

MEETING	Pensions Committee
DATE	10 November 2015
TITLE	Staffing of the Pensions Unit from January 2016
PURPOSE FOR THE REPORT	Proposals for establishing a team to administer the reconciliation of Guaranteed Minimum Pension (GMP).
AUTHOR	Dafydd L Edwards – Head of Finance
RECOMMENDATION	To approve funding for resourcing staff for reconciling GMP's and to accept a new administration unit structure.

1. Background

- 1.1 In its meeting of 16 June 2015 it was reported to Committee of Gwynedd Pension Fund's need to reconcile individual members' Guaranteed Minimum Pensions against that held by HMRC. Committee agreed to fund £8,300 pa for appropriate software so as to start on preliminary work of comparing HMRC's figures with Fund data.
- 1.2 In response to a request by the Local Government Pensions Committee (LGPC) the estimated cost of the exercise was £200,000 based on basic research work by other funds already started and linked to number of records Gwynedd requires reconciling.

2. Staffing Implications

- 2.1 The Fund's present Pensions Manager retires on 31 December 2015, when faced by the challenging reconciliation work and the 2016 valuation. Following discussions between the Head of Corporate Support Services and the Head of Finance, he offered to return two days a week, for 12 months, to set up and supervise a team to undertake the reconciliation task and to offer his valuation advice and experience to his successor. The Committee is asked to approve the cost of the flexible post.
- 2.2 Also an experienced member of the staff will need to be seconded to lead, with one full time, initially on a temporary 12 month contract to start the work. If the Committee agrees a progress report will be presented after six months containing further recommendations on how to proceed.
- 2.3 As yet the job descriptions haven't been evaluated, but based on current unit's job descriptions it is believed that the following costs will be incurred during the first year:

Details / Job title	Proposed Grade	Annual full time equivalent salary	Total annual cost of the posts
GMP reconciliation supervisor and valuation adviser (16 hours a week)	S3	£27,123	£11,729
GMP reconciliation Team Leader F/T (seconded)	S2	£24,472	£24,472
GMP reconciliation assistant F/T (to be recruited)	GS5	£17,372	£17,372
ANNUAL TOTAL			£53,573

2.5 It is envisaged that the task will take at least two years to complete, with the 'Supervisor' role ending after 12 months and after establishing procedures and completing valuation work.

3. Recommendation

- 3.1 Members are asked to approve expenditure for establishing a team to reconcile GMP's in accordance with 2.1 to 2.5 above, at a maximum cost of **£53,573** in the first 12 months. It should be emphasised that this is a one-off exercise and that the costs represent the first year only.
- 3.2 To accept a work progress report after six months with possible recommendations for further resources to complete the task.

