

Pension Fund Committee

Dorset County Council



Date of Meeting	1 March 2017
Officer	Pension Fund Administrator
Subject of Report	Pensions Administration
Executive Summary	<p>This report is the quarterly update for the Pension Fund Committee on all operational and administration matters relating to the Fund. It contains updates on the following:</p> <ul style="list-style-type: none">• Communications Strategy• Address Tracing and Mortality Screening Service• Workflow and Key Performance Indicators• Backlog• The Pensions Regulator• Exit Payment Cap Update• LGPC Trustees Conference
Impact Assessment: <i>Please refer to the protocol for writing reports.</i>	Equalities Impact Assessment: N/A
	Use of Evidence: N/A
	Budget: N/A
	Risk Assessment: N/A

	Other Implications: N/A
Recommendation	It is recommended that the Committee note and comment on the contents of the report.
Reason for Recommendation	To update the Committee on aspects of Pensions Administration
Appendices	<ul style="list-style-type: none"> • Appendix 1 – Updated Communications Strategy • Appendix 2 - Screening results summary • Appendix 3 - Key Performance Indicators • Appendix 4 - Public Service Governance Survey • Appendix 5 – LGPC Trustees Conference
Background Papers	<ul style="list-style-type: none"> • Public Service Pensions Act 2013 • LGPS Regulations 2013 • Enterprise Act 2016 (Commencement No. 2) Regulations 2017
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1. Background

- 1.1 This report is the quarterly update for the Pension Fund Committee on all operational and administration matters relating to the Fund.

2. Communications Strategy

- 2.1 The Local Government Pension Scheme Regulations 2013, Regulation 61 states that an Administering Authority must prepare, maintain and publish a written statement setting out its policy concerning communications with:

- Members;
- Representatives of members;
- Prospective members; and
- Scheme employers.

- 2.2 The statement must set the policy on:

- The provision of information and publicity about the Scheme to members, representatives of members and Scheme employers;
- The format, frequency and method of distributing such information or publicity; and
- The promotion of the Scheme to prospective members and their employers.

- 2.3 The Administering Authority is obliged to keep the policy under review and following the creation of the Pension Board the policy has been updated.

- 2.4 The updated policy can be found in Appendix 1, the main changes are:

- Key audience group now contains the Local Pension Board (page 5);
- The Fund will now charge an active member £50 + VAT for additional estimate requests over and above the Annual Benefit Illustration and one other per rolling year (page 6);
- The LGPS is now closed to elected members (page 7);
- There is a dedicated email address for Employers to when contacting the Pensions Section (page 8);
- In January 2016, under the restructure of the Pensions Section, an Employer Relationship and Communications Team was set up. This team is dedicated to employers and communications (page 9);
- The National Association of Pension Funds has been rebranded and are now known as Pension and Lifetime Savings Association (page 9);
- Details of the Local Pension Board has been added (page 10); and
- The use of Quick Response codes has been stopped due to lack of use by those we communicate with.

3. Address Tracing and Mortality Screening Service

- 3.1 During the period 1 October 2016 to 31 January 2017, 183 pensioner deaths were identified with a 99.99% high confidence this is our member (validated against the name, date of birth and address). Plus another 50 which matched our member data to a lower degree, so required further verification by Payroll. The detailed data is shown in Appendix 2.

4. Workflow and Key Performance Indicator's

- 4.1 In July 2014, in collaboration with the London Pension's Fund Authority, a new electronic workflow system was introduced in the benefits area called CMS. We continue to work with the LPFA to improve the reporting capability to more accurately reflect the Fund's timescales and processes.
- 4.2 Appendix 3 shows the top ten KPI's for November to January 2017.
- 4.3 There has been continued good performance with 98.98% of cases completed within the required timescales compared to 95.02% in the last quarter
- 4.5 Annual Benefit Illustration (ABI) queries are not included in these KPI's as they are separated out from the normal workflow to enable analysis of the queries with a view to improving processes and communications in this area of work. An additional 498 cases were completed during this quarter with a further 434 outstanding. The majority of the outstanding cases are deferred benefits ABIs returned as addressee gone away, these are classed as non-urgent work and so do not take high priority during busy periods.

5. Backlog

- 5.1 I am pleased to report that since the last committee meeting the backlog of Aggregation cases has fallen from 1723 to 1306, a total of 317 being completed between 1 November 2016 and 31 January 2017. A project has been set up which aims to complete 30 cases per week.

6. The Pensions Regulator

- 6.1 As reported to Committee in November 2016, The Pensions Regulator invited the Dorset County Pension Fund to take part in the Public Service Governance Survey which was conducted by OBM Research.
- 6.2 The purpose of the survey was to help the regulator build a picture of the current standards of governance and administration in public service pension schemes and to understand how schemes are progressing.
- 6.3 The survey was jointly completed by the Independent Governance Adviser, the Interim Chief Treasury and Pensions Manager and Pensions Benefit Manager (Appendix 4).
- 6.4 The results of the survey will be available mid-March.

7. Exit Payment Cap Update

- 7.1 HM Treasury issued the Enterprise Act 2016 (Commencement No. 2) Regulations 2017 on 24th January 2017, effective from 1 February 2017.
- 7.2 The regulations commence certain parts of the Enterprise Act 2016 including changes to the Small Business, Enterprise and Employment Act 2015, which enable the £95k exit payment cap to be introduced. However, the commencement order does not itself bring the exit payment cap into effect, but merely allows the Government to make regulations providing for the introduction of the cap.
- 7.3 It is understood that HM Treasury plan to undertake a further consultation on draft regulations covering the cap before this become effective.

8. Local Government Pensions Committee (LGPC) Trustees Conference

- 8.1 Advance notice of the 14th LGPC Trustees conference has been received (Appendix 5). It is being held at the Highcliff Marriott in Bournemouth on 29th and 30th June.
- 8.2 The conference is themed “Brave New World” and the likely topics to be included are:
- Pooling – Transition Management
 - Article 50 – Short, medium and long-term effects
 - MIFIDII and IORPII – Still a reality
 - Cost Management Mechanism – 49ths affordable
 - Deficits Down? – Employer Contributions Up?
 - Comparing like-for-like – Consistency of data
 - Legal update
- 8.3 The conference is not bookable at this stage and a Circular will be issued this month which will include a full programme of events.
- 8.4 When the Circular is received it will be forwarded to the Committee and the Local Board.

Richard Bates
Pension Fund Administrator
November 2016