

The background of the slide features a large, light blue watermark of the Coat of Arms of the Government of Nunavut. The crest is shield-shaped and divided into four quadrants. The top-left quadrant shows a stylized yellow building. The top-right quadrant shows a white reindeer head with antlers. The bottom-left quadrant shows a white sailing ship on wavy lines. The bottom-right quadrant shows a white eagle with spread wings. Above the shield is a crown with four maple leaves. A banner at the bottom contains the text 'ANE FOR A' in white capital letters.

## **Agenda Item 6**

### **General Governance Matters**

**Falkirk Council**

**Subject: General Governance Matters**

**Meeting: Joint Meeting of Pensions Committee and Pension Board**

**Date: 21 September 2017**

**Submitted by: Director of Corporate and Housing Services**

**1. Purpose of Report**

- 1.1 This report updates the Board and Committee on miscellaneous matters associated with the business of Falkirk Council Pension Fund.

**2. Recommendation**

- 2.1 **The Pensions Committee and Board are invited to note the contents of this report.**

**3. Annual Benefit Statements**

- 3.1 The scheme rules state that members should be provided with an annual statement by 31 August following the year end. This means that Funds have 5 months from 31 March each year in which to produce their statements.
- 3.2 In order to meet the deadline and give the Pensions team time to validate data and test the production processes, employers are required to:
- Submit data in a prescribed format;
  - Provide contribution and earnings information by 30 April; and
  - Respond promptly to any subsequent data queries
- 3.3 Failure to meet the deadline requires a Fund to self-report to the Pensions Regulator if the breach is considered material in terms of the volume of statements not issued or bearing in mind the extent of the delay.
- 3.4 All employers were invited to a briefing session in Edinburgh last November where the importance of submitting accurate and timeous data returns was stressed. A follow up email emphasizing these same points was sent to employers in March 2017.

- 3.5. Following this year's exercise, 70% of statements have been issued by 31 August and 97% by mid-September, representing a modest improvement on the performance level of 2016. The small number of statements remaining to be issued and the minimal delay beyond 31<sup>st</sup> August is not considered a material breach.
- 3.6 Whilst it is pleasing that statements have been issued close to the deadline, a number of issues have emerged during the process:
- a number of data files had to be returned to employers and revised versions requested due to originals being in an incorrect format
  - one employer did not submit data until early July
  - one employer submitted a file with a large number of pension reference numbers missing
  - one employer did not include the correct pay information for persons who had reduced pay due to sickness
  - one employer omitted pensionable additions from its pay information
  - the data from two employers has thrown up a large number of queries which are in the process of being followed up
- 3.7 In the light of the 2016 benefit statement exercise, an additional resource aimed at improving timescales has been deployed from within the Pensions team. Steps have also been taken to introduce a more automated approach to the flow of data between the Fund and satellite employers. This facility, which is known as "i-connect", is live with one employer and continues to be developed.
- 3.8 There is an action point from the Annual Audit Plan that there should be further engagement with employers to improve the overall process and this will be taken forward in the coming months.

#### **4. Training**

- 4.1 A training event for Committee and Board members has been arranged for 31 October at the offices of COSLA, Edinburgh. This is a joint event being held with the Committee and Board of the Lothian Pension Fund.
- 4.2 A further training event for the Committee and Board members of all Scottish LGPS Funds has now been scheduled for Tuesday 21 November.
- 4.3 Details of both events will be circulated in due course.

## **5. Future Meetings**

5.1 The next meeting of the Committee and Board is scheduled for:

- 7 December



pp **Director of Corporate & Housing Services**

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## **Appendices**

None

## **List of Background Papers:**

None