

# **PENSION FUND COMMITTEE – 01 MARCH 2024**

## **ADMINISTRATION REPORT**

### **Report by the Executive Director of Resources & Section 151 Officer**

#### **RECOMMENDATION**

The Committee is **RECOMMENDED** to

- a) **Agree the change of contract for two administrators from temporary to permanent posts;**
- b) **Determine whether to increase in establishment of one administrator post and one assistant post or reduce the SLA requirements; and**
- c) **Review team performance statistics and determine if any further information is required.**

#### **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.

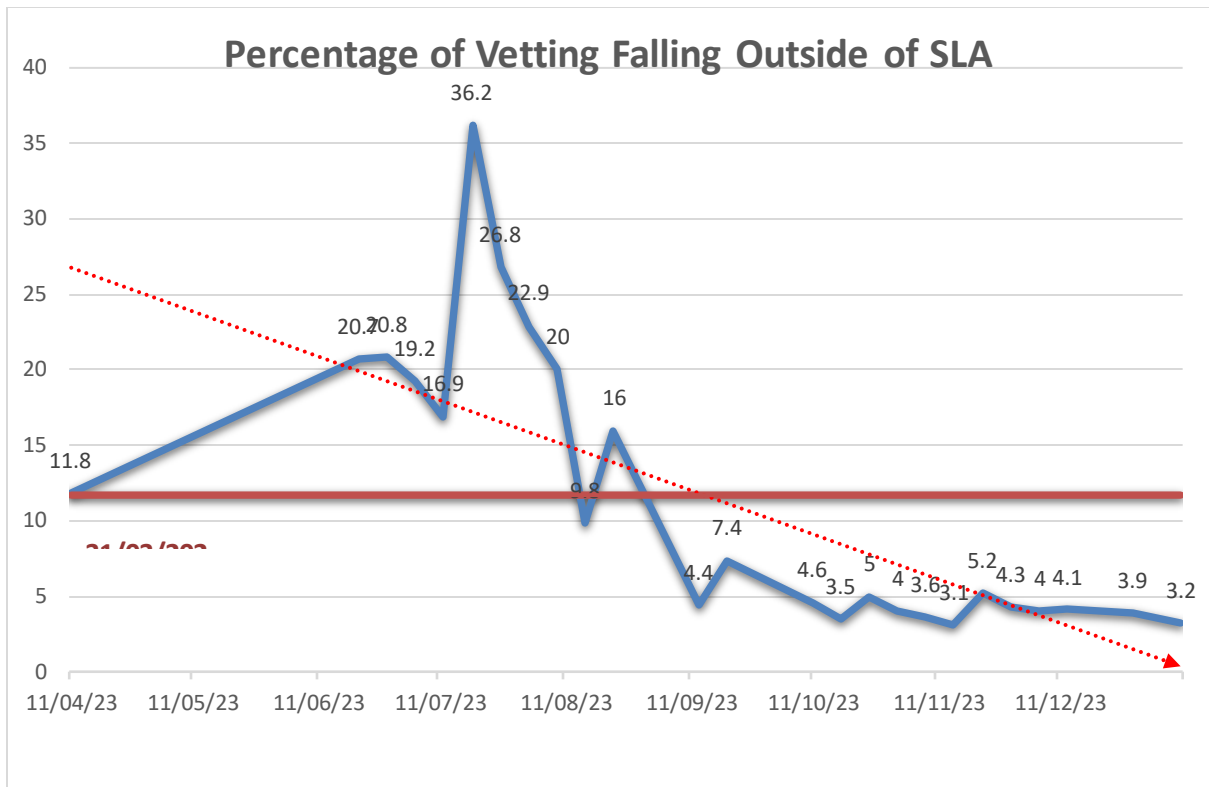
#### **Staffing**

2. In addition to the three retirements due to end of April 2024, which were reported last quarter a resignation has now also been received with the member of staff leaving at end of January 2024.
3. These changes along with the continuing staff performance issues mean that there is continued additional pressure on the whole team.
4. As part of the budget process team leaders have been asked to review their staffing levels taking the changes and the workload to be delivered during the next twelve months.
5. The employer team is responsible for all incoming data and contribution monitoring, employer liaison, admission agreements and is leading on the McCloud project. This team is carrying two vacancies – one for a senior administrator and one for an administrator. There are two team members appointed on temporary (2-year contracts) for the McCloud project and given the number of vacancies across the team it is a concern that they will now apply for one of those vacancies rather than remain working on the McCloud project. Therefore, it is proposed that these posts are made permanent posts, so that the team members are retained in their current role and a review of the overall staffing is held next year ahead of the budget process.

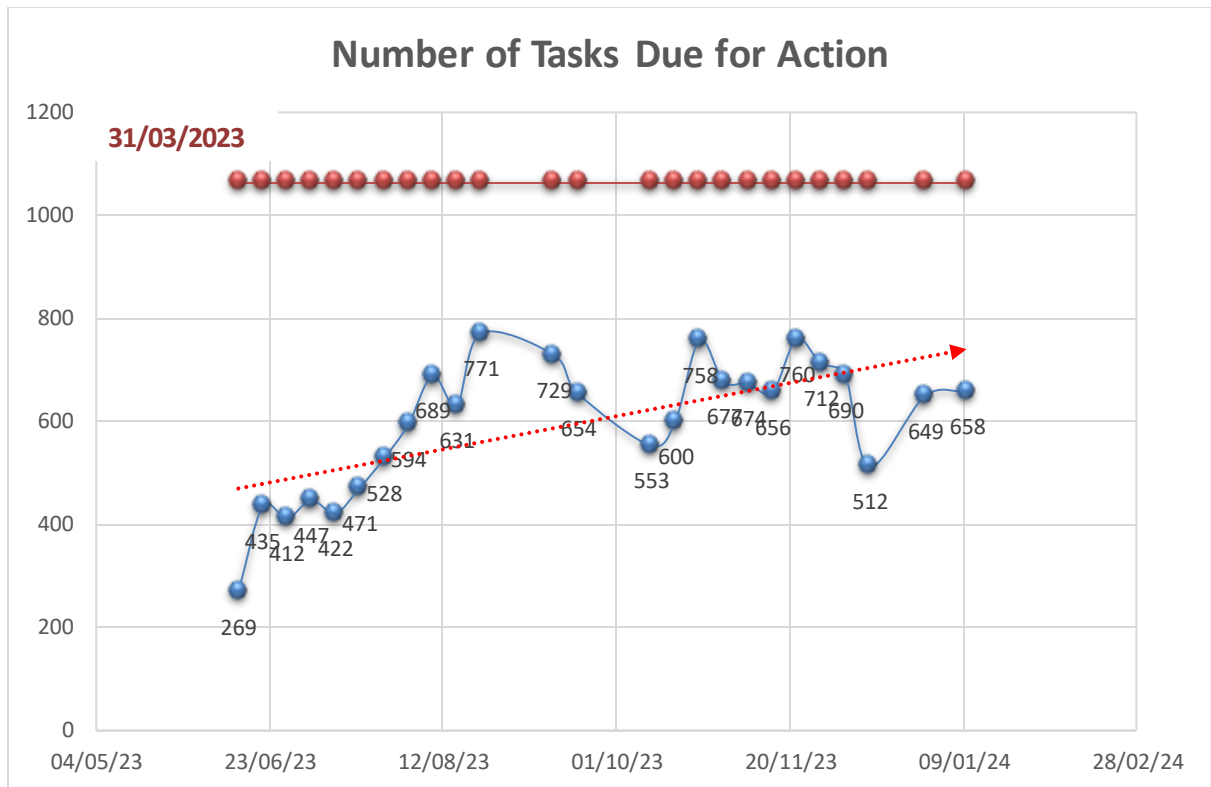
6. The benefit team is responsible for all member related activities providing information, quotations, and payments of benefits. Having switched on the McCloud software, we have found that there are still a lot of areas where the software needs further development which means that there is an increased number of manual calculations and checking to be factored into the workload. Additionally, as previously reported the overall workload is increasing. This team is currently carrying four vacancies for a senior administrator, two administrators and an assistant.
7. In addition to recruiting to these posts the team leaders are seeking to increase establishment by one additional administrator post and one additional assistant post. This would then give the team the capacity to meet the SLA requirements, which has not been achieved for some time now and to re-organise the workload so that the administrative assistants could take on work to support the administrators and deal with invoicing and building management on a day to day basis. An alternative option would be for the committee to review and lower the SLA requirements, although this would be out of sync with the wider LGPS community.
8. The systems team is responsible for the pension system ensuring that all upgrades and changes are implemented in a timely manner, as well as the pensioner payroll and Fire Pension administration. Due to impending retirements, there are two vacancies to be recruited – one for a senior administrator and one for an administrator.
9. The budget report, elsewhere on this agenda has been written assuming these additional staffing costs.

### **Performance Statistics**

10. There are no specific issues with scheme employer data returns, which is reflected in the vetting and processing of the incoming data as shown below.
11. As at March 2023 11.7% of incoming returns were not vetted within SLA. As of January 2024, this has reduced to 3.2% of returns being vetted outside of SLA. This improvement will put the team in a better position to process end of year data ahead of issuing annual benefit statements.



12. Likewise, the number of tasks arising from the incoming data, which is still being analysed to determine the normal monthly levels will in time give more detail on the number of tasks within the team. At present the chart is showing tasks which are still outstanding and overall, the number has reduced from 1,063 in March 2023 to 658 in January, as shown below.
  
13. In the next quarter further reporting changes will allow members to see the numbers of task which are in or out of specification, more clearly.

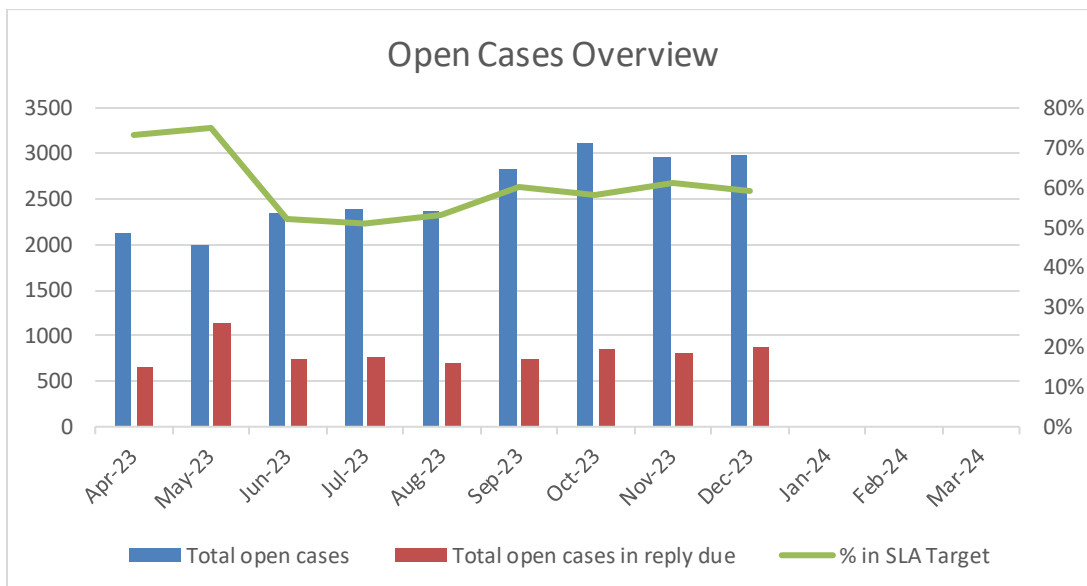
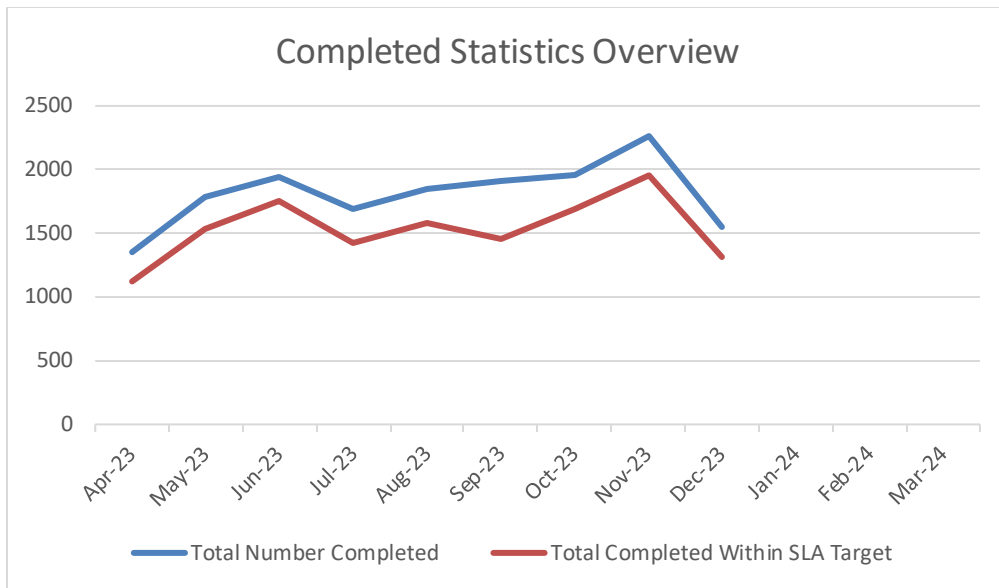


14. As at January 2024 there is:

- 1 TUPE transfer due to contract relet for which an application has yet to be received.
- 2 academy conversions – one from December to be completed and one for January which is in progress.
- 9 closure valuations recorded for 2023/2024 to date.

#### Administration Statistics

15. The chart below shows the completion rate of work during this current year, with the red line showing what work has been completed within SLA target. The main areas of concern, and those where the completion rate within SLA is not in reach of target are leavers, concurrent mergers, and re-employments, which are the highest work volumes.
16. During this financial year the number of open cases, for these three subjects, has peaked at 1,879 cases and despite best efforts has not fallen below 1,222 cases. Overall, the number of open cases, shown in the second chart below is sitting just shy of 3,000 cases.



## SLA Monitoring

- With the introduction of the revised Service Level Agreement in January 2024 it was agreed that future reports to this Committee would include details of the fines issued under the SLA. In the 6 weeks since the start of 2024, just one fine has been issued.

## Suspended Pensions

- As of December 2023, a total of 407 pensions are suspended, a reduction of 5 since previous quarter. Of these, 208 cases are linked to the project closing old death cases, which leaves 199 cases where the fund is either waiting for confirmation of death notification, or tracing pensioners who have not informed the fund of a change of address.

## **Statutory Returns**

19. All returns have been made in deadline, there are no issues to report.

## **Fire Service Administration**

20. The Pension Fund Committee confirmed approval for an additional post to be created to assist with data collection for the On-Call Second Options Exercise. Interviews were held for this post on 15 January 2024 and an appointment has been made with the start date to be confirmed.
21. As at 16 January 2024 there were 51 open cases, 10 are future dated (2024 to 2035, 7 are awaiting a reply from the member or an external body, 4 are leavers notified by IBC who are under retirement age, 8 are transfers in or out, 2 relate to retirements, 6 are general enquiries, 5 are Death cases, and the remaining 9 relate to requests for estimates or reviews after retirement.
22. Training is ongoing for team members to improve knowledge of the pension schemes and prepare for the work coming up for Remedy and the Second Options Exercise for On-Call Firefighters.
23. The SLA targets are in line with those used by the LGPS. However, the formal SLA document, with the Fire Service, has yet to be finalised. Once this is completed, any revisions to administration targets will be incorporated into reporting going forwards.

## **Complaints**

24. In the year to December there have been 15 informal complaints received, although one is duplicated via OCC complaint process.
25. The formal complaints received during 2023 are detailed below:

Reference	Complaint	Stage 1 Decision	Stage 2 Decision	tPO
23/001	Transfer / refund	Not Upheld	Upheld	
23/002	Transfer	Not Upheld	Not upheld	
23/003	3 months' notice to take pension	Not Upheld		
23/004	Linking of records	Not Upheld	Not Upheld	
23/005	Ill-health retirement	Not Upheld		
23/006	Ill-health retirement	Not Upheld	Not Upheld	

23/007	Ill-health retirement	Not Upheld	Not Upheld	
23/008	Firefighter – Injury Pension Benefits	Not Upheld	No panel – therefore member has referred to PO	Referred
23/009	Decision not to approve flexible retirement request	Not Upheld	Not Upheld	
23/010	Pension transfer request refused	Not Upheld		

26. No formal complaints have yet been received during 2024.

### **Data Quality**

27. The Pension Regulator annual returns for both LGPS and Fire were made on 25 January 2024. These reported to following data quality scores:

	Number of Records Tested	Common Data	Number of Records Tested	Scheme Specific Data
LGPS	98128	95%	83188	99%
Fire	1671	97%	2130	96%

28. For the LGPS, the fails in common data are National Insurance numbers (0.71%), which is where temporary National Insurance numbers are held, mainly for non-active members who are difficult to trace, and member addresses (7.24%). This only refers to postal addresses and an annual tracing exercise will be carried out to identify these. The main area where scheme specific data is missing is that of contracting out information.
29. For Fire, the only common data area not at 100% is that of addresses (3.56%) of total records, which will be picked up as part of the annual tracing exercise. For scheme specific data there were minor variations from the 100% pass rate in all areas, although in the main this relates to the old Fire pension scheme.
30. The team works throughout the year to analyse the errors identified and correct where possible.
31. Work is continuing with scheme employers to ensure that records for post changes are coming across with the correct date of change. We are also working with our system provider to resolve some queries on records that are being reported as in error, but actually appear correct when reviewed.

32. Contracting Out errors are also being reviewed as the information being flagged as missing does not affect benefits in payment at all. The team has undertaken a GMP reconciliation project which has ensured that correct figures are held for all pensioners.

### **Contribution monitoring**

33. 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 19<sup>th</sup> of the month following payroll. This is being monitored by the team in line with the new process.
34. In the period November 2023 – January 2024 11 payments were made past deadline of 19<sup>th</sup> month following payroll. In all cases, follow up with the scheme employer resulted in payments being made to the fund.

### **Projects**

35. 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. Calculations to identify any over or under payments and benefits due are now being done and the outcome of this review will be reported to this Committee in June 2024.
36. AVC – this change of provider is now completed. However, it has generated a number of member queries which are still being dealt with at the time of writing this report.
37. Administration to Pay (A2P) – death payments are being tested during February alongside the new process with the intention that this will go live once the February payroll has been completed. This project is then complete.
38. McCloud – a copy of the project plan is shown at Annex 1. The data cleansing exercise is well under way with information being sent out to scheme employers, who had until 31 January 2024 to confirm that the correct data is held and there are no changes to this data.
39. At the time of writing this report McCloud – there are 65 employers who didn't make returns on time – 20 returns relate to School Lunch Company contracts; the largest outstanding employer return is due from Pope Francis Academy who hasn't responded. Of the other employers there is a mixture of those who haven't replied and some have asked for extensions, including Activate.
40. Pension Dashboards - officers are attending webinars and reviewing requirements for the dashboard programme. A ministerial statement in March 2023 confirmed that the Pensions Dashboards Programme will be unable to meet the connection deadlines set out in legislation, and that the timeline for connection to the dashboard will be revised. There is a proposed staging date



for public sector schemes of 30 September 2025.

41. Age Discrimination Remedy – work is ongoing on this. [The Firefighters' Pensions \(Remediable Service\) Regulations 2023 \(legislation.gov.uk\)](#) were issued on 20 July 2023 with an effective date of 1 October 2023. Immediate Detriment quotes have now ceased, and cases already processed will be reviewed. Formal retirement quotes for retirements after 1 October 2023 are now being issued. Disclosure letters were sent in December 2023 to all scheme members. Data is being collated by IBC and batches of data are being sent to Pension Services weekly.
42. On-Call Second options exercise. A working group has been established to look and plan the work required over the 18-month implementation period. Letters were sent to all eligible on-call firefighters in December 2023. Forms are being completed and returned to request further information and these forms will be acknowledged with further information on timescales for issuing the quotations. Any letters returned as undelivered will be followed up with an address tracing exercise. If a new address is located, then the letters will be re-sent to the new address.

### **Debt Management**

43. The current value of outstanding invoices amounts to £69,964.43, which are going through the process for recovery. There are no specific issues to report.

### **Member Self - Service**

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

