integrated Service Provider (ISP)	2024/2025 Q2
System functionality testing, including reporting	2024/2025 Q2 to Q4
Consider and agree data matching criteria	2024/2025 Q2 to Q3
Develop communications plan, and develop and issue various member communications	2024/2025 Q1 to 2025/2026 Q2

Latest connection date (still to be confirmed by DWP)	30 September 2025
Final work on value data post McCloud benefit rectification and data updates	2025/2026 (to be confirmed)
Review and update administration processes, and consider impact on future resources/budget	2024/2025 Q3 to 2025/2026 Q2
Agree, establish and implement dashboard processes with Additional Voluntary Contribution providers	2024/2025 Q1 to 2025/2026 Q2

Resource and Budget Implications

The proposed 2024/2025 budget is £100,000 and includes estimated additional system costs for the ISP (including set up costs) and consultancy costs for technical support. Costs will be monitored throughout the year and any necessary changes will be brought back to Committee for consideration. The biggest uncertainty will be the impact on the workload of the Pensions Administration Team once the dashboard goes live. Ongoing resources will be considered as part of the 2025/2026 budget.

A5: Preparation of Member Data for Interim Valuation and Triennial Valuation

What is it?

We will carry out an interim valuation (as at 31 March 2024) during 2024/2025 which will require us to provide data to the actuary. This will highlight any initial data validation to be completed ahead of the formal triennial valuation.

The next formal triennial actuarial valuation will be as at 31 March 2025 and requires us to provide data to the actuary. This involves an additional year-end data cleansing exercise post 31 March 2025 to ensure the data is of sufficient quality for the formal valuation and to then rectify any anomalies discovered during the valuation process.

Timescales and Stages

Preparation of data for 31 March 2024 interim valuation, and investigating and responding to data queries from Fund Actuary	2024/2025 Q1 to Q2
Preparation of data for 31 March 2025 triennial valuation, and investigating and responding to data queries from Fund Actuary	2025/2026

Resource and Budget Implications

This work will be carried out by the Technical Team in the main with assistance from the rest of the Project and Operations Teams depending on the requirements. All internal costs are being met from the existing budget. The work by the Fund Actuary for the interim valuation will be included in proposed budget for 2024/2025.

Priority Fund Driven Projects

A6: Review Administration and Communication Related Policies and Strategies

What is it?

There are a number of administration and communications related policies that need to be reviewed regularly as shown in the table below. In addition, we will be developing a Data Improvement Policy.

Timescales and Stages

Review of Administration Strategy (last approved May 2021)	2024/2025 Q1
Review of Under / Overpayment Policy (approved September 2021)	2024/2025 Q2
Develop and approve first Data Improvement Policy	2024/2025 Q3 to Q4
Personal Data Retention Policy (last reviewed March 2022)	2024/2025 Q4
Review of Communications Strategy (last approved June 2022)	2025/2026
Review of Voluntary Scheme Pays Policy (last approved October 2023)	2026/2027
Policy for Administration and Communications of Tax Allowances to Scheme Members (approved November 2023)	2026/2027
Administering Authority Discretionary Policy (last approved November 2023)	2026/2027

Resource and Budget Implications

This will be led by the Pensions Administration Manager. All costs are being met from the existing budget.

A7: Implement the updated Communications Strategy

What is it?

We updated our Communications Strategy in June 2022 to be more focussed on encouraging stakeholder engagement and providing positive experiences including through embracing technology for greater accessibility (as well as delivering efficiencies). As part of this, we are ensuring that all communication materials are updated to make them clearer and more concise.

The ongoing work involved in implementing the updated strategy is outlined in the table below.

Timescales and Stages

Review and update the structure and content of the Fund's non-administration areas of the website	2024/2025 Q1 to Q2
Videos and webcasts - agree plan and create suite of priority videos and webcasts	2024/2025 Q1 to Q4
Liaise with Flintshire County Council to improve telephony user experience	2024/2025 Q1 to Q4
Review and update content in communications from a Plain English and readability perspective (e.g. lower reading age); already commenced	2024/2025 Q1 to Q2
Review approach to Annual Employer and Scheme Member Meeting	2024/2025 Q1 to Q3
Continue to test and implement new online processes within Member Self Service (MSS) and providing MSS to Councillors	2024/2025 Q3 or as functionality becomes available
Investigate moving to new website platform provider	2024/2025 Q1 to Q4
Implement transformational member experience (TME); the replacement to MSS	2025/2026 to 2026/2027 or as functionality becomes available
Create and deliver a visual roadmap (the journey to retirement)	2024/2025 Q4
Develop a suite of communications for additional voluntary contributions/additional pension contributions	2024/2025 Q1 to Q4

Resource and Budget Implications

This work is mainly being delivered from internal resource, particularly the Communications Team and the Website and Technical Development Officer. The internal costs are included in the existing budget. The Independent Adviser is providing a small element of ongoing external guidance which is included in their budget. There is a significant amount of work involved in reviewing and updating all communications including the developing the suite of videos, updating the content of the existing website but it is hoped this can be completed using internal resource. There may be additional costs relating to new or updated telephony systems and websites, but the costs are unknown at this point in time.

A8: Benefit payment decisions and requirements

What is it?

On the death of a scheme member, we have a number of decisions to make around who benefits are paid to and how these are paid. We intend to establish further processes to assist in these decisions including who death grants are paid to, and the use of child trust funds. This will also include the approach we will take where a pensioner member does not have a bank account.

Timescales and Stages

Establish and document processes	2024/2025 Q1

Resource and Budget Implications

This work is being led by the Pensions Administration Manager and is mainly being delivered from internal resource. Some consultancy support may be required from the Independent Adviser and those external costs are included within the budget.

A9: Employer escalation procedure

What is it?

In addition to monitoring our own performance through various key performance indicators, we have services standards that our participating employers should strive to meet, to ensure that our scheme members receive information on their pension benefits in a timely manner. We have been developing internal processes to more accurately monitor whether employers are meeting these service standards. Using the results from this monitoring, we intend to develop and implement an employer escalation procedure within our Administration Strategy. This will include various steps we will take where an employer is not meeting the required standards.

Timescales and Stages

Incorporate new employer escalation procedure within the Administration Strategy (last approved May 2021) and implement new procedure	2024/2025 Q1

Resource and Budget Implications

This work is being led by the Pensions Administration Manager with support from the Operations and Technical teams, and the Independent Adviser. An estimate of any external costs is included within the budget.

E1: Employer Liaison Team Expansion to more employers

Understanding the continuing pressure on resources and budgets for employers, we offer a service to our employers where we carry out their Fund related duties on their behalf. These duties are carried out by our Employer Liaison Team (ELT). The service mainly consists of providing notifications regarding new starters, personal/employment changes and leavers/retirements in the LGPS. We can also complete outstanding requests for information in order to cleanse the pension records. All ELT costs are recharged to employers using the ELT service through their employer contribution rate.

What is it?

We aim to expand the ELT service to more employers in the Fund, making employers more aware of the services that are available, particularly those employers that are not meeting their key performance indicators.

Timescales and Stages

Start discussions with other employers	2024/2025 Q1