



City of Westminster

Committee Agenda

Follow On Agenda

Title:

Pension Board

Meeting Date:

Tuesday 29th January, 2019

Time:

6.30 pm

Venue:

Room 3.8, 3rd Floor, 5 Strand, London, WC2 5HR

Members:

Councillors:

Angela Harvey
Guthrie McKie

Employer Representative:

Marie Holmes

**Scheme Member
Representatives:**

Terry Neville
Christopher Smith
Chris Walker

Members of the public are welcome to attend the meeting and listen to the discussion Part 1 of the Agenda

Admission to the public gallery is by ticket, issued from the ground floor reception at City Hall from 6.00pm. If you have a disability and require any special assistance please contact the Committee Officer (details listed below) in advance of the meeting.



An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact the Committee Officer, Toby Howes, Senior Committee and Governance Officer.

Tel: 020 7641 8470; Email: thowes@westminster.gov.uk
Corporate Website: www.westminster.gov.uk

Note for Members: Members are reminded that Officer contacts are shown at the end of each report and Members are welcome to raise questions in advance of the meeting. With regard to item 2, guidance on declarations of interests is included in the Code of Governance; if Members and Officers have any particular questions they should contact the Head of Legal & Democratic Services in advance of the meeting please.

FOLLOW ON AGENDA

PART 1 (IN PUBLIC)

10. COMMUNICATIONS POLICY

Report of the Director of People Services.

(Pages 3 - 12)

11. PENSION ADMINISTRATION UPDATE

Report of the Director of People Services.

(Pages 13 - 18)

Stuart Love
Chief Executive
24 January 2019



City of Westminster

Pension Board

Date:	29th January 2019
Classification:	General Release
Title:	Communication Policy Update
Report of:	Jo Meagher, Head of Operational People Services
Wards Involved:	All
Policy Context:	Service Delivery
Financial Summary:	Limited

1. Executive Summary

1.1. People Services presented a revised communications policy at the last pension board meeting on 26th November 2018. The Board requested that People Services incorporate additional changes and present an amended policy at this meeting. We are requesting that the board recommend that this policy be adopted by the fund going forward.

2. Background

2.1. The Local Government Pension Scheme 2013 (61) regulation requires that the fund have a communications policy. The policy outlines the way the fund will communicate with all members.

2.2. There is a communication policy available on our pension fund website, it was last revised August 2015, see link to website for published policy.
<http://www.wccpensionfund.co.uk/media/1735/communications-policy.pdf>

2.3. Details of the changes that the board wanted to the previous policy presented are listed below.

- (a) Change the header page so no white writing on a dark background
- (b) Front page – Our Pension Scheme – simplify it and make it more accessible (e.g. take out word superannuation)
- (c) Glossary of players in the process – e.g. Pension Committee, = xxx / Board = yyy, / Surrey - our pension administrator / Orbis = ?
- (d) Communication Tools – rename this ‘How to keep in touch’

- (e) Take out phone icon
- (f) Signpost the AGM and say in detail what it covers – e.g. investment performance
- (g) Information for active members
- (h) Under prospective scheme – talk about benefits of life assurance
- (i) Signpost annual report for performance of investments
- (j) Links to pension committee and board papers

3. Summary

- 3.1** People Services are requesting the Board approve the policy and advise if they are happy for the policy to be taken to Committee.



City of Westminster

City of Westminster Pension Fund



Our Pension Scheme

Introduction

This Policy sets out how the City of Westminster Pension Fund (CWPF) communicates with its members, member representatives, prospective members, employers, prospective employers, advisors and other bodies. These participate with the Fund, in accordance with regulation 61 of the Local Government Pension Scheme Regulations 2013.

The main objectives of the Communication Policy are to outline to all CWPF stakeholders how we will communicate with them.

We aim to be clear and informative, allowing all stakeholders to be kept up to date and enable members to have a good understanding of the benefits of the scheme.

To achieve these objectives, we will use the most appropriate communication tools and ensure that information is easy to understand.

The fund has a team of dedicated officers who are available to answer member queries and who are responsible for communication to members of the fund.

Our Pension Scheme

The Local Government Pension Scheme (LGPS) is an occupational Career average scheme, CWPF is a participating fund and the administration is carried out on the Council's behalf by Surrey County Council. It is a scheme with over 2,200 active members.

Data protection is of paramount importance to the City of Westminster Pension fund. All of our fund employers are asked to communicate with the fund in a way that protects members' personal data. Members are asked to consider their own personal data protection when contacting the pension fund, and the full privacy notice can be found on our pension fund website.

How to keep in touch

Website

The primary source of information for all members of the CWPF is the pension website which provides details on the scheme and useful links for further information. This is updated regularly with any scheme or legislative changes.

Members are also encouraged to access the self-service portal, which can be located via the pension fund website. Members can access their annual pension statement, run estimates, make changes to their pension record and raise queries.

Accessing the portal will allow members to make informed decisions on their pension benefits.

The CWPF primarily communicates with members by electronic methods. This includes communication via our pension fund website;

<http://www.wccpensionfund.co.uk/>

Email

Any pension queries can be sent direct to our pension administrators via email; myhelpdeskpensions@surreycc.gov.uk

Telephone

Members can also phone the pension helpdesk between the hours of 9am and 4pm Monday to Friday (excluding bank holidays) to speak to a member of our pension administration team.

Telephone - 0300 200 1031

Regular Discussions

The Pension Committee meet quarterly for formal meetings throughout the year and produce an agenda and minutes of each meeting.

The Pension Board meet quarterly throughout the year for formal meetings throughout the year and produce an agenda and minutes of each meeting.

CWPF hold an Annual General Meeting (AGM), which all pension scheme stakeholders attend. This is held to discuss the outcomes of the annual report and accounts such as the investment performance of the fund, actuarial observations, administration activity and challenges and changes over the past year and looking ahead for the Fund.

In addition, Westminster City Council's in-house pension team hold one to one surgeries and briefing sessions throughout the year. They also attend regular training to keep their own knowledge up to date.

Communication Methods

Active Members

The LGPS is a care scheme that both you and your employer contribute to build up an income for your retirement. In addition, there are facilities within the scheme to increase your pension benefits by purchasing an additional pension, added years or making added voluntary contributions(AVC's). The scheme also offers a valuable life assurance benefit of 3 times your pensionable salary, but it is important that members keep their expression of wish form up to date to ensure that in the unfortunate event of death the correct beneficiaries receive this benefit. All active members receive an annual benefit statement and updates on the scheme are available at any time on the scheme website.

Deferred Members

These are former members of the but who are no longer contributing to the scheme because they have moved to a different employer or someone who is not currently contributing to the LGPS because they have opted out. Those still in pensionable employment have the option to re-join the scheme at any time. Updates on the scheme and joining forms are available at any time on the scheme website.

Prospective Scheme Members

We promote to all potential members, the benefits of the LGPS via our website and during the induction process. Scheme guides are available via our website or can be requested from Surrey County Council. The LGPS is a valuable employee benefit that offers a pension in retirement with increases as well as life assurance of 3 times pensionable salary and the ability to top up your pension pot by purchasing an additional pension, added years and making additional voluntary contributions (AVC's). Estimates can be obtained from the scheme administrators by email or self-service to give a member information on the benefit.

Scheme Employers

We have 73 participating employers who form part of our fund. We work with these employers to help promote the local government pension scheme (LGPS). The fund will help employers to comply with their legal requirements to their scheme members.

Westminster has created the Pension Administration Strategy (PAS). This has been introduced to clarify responsibilities.

Westminster City Council's Pension Team will support any of our scheme employers who wish to hold pension surgeries or presentations for their employees upon request. With the aim that their employees have a better understanding of the LGPS and the benefits of paying into the scheme

Pensioner members

A pensioner member is someone who has retired or left service and is now entitled to a pension from our pension fund. Pension members receive P60's annually and payslips which are posted normally in April and May each year. All payslips are available via the member self-service portal.

Other member representatives

The fund will communicate with other member representatives. Including where power of attorney is held for a scheme member. With union representatives on general or policy issues and in specific member cases with an individual's express consent. The fund will communicate with government bodies as legally required and with other bodies where there is a statutory obligation for example with the pension regulator and the pension ombudsman.

All Fund Members

The fund duties are carried out by the City of Westminster **Pension Fund Committee**, which is comprised of Westminster elected members. The Committee meets on a quarterly basis and all members can view minutes from meetings that are available on the Council's website;

<https://committees.westminster.gov.uk/ieListMeetings.aspx?CId=321&Year=0>

The Pension Board oversees the Pension Fund Committee in its duties. The Board is comprised of three employer representatives and three member representatives, who meet on a quarterly basis. The Board minutes are available on the Council's website;

<https://committees.westminster.gov.uk/ieListMeetings.aspx?CId=328&Year=0>

Advisors

Key elements to the management of the pension fund are actioned on behalf of CWPF by advisors. Such as financial status, investments and legal matters (see glossary).

The CWPF's solvency is assessed every three years by the schemes actuary's. They do this by measuring the level of assets versus liabilities and publish a valuation report of their findings;

<http://www.wccpensionfund.co.uk/media/3100/west-march-2016-valuation-report.pdf>

The CWPF also produce a Report and Accounts annually which provides information on the financial status of the fund;

<http://www.wccpensionfund.co.uk/media/4171/westminster-pf-annual-report-201718.pdf>

Further information and contact details

Surrey County Council (Scheme Administrators)

Pension Services (WCC Team)
Surrey County Council
Room 243, County Hall
Penrhyn Road
Kingston upon Thames
Surrey KT1 2DN

Email: myhelpdeskpensions@surreycc.gov.uk
Phone: 0300 200 1031

Westminster City Council Pension Team

All enquiries about the communication policy should be directed at the WCC Pension team;

Sarah Hay
Pension Officer
1st Floor
5 Strand
Westminster
WC2N 5HR

Tel: 0207 641 6015
Email: shay@westminster.gov.uk

Further information on the purchasing additional pension or added years;

<https://www.lgpsmember.org/more/apc/index.php>

Further information on AVC's;

<http://www.wccpensionfund.co.uk/westminster-city-council-pension-fund/paying-in/membership-and-contributions/>

Further information on the investment strategy of the CWPF;

<http://www.wccpensionfund.co.uk/westminster-city-council-pension-fund/about-us/forms-and-publications/>

Summary of Communication Documents

Communication Material	Communication form	Available to	When Published	When reviewed
Annual Benefit Statements	Via self-service portal	Active Members	Annually	Annually
Pension tax Factsheets	Pension Fund website	All	As when changes	When legislation changes
LGPS Guide	On line Electronic	All	Available	When regulations are changed
P60	Posted at the end of April	Pensioners	Annually	Annually
Retirement Information	Pension fund website	All	As required	Annually
Report and Accounts	Pension fund website	All	Annually	Annually
Communication Policy	Pension fund Website	All	Annually	Annually
Pension Updates	Electronic	Employers	As required	As required
Investment Strategy Statement	Pension fund website	All	Tri annually	Tri annually
LGPC Bulletins	On line	Employers	Monthly	When regulations change
Life existence certificates	Via letter	Pensioners who live abroad	Annually	Annually
Pension Committee minutes and agenda	WCC Committee Website	All	Quarterly	Quarterly
Pension Board minutes and agenda	WCC Committee website	All	Quarterly	Quarterly
Early Leaver information	Via email or letter	Deferred members	As required	When required
Pension Administration Strategy	Electronic	All	Annually	Annually
Newsletters	Electronic	All	As required	When required
Valuation Report	On line	All	Tri annually	Tri annually

Glossary of those involved in the pension scheme

Actuary

Advisors who assess if a scheme has sufficient funds to enable a scheme to meet its liabilities. Barnett Waddingham currently carry out this duty for WCPF.

Active member

A member who is actively paying pension contributions into the Scheme including those on long term sick or paternity, maternity leave.

Administrators

The Scheme administrators are those responsible for the day to day administration of the pension scheme. The software they use to perform the administration is supplied by Heywood. Surrey County Council currently carry this duty out for WCPF.

AGM

Annual General Meeting an annual meeting in which the administrators, actuary, pension committee, investment managers meet to discuss outcomes of the pension scheme's Report and Accounts and future challenges.

AVC Provider

Members can make AVC's added to a defined contribution scheme, this facility is provided by AEGON.

Beneficiary

Person/s entitled to benefits from a Pension scheme in the event of a scheme members death.

Deferred member

A member of the Scheme who is no longer active due to leaving employment or the scheme.

Investment Advisor

The Investment advisor to the Scheme is Deloitte who advises the CWPF fund on investment fund manager performance and arrangements.

Legal Advisor

The legal advisors to the CWPF are Eversheds who advise on any legal matters.

Pensioner

A member of the Scheme who is in receipt of their pension benefits.

Pension Board

The Board comprises of six members - three employer representatives and three member representatives to oversee the Pension Committee.

Pension Fund Committee

The Committee comprises of four elected members of the Council, established to ensure the smooth running of the CWPF on behalf of WCC. Who are set objectives and recommendations by the Pensions Board.



City of Westminster

Pension Board

Date:	29th January 2019
Classification:	General Release
Title:	Pension Administration Update
Report of:	Jo Meagher, Head of Operational People Services
Wards Involved:	All
Policy Context:	Service Delivery
Financial Summary:	Limited

1. Executive Summary

- 1.1.** This report provides a summary of the performance of the City Council, Surrey County Council and Payroll providers. The report gives an update on the Key Performance Indicator (KPI) performance of the pension administrators Surrey County Council (SCC) for the period November 2018 to December 2018. The detailed KPIs are shown in Appendix 1.

2. Surrey County Council (SCC) Performance

- 2.1.** The scope of the KPIs in this report have been agreed between Westminster City Council (WCC) and SCC based on the section 101 agreement, however they will continue to be reviewed on feedback from all parties, including committee members.
- 2.2.** This paper covers the period of November 2018 to December 2018.
- 2.3.** Michael Mann the Pension Manager at Surrey has left his employment with Surrey County Council. We have a number of contacts at a senior level within the pensions team but await further details from Surrey on Michael's replacement.
- 2.4.** KPI performance in appendix 1 is summarised below:
- 2.5.** The pension administration report would normally contain some detail on the trends relating to the KPI as outlined in Appendix 1.

- 2.6. There are a few issues that have arisen during the reporting period. Firstly we have one retirement benefit processed late and then paid late in November, whilst this is one case we note the importance in ensuring that all individuals get their pension paid in a timely manner. There were two cases where deferred benefit statements were sent out late in the period, though a concern this would not immediately impact any payment to the members.
- 2.7. The board were asked to note in the prior admin update paper that Interfunds factors were suspended following the recent budget whilst await new factors from the Government Actuary Department (GAD). Factors have now been produced but we have noted the delay in completing three cases in November and December.
- 2.8. Additionally one case in November was responded to outside of the agreed timescale.
- 2.9. Officers are meeting with SCC to discuss their performance on a quarterly basis. The last administration meeting was held on 8th of November 2018 and we are due to meet them again on the 31st of January 2019. We will be reviewing the November and December KPI issues in the January meeting and will continue to monitor the situation closely.

3. Data Cleansing

- 3.1 In the last administration update the board were notified that the funds data accuracy had been measured as part of a new requirement from the Pension Regulator. Our common data score was 77%. Common data includes full name, NI number and address across all records. Our scheme specific data score was 71%. Scheme specific data includes things that are unique to our type of scheme. At the time of writing this report our data files have been uploaded to the funds Actuary who will be providing us with full details of the data issues and this will form a Data Improvement Plan.
- 3.1 We are aware that our fund has a large number of status 2 cases on the Altair system across our fund employers. Status 2 is a holding status which has been used where the administrators believe that an individual has left a scheme employer but they have not been provided with full details to move them into the correct status. A council officer has been in contact with all the relevant employers requesting full leaver details for the individuals concerned.
- 3.2 WCC, the employer, has nearly 400 status 2 records recorded on Altair which is a legacy of our contract with BT. A project team has been set up to work on these cases with a target to complete them by 31st May 2019.

4. LGPS End of Year File 18/ 19

- 4.1 As advised previously council officers are working with RBKC and LBHF colleagues to produce an end of year file for 18/19. A consultant has been recruited to help support the file production as the data provided by BT for the

months from April to November 2018 will need significant manipulation to make it viable to submit to Surrey. The first meeting of the project team is due to take place on 28th January.

5. Hampshire City Council (HCC)

- 5.1** We are pleased to update the board that our move to HCC from BT on the 1st December 2018 has been successful. Issues are significantly reduced and feedback is positive. HCC still need support from WCC to provide legacy data for leavers but the current procedures are working well.

6. Summary

- 6.1** The pension administration service overall remains positive. Our focus in the next few months will be on supporting HCC to ensure that leaver details are provided to Surrey CC accurately and on time. We will be supporting the end of year return project ahead of the LGPS pension scheme valuation. Finally we will be working with both Surrey and all fund employers to ensure that we improve both our common and conditional data scores.

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Description	Target time/date as per Partnership Agreement	Target	Actual Score for Quarter	Quantity November 2018	Actual Score November 2018	Comments	Quantity December 2018	Actual Score December 2018	Comments	Trend	People services Comments
Pension Administration											
Death Benefits											
Notify potential beneficiary of lump sum death grant	5 days	100%	%	0	N/A		3	100%		↑	Only cases recorded in December.
Write to dependant and provide relevant claim form	5 days	100%	%	0	N/A		2	100%		→	
Set up any dependants benefits and confirm payments due	14 days	100%	%	0	N/A		0	N/A		→	
Retirements											
Retirement options issued to members	5 days	100%	%	2	100%		5	100%		→	
New retirement benefits processed for payment following receipt of all necessary documents	5 days	100%	%	7	86%	1 case late	1	100%		↓	one case late in November.
Pension Payment, member to be paid on the next available pension payroll following receipt of all necessary documentation	Next available pay run		%	7	86%	1 case late	7	100%		↓	one case late in November.
Refunds of Contributions											
Refund paid following receipt of claim form	14 days	100%	%	7	100%		4	100%		→	
Deferred Benefits											
Statements sent to member following receipt of leaver notification	30 days	100%	%	12	92%	1 case late	7	86%	1 case late	↓	Two cases late one in November and One in December.
Notification to members 2 months before payments due											
Lump Sum (on receipt of all necessary documentation)	2 months		%	0	N/A		14	100%		↑	Improvement that Surrey have made in sending out option forms for deferred benefits into payment within 2 months.
Pension Payment, member to be paid on the next available pension payroll following receipt of all necessary documentation	5 days		%	17	100%		22	100%		→	
Pension Payment, member to be paid on the next available pension payroll following receipt of all necessary documentation	Next available pay run		%	15	100%		22	100%		→	
New Joiners											
New starters processed	30 days	100%	%	5	100%		0	N/A		→	
Transfers In											
Non LGPS transfers-in quotations	30 days	100%	%	4	100%		1	100%		→	
Non LGPS transfers-in payments processed	30 days	100%	%	0	N/A		0	N/A			no cases in period.
Transfers Out											
Non LGPS transfers-out quotations processed	30 days	100%	%	2	100%		3	100%		→	
Non LGPS transfers out payments processed	30 days	100%	%	0	N/A		0	N/A		→	
Interfunds In - Quotations	30 days	100%	%	7	71%	2 cases late	5	80%	1 case late	↓	Two cases late in November and One in December.
Interfunds In - Actuals	30 days	100%	%	0	N/A		0	N/A		→	
Interfunds Out - Quotations	30 days	100%	%	4	100%		6	100%		→	
Interfunds Out - Actuals	30 days	100%	%	1	100%		2	100%		↑	no cases late this period.
Estimates											
1-10 cases	5 Days		%	0	N/A		0	N/A		→	
11-50 cases	Agreed with WCC		%		N/A		0	N/A			no cases in period.
51 cases or over	Agreed with WCC		%		N/A		0	N/A			no cases in period.
Material Changes											
Any changes to data which materially affect actual or potential benefits to be processed within 30 days of receiving all necessary data	30 days		%	21	100%		10	100%		→	
Buying Additional Pensions											
Members notified of terms of purchasing additional pension	15 days		%								
Monthly Pensioner Payroll											
Full reconciliation of payroll and ledger report provided to WCC	Last day of month		100%		100%			100%		→	
Issue of monthly payslips	3 days before pay day		100%		100%			100%		→	
RTI file submitted to HMRC	3 days before pay day		100%		100%			100%		→	
BACS File submitted for payment	3 days before pay day		100%		100%			100%		→	
P35	EOY				31-Mar-18			31-Mar-18			
Annual Exercises											
Annual Benefit Statements Issued to Active members											
	31 August each year				Annual			Annual			
Annual Benefit Statements Issued to Deferred members											
	31 August each year				Annual			Annual			
P6Ds Issued to Pensioners											
Non LGPS transfers-in quotations processed within 20 days	31 May each year		100%		100%	Issued April 2018		100%	Issued April 2018		
Apply Pensions Increase to Pensioners											
Pensioners Newsletter	April each year		100%		100%	Issued March 2018		100%	Issued March 2018		
Customer Service											
Correspondence											
Acknowledgement if more than 5 days	2 days		95%	21	95%	1 case late	10	100%		↓	1 case late in November.
Response	10 days		N/A		N/A			N/A			
3rd party enquires	10 days										
Helpdesk Enquiries											
Volumes of Enquiries Handled By Helpdesk	Number of Enquiries Handled			365	-	73% FPF Rate	318	-	89% FPF Rate		
Customer Surveys											
Monthly survey to retirees	Percentage Satisfied with Service				87.5%						

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