

PENSION FUND COMMITTEE – 08 SEPTEMBER 2023

ADMINISTRATION REPORT

Report by the Director of Finance

RECOMMENDATION

The Committee is **RECOMMENDED** to

- a) **Note the progress against the Administration objectives for the year;**
- b) **Decide what additional information, if any they require to be included in this report;**
- c) **Receive the details of the write offs agreed under the Scheme of Delegation;**
- d) **Agree write off £255.93 in respect of deceased pensioners; and**
- e) **Endorse the management actions in respect of the most recent Internal Audit Report as set out in annex 3 or determine any other actions to be taken.**

Executive Summary

1. This report updates the Committee on the key administration issues including service performance measurement, the debt recovery process and any write offs agreed in the last quarter.

Staffing

2. Recent recruitment has been reasonably successful with the employer team appointing four new administrations who will be joining the team from August onwards. The benefit administration team has now made offers to three new administrators.
3. Continuing, unresolved, staff performance issues however are still putting additional pressure on the team as a whole.

Performance Statistics

4. This Committee has previously asked for information to be presented using graphs rather than charts. As this is still being developed in the reporting software this report does not contain either but sets out main points for review.

Incoming data and end of year

5. At the point of writing this report all returns for 2022/2023 have been received. The annual benefit statements are ready to run for 152 scheme employers.
6. There are 14 scheme employers with outstanding queries – a total of 259 queries. At the time of writing this report responses are being chased to clear down as many of these outstanding queries as possible ahead of deadline.
7. These figures do not include Oxfordshire County Council, our largest scheme employer as the end of year data for 2022/2023 was submitted under the pre i-connect system. Inevitably there will be a number of records needing to be reconciled after the bulk issue of annual benefit statements.
8. A verbal update will be given at the committee meeting to confirm the number of annual benefit statements issued and how many records need to be investigated before an annual benefit statement is issued.
9. There has been little activity on new scheme employers / admission agreement during the quarter. However, there are ten scheduled academy conversions due in the next six months.

Administration Statistics

10. Last quarter it was reported that work relating to divorce, transfers in, interfunds in, transfers out and interfunds was on hold whilst new factors were due to be issued by the Government Actuarial Department (GAD). The factors have now been received and work has restarted on these subjects.
11. Annex 1 contains the details of work completed and outstanding. The Team closed 1,692 in July of which 1,431 or 85% were completed within the Service Level Agreement Target. This is down on the June figure of 90% which in part reflects the catch up of the cases previously on hold whilst awaiting the revised GAD factors.
12. This leaves the team with 2,383 open cases. Of these 776 are on hold waiting for further information to be provided either by the scheme employer, or scheme member. Overall, these cases are 51% within SLA specification.
13. Suspended Pensions – as of July, 390 pension payments were in suspense. The majority of these (208 cases) are linked to the project closing old death cases. Other reasons for suspending these payments are returned payments, often where member has died but no notification of death has been received and the member has changed address without informing us and where a trace is then required.
14. Statutory returns have all been completed and made on time in respect of:
 - HMRC Accounting for Tax

- HMRC Event Reporting
- Pension Increase applied to all pensions in payment
- P60's issued to all pensioners

Fire Service Administration

15. During last period 57 cases were completed, all within SLA specification. This leaves the team with 44 open cases, which the team is reviewing to identify any outstanding information / what action needs to be taken to complete this work. Details are shown at annex 2

Complaints

16. In the year to August there have been nine informal complaints received. No other formal complaints have been received since the June report to this committee.

Reference	Complaint	Stage 1 Decision	Stage 2 Decision	tPO
23/001	Transfer / refund	Not Found	Found	
23/002	Transfer	Not Found	In progress	
23/003	3 months' notice to take pension	Not Found		
23/004	Linking of records	Not Found	Not Found	
23/005	Ill-health retirement	In progress		
23/006	Ill-health retirement	Not Found	Not Found	
23/007	Ill-health retirement	Not Found	Referred back to employer	

Data Quality

17. No issues to report – data is continuing to be reviewed as part of end of year process and this committee will be updated on the annual return made to the Pension Regulator at the December meeting.

Contribution monitoring

18. The process is now being embedded and communications sent to scheme employers to remind them of the need to make payments on, or before the 19th of the month following payroll. This is being monitored by the team in line with the new process.

19. As previously reported, there were three employers with longer standing issues around the payment of contributions. Of these two been resolved but are being monitored whilst for the other employer there are outstanding actions sitting with the company administrators.

Projects

20. The work that has, so far been identified as project work is detailed below.
21. Work has started on reviewing the death process which will include the review of the historic death cases where there is outstanding information which is needed to enable files to be finalised. Target date for completion was initially 31 May 2023. Given staffing issues this is being reviewed in line with the death process review due to be completed by October 2023.
22. AVC – a review of data held by Fund vs data held by Prudential is currently being undertaken. A meeting is scheduled for September to discuss results.
23. Administration to Pay (A2P) – a revised project plan has been set out which will initially review the work already done on transfer out; interfund out and refunds. Existing workflow processes will then be amended so that the new process can be implemented by end of November 2022. This leaves three subjects - retirements, deaths, and recalculations – to be reviewed and new workflow processes implemented. Work has started on death process which will be completed by October 2023. Other dates have yet to be finalised.
24. McCloud – the project plan is being written. The first step for the newly appointed administrators will be to identify all key scheme employer contacts ahead of the data cleansing phase.

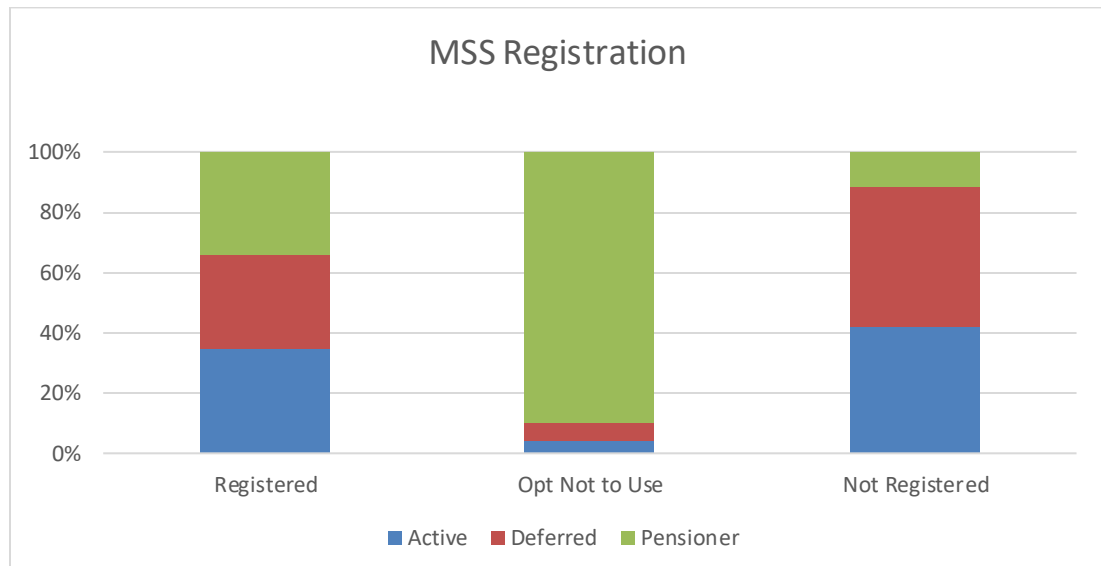
Debt Management

25. The responsibility for debt management has now fully transferred to the team in corporate finance. Documentation has been finalised and a process is now in place. At the point of handover there were 79 outstanding invoices with a value of £111,182.42. Having reviewed the list, the corporate team has split this list into three sections.
26. The first section is for old invoice which were previously chased, but not consistently and so remain unpaid. These are now statute barred due to the length of time they have been outstanding.
27. This first section comprises of 17 invoices with a total value of £18,071.38, of these:
 - Under this section, 11 debts, which were under the £500 limit specified in the scheme of delegation, have been written off by officers. This amounts to a total of £930.86.

- One debt shown was written off in 2017 but not removed from the list.
 - One debt, whilst statute barred, is being investigated.
 - There are 5 debts where it is currently not clear what further action can be taken.
28. The second section is of older, lower value debts which are being followed up. This relates to 31 invoices with a total value of £3,803.44
 29. The third section are more current invoices. This relates to 29 invoices with a total value of £47,116.66.
 30. Which leaves 2 invoices, one relating to a scheme employer who went into liquidation (value £21,556.91) and the second where a debtor has ceased payments and needs to be traced (value £20,634.03), to be resolved.
 31. During the year to date a total of £255.93 has been written off in 29 cases where the member has died. This increase in numbers is reflective of the decision taken at the March committee to increase the value of pension which could be written off.

Member Self - Service

32. The table below shows the latest information on members signing up to use member self-service.



Audit

33. An internal audit of the administration service was undertaken earlier this year. A copy of the final audit report which has an overall rating of Amber is attached at annex 3.

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August 2023