

PENSION FUND COMMITTEE – 6 September 2024

ADMINISTRATION REPORT

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

The Committee is RECOMMENDED to consider the write-off of a historical outstanding overpayment resulting from the death of scheme members.

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. Since the June report, 3 Administrator vacancies and 1 Pension Support Assistant vacancy has now been filled. This leaves 1 Administrator vacancy remaining.
3. The 3 Senior Administrator vacancies reported in the June report have also been partly filled with 2 internal candidates. This now leaves 1 Senior Administrator and has created a further 2 Pension Administrator vacancies, taking the total to 3 vacancies.
4. At the point of writing this report, a meeting is scheduled to start workforce planning and the structure of the team, including the resource we need to meet current and future challenges.

Performance Statistics

End of year

5. The percentage of Annual Benefit Statements issued by 31 August 2024 will be confirmed at the committee meeting. At the point of writing this report we have issued 152 employers and have 5 employers left to run.

Monthly data returns

6. The benchmark for incoming returns that were not vetted within SLA at March 2024 was 2.2%. In June 2024 this was 6.3%.

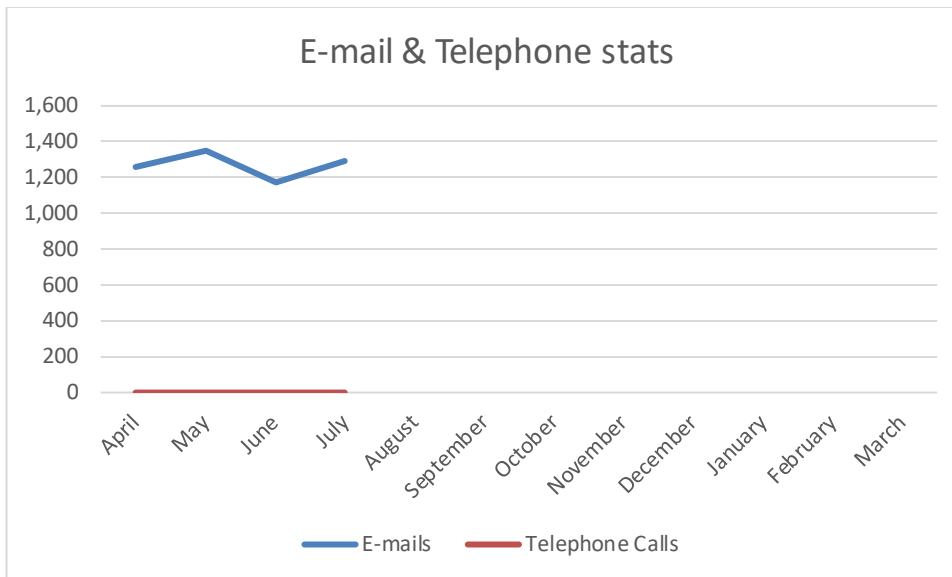
7. As at 30 June 2024 there were 38 returns not vetted. End of year work has impacted on these figures, and we are now seeing progression to reduce these numbers.
8. A meeting has been scheduled for September to discuss how we can improve the current monthly vetting process to reduce the number of queries generated at end of year, reducing the pressure on the team to meet the Annual Benefit Statement statutory deadline of 31 August.
9. In the last quarter, to 30 June 2024 there is:
 - 5 TUPE transfer cases with new admitted bodies.
 - 4 academy conversions.
 - 1 closure valuation recorded.
10. Bernwode Schools Trust issue reported in the last committee meeting has now been resolved and returns are being made correctly.

Employer SLA Monitoring

11. In the last quarter to 30 June 2024, we issued 10 fines totalling £3,925. This was in relation to one employer and the noncompliance with the Administration Strategy.

Benefit Administration

12. Annex 1 contains the benefit administration work completed during April to June 2024. The team completed 5,381 files of which 71.37% were completed within service level agreement target.
13. During this period, we were carrying 3 pension administrator vacancies and 1 Administrator commenced maternity leave. With the recent recruitment and training we anticipate an improvement for reporting at the December meeting.
14. We are working on developing new reports and visual aids which will improve the monitoring of work and reporting to this committee, as well as feeding into the Annual Reports. We plan to provide these in the December meeting.
15. The number of outstanding cases on 31 March 2024 was 3,080. We have received on average 1,670 new cases per month in the last quarter. At the point of writing this report, the number of outstanding open cases is 2,560, a reduction of 520 cases.
16. It was requested in the last committee meeting that statistics on numbers of incoming e-mails and telephone calls were provided, which are confirmed in the table below.



17. In the last quarter April to June 2024, we received 3,800 e-mails.
18. The software for telephone stats has been installed; however, there is an outstanding technical issue with ICT for review. An update will be reported in the December meeting.

Pension Scams

There were no pension scams reported in the last quarter April to June 2024.

Suspended Pensions

19. As of June 2024, a total of 365 pensions are suspended, a reduction of 9 since the previous quarter. These are 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.
20. The historic death project mentioned later in this report has contributed to the reduction of these numbers.

Statutory Returns

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

Fire Service Administration

22. Annex 2 contains Fire Administration work completed during April to June 2024. The team completed 129 files of which 80.62% were completed within service level agreement target.
23. At the point of writing this report there are 82 open cases, 12 are future dated (2024 to 2035), 35 are awaiting a reply from the member or an external body.

24. Remedy work has taken priority to ensure that the statutory deadline of 31 August 2024 is met for Annual Benefit Statements / Remediable Service Statements.
25. 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.
26. The complexity of the work being undertaken, and the ongoing training does mean that some cases have required reworking after checks have been made, which has delayed the issue of the completed work. This is ongoing, and gaps in knowledge are being addressed.

Complaints

27. In the quarter to June 2024, there were 7 informal complaints received, and 2 formal complaints, both relating to appeals against ill health decisions made by the employer.

Data Quality

28. Data for active employees has been checked as part of the annual benefit statement work. An address tracing exercise will be carried out shortly for members that we need to contact to inform them of benefits due.
29. We will also be analysing data quality in general to ensure we eliminate as many data anomalies as possible in time for the next Pension Regulator data quality submission. Confirmation of when this submission is due is to be confirmed. The total of members who we do not currently hold a valid contact address for is 5,694.

Contribution monitoring

30. In the quarter April to June 2024, 27 payments were made past the deadline of 19th month following payroll. The majority of these occurred in April 2024, with 7 cases occurring in June, marking a significant improvement. All payments have been followed up and have been made to the fund.

Outstanding Invoices

31. In 2014, the National Fraud Initiative report identified the death of one of our pensioner members, that we had not previously been notified and as such, continued to make pension payments between 2011 and 2014.
32. With no information of the next of kin, we contacted and invoiced the person named on the death certificate for the overpayment.
33. The individual paid a total of £440 between 2017 and 2019, however there is no paperwork supporting why this person agreed to pay the overpayment and on what terms. There has been no contact since.

34. We do not know if the invoice was raised in error and with no supporting paperwork to pursue this matter, we are seeking a write off the outstanding amount due of £20,634.03.

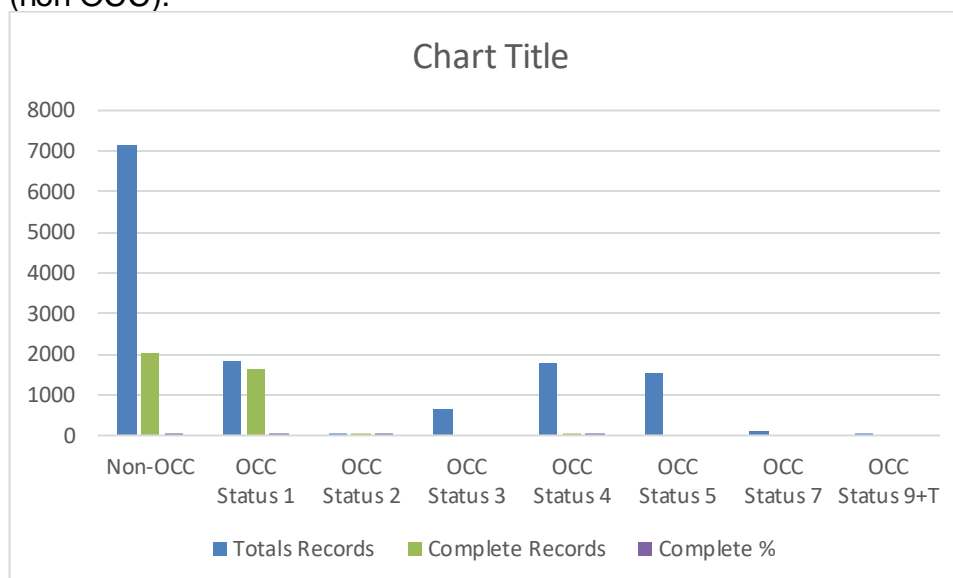
Projects

Historic Death Cases

35. The June committee report highlighted a project of the review of the historic death cases where there is outstanding information needed to complete the files. We are in final stages of this project and will bring full details to the December meeting.

McCloud

36. The table below shows our current position in the McCloud project. The data is split between Oxfordshire County Council (OCC) and all other employers (non-OCC).



37. The focus is to meet our statutory deadline and issue the 2025 Annual Benefit Statements with the McCloud rectification. This means that all active members (status 1) and deferred member (status 4) records need to be completed to issue the statements by 31 August 2025.
38. For Oxfordshire County Council scheme members, there are 221 active records outstanding and 1,760 deferred records outstanding.
39. For all other employers, overall, there are 5,141 records outstanding. This figure includes all member status, a breakdown to focus on active and deferred members will be provided in the December meeting.
40. A plan is in place to resource the outstanding work with monthly review

meetings to monitor progress. Updates on progress will be provided at this meeting.

Pension Dashboards

41. Annex 3 shows the project plan for Pension Dashboards. We have a connection date of October 2025 and currently behind schedule with the procurement for an Integrated Service Provider (ISP), who provides the software to connect our pension system to the pension dashboards.

42. We are currently working with procurement to get this in place and a framework is set up for LGPS funds, which should reduce the procurement time to complete. The progress of this project will be a standard agenda item on this report going forward.

43. Age Discrimination Remedy – Fire Service

- [The Firefighters' Pensions \(Remediable Service\) Regulations 2023 \(legislation.gov.uk\)](https://www.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 once final guidance has been received from LGA.
- Formal retirement quotes for retirements after 1 October 2023 are now being issued. Advance notice of retirements has been requested – this is necessary to enable advance work to be done – especially where the member has exceeded either the Lifetime Allowance or Annual Allowance as this requires separate calculations to be undertaken and reported to HMRC.
- Disclosure letters were sent in December 2023 to all scheme members.
- An update was sent to all operational staff at the end of January 2024
- System software amendments have been made, and the software was updated on our system on 8 August 2024. We are currently in the process of testing the Annual Benefit Statement / Remediable Service Statements for Active members and are looking to issue these by the deadline of 31 August if there are no issues identified.
- ABS for members who are not eligible for remedy will be issued using the existing format.
- Deferred members will receive a rolled back ABS with the Remediable Service statement issued as soon as possible after 31 August.

44. On-Call Second options exercise – Fire Service

- A project team has been established within Oxfordshire Fire and Rescue Service to look at the work required, and oversee the work being done to ensure that project deadlines are met.
- Letters were sent to all 551 eligible on-call firefighters in December 2023.
- 215 Forms have been received back to request further information and these forms are being acknowledged with further information on timescales for issuing the quotations. 3 members have indicated they do not wish to receive further information.

- A full address trace was undertaken in March 2024 for the remaining members – 13 have been confirmed as deceased, 153 are living as stated, and were sent a chase letter in March 2024. A new address has been received for 256 members and a letter was sent to this address in March 2024 to request completion of the expression of interest form. 50 members cannot be traced, and a full address trace for these members will be undertaken shortly.
- Data is being collated for the members who have returned their expressions of interest in preparation for the process of calculating benefit entitlement and cost. Work to input this data into the GAD calculator and produce quotes will be undertaken from September 2024 onwards
- System software is being developed by our software provider to enable us to record the pension entitlement on our software system.

Debt Management

45. The current value of outstanding invoices amounts to £32,950, which are going through the process for recovery. There are no specific issues to report.
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Member Self – Service

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

MSS Numbers	Opted In	Opted Out	No Choice	Total
Actives	12,004	288	9,825	22,005
Undecided Leavers	632	22	895	1,716
Deferreds	14,972	697	12,653	28,326
Pensioners	10,331	5634	1,141	16,844
Spouses	770	765	795	2,315
Frozen Refunds	944	9	9,016	9,983
	39,653	7,415	34,325	81,189

MSS Percentages	Opted In	Opted Out	No Choice
Actives	54.0	1.3	44.6
Undecided Leavers	46.7	1.2	52.2
Deferreds	52.9	2.5	44.7
Pensioners	59.8	33.4	6.8
Spouses	32.1	33.6	34.3
Frozen Refunds	9.6	0.1	90.3
Total	48.6	9.1	42.3

47. The tables show numbers of members and percentages in each category who have registered to use Members Self-Service, have opted out and requested all communications by post, and those who have neither opted in or out.
48. There has been minimal change since the last quarter. We are working on how we engage with scheme members to increase the number to sign up and hope that the development of technology including Pension Dashboard will support this.

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