

PENSION FUND COMMITTEE**05 September 2025****ADMINISTRATION REPORT****Report by Executive Director Resources and Section 151 Officer****RECOMMENDATION**

1. The Committee is **RECOMMENDED** to note the position of the McCloud project and the decision to exercise the discretion provided by the LGPS (Information) Regulations 2024 not to reflect McCloud in some of the 2025 annual benefit statements.

Executive Summary

2. This report updates the Committee on the key administration topics including service performance, statutory compliance, staffing, debt recovery and write offs in the last quarter.

Service Performance**Benefit Administration**

3. Appendix 1 confirms the new case volumes in the last quarter, April to June 2025.
4. There were 6,603 new cases created, plus a carry forward of 2,025 cases from the previous period, totalling 8,628 cases to complete. The team completed 62.1% of the cases leaving a carry forward of 2,845 cases.
5. Most cases relate to members leaving and new starters, which makes up just under 50% of the benefit administration team's work.
6. Appendix 2 shows the work completed by the benefit administration team in the last quarter, April to June 2025. The team completed 5,356 cases, of which 75.2% were completed within Service Level Agreement (SLA), an increase of 4% from the previous quarter.

7. The team priority is the payment of benefits, which is evidenced here where most work is completed above 95% in SLA.
8. Appendix 3 provides comparative figures of the completed and outstanding statistics between April to June 2024 and April to June 2025.
9. A new reporting system within the pension software has been developed within the team in the last six months, which highlighted a considerable proportion of work relating to leaver cases not being reported previously.
10. The statistics show whilst the team have completed broadly the same number of cases, the number of new cases has increased. These statistics will help review and understand the resource required to meet the increasing workload.
11. Appendix 4 contains the telephone statistics for the period April to June 2025.
12. Appendix 5 shows a comparison of the telephone statistics between April to June 2024 and April to June 2025. The team have increased the number of calls answered by 11% on the previous year.
13. There have been no pension scams reported in the last quarter April to June 2025. All transfer payments made from the scheme are checked vigilantly to ensure due diligence checks have been conducted correctly.

Statutory Returns

14. A breach report will be submitted to the Pension Regulator by 30 September 2025 in connection with the Fire Scheme Active and Deferred benefit statements affected by the fire scheme remedy which were not issued by 31 March 2025, due to outstanding regulation queries and complexities with the cases.

Fire Service Administration

15. Appendix 6 shows the Firefighter Scheme administration statistics for the last quarter April to June 2025. The team completed 121 cases of which 82.88% were completed within SLA deadline, an increase of 1.88% from the previous quarter.
16. The complexity of the work of the Fire Scheme requires ongoing training and the additional projects Fire Remedy and Second Options add to the complexity of this work. This has contributed in some cases falling outside the SLA deadlines.

Employer Monthly Returns

17. In the last quarter April to June 2025, the team verified 97% of monthly data returns within service level agreement (SLA). There were 3% of returns (15 employers) not vetted due to on-going data queries with the employer and changes in payroll providers requiring further work to ensure data submitted is correct.

18. The team had 177 tasks outstanding on 30 June 2025, 18 of which relate to 2024-25. Most tasks (144) were created in May; these were not completed within SLA due to the team resource focusing on end of year work.
19. In the last quarter, to 30 June 2025 there were:
 - 0 new admissions
 - 2 academy conversions
 - 3 closure valuations

End of Year

20. At the point of writing this report, 554 (2%) of annual benefit statements relating to 89 employers have been issued and 17,994 (80%) are currently in the process of being run.
21. There are 35 members with outstanding queries to be resolved with the employers. These are being closely monitored and will be escalated as necessary to ensure records are correct to issue statements by 31 August 2025.
22. The additional complexities with the McCloud figures and communication is challenging, and the team are working hard to ensure we meet the deadline to issue all statements by 31 August 2025.

Member Self Service

23. Appendix 7 confirms the Member Self-service sign up as of 30 June 2025. The statistics are split into categories registered, not registered (where no positive election has been made) and opted not to use.
24. There has been no significant movement in these statistics over the last year. A communication push to sign up will be tied into the project for the installation of the upgraded member self-service, Engage, due to go live in January 2026.

Financial Implications

Transfers

25. In the last quarter April to June 2025, a report on the values of transfers paid in and out of the fund confirmed £4.6 million was transferred into the fund and £7.5 million was transferred out of the fund, of which £400k related to payments made to non-Local Government Authorities.
26. The table below provides a breakdown of the values and numbers of transfers out payments made to non-Local Authorities in the last quarter April to June 2025.

Value	Number of payments made	Total Amount Transferred
Under £10k	11	£41,043.37
£10k to £25k	8	£123,777.82
£25k to £50k	2	£63,198.02
£50k to £100k	0	0
£100k to £250k	1	£169,127.80
Over £250k	0	0

27. The total paid out is £82,041 less than the last quarter January to March 2025, and most payments remain on the lower values. There are no concerns to report.

Invoices Outstanding

28. On 30 June 2025, there were 4 outstanding invoices amounting to £180,027.61, 4 invoices of which are overdue amounting to £124,994.47 and have been referred to legal to pursue.

Employer Contribution Monitoring

29. In the quarter April to June 2025, 5 payments were made past the statutory deadline of 22nd of the month following payroll. These relate to 3 small employers affecting a total of 6 members, none of which require further action at this point but are being monitored.
30. The deadline for returns has been historically 19th of the month in our Administration Strategy. Most employers submit their returns electronically, and the statutory guidance for electronic returns is 22nd of the following month. Only those employers making late payments after 22nd of the month will be included in this report going forward.

Complaints

31. The table below shows number of complaints for the previous financial year 2024-25 and in the last quarter of the current financial year April to June 2025.

Year	Informal	Resolved	IDRP Stage 1	Upheld	IDRP Stage 2	Upheld	TPO
2024/25	27	24	4	2	1	0	1
2025/26	9	6	6	2	0	0	0

32. The common nature of complaints is around payment of pensions and

processes. These are reviewed on an individual basis under the relevant regulations that apply to the member and any flaw identified in our process that is reviewed.

Legal Implications

Pension Dashboard Project

- 33. Appendix 8 confirms the current position of Pension Dashboard project plan.
- 34. There are two areas not on track, showing as 75% complete. This relates to the pension dashboard registration codes that are issued by The Pension Regulator (TPR). There is one code outstanding for the Firefighters scheme; this is being followed up with TPR.
- 35. Meetings will be held from September onwards to finalise decisions on matching criteria and AVC data connection so that we are connected to the Dashboard by 31 October 2025.

McCloud Project

- 36. Appendix 9 confirms the position of the McCloud Project.
- 37. The team have completed 96% (9,596) status 1 and 4 cases which will include the McCloud protection in the 2025 Annual Benefit Statements.
- 38. An application to exercise the discretion under the LGPS (Information Regulations 2024 not to include the McCloud protection in the figures in the 2025 Annual Benefit Statements for a small group of members, allowing us to extend the implementation to 31 August 2026.
- 39. All affected members will be notified of their position in the 2025 Annual Benefit Statements, in line with the disclosure regulations.
- 40. The deadline for completing the McCloud project is 31 August 2025, however the statutory requirement only applies to the annual benefit statements. It is recommended that a project plan is developed to detail the reasons the cases were not complete and a plan on how these will be completed by 31 August 2026.
- 41. Appendix 10 confirms the extended McCloud project plan, which details the areas of work outstanding and timeframes for completion of the project.
- 42. It should be noted that whilst every effort has been made to identify all members in scope of the McCloud remedy, there will be further cases identified going forward and this has been built into the day-to-day processes within the benefit administration team.

Age Discrimination Remedy – Fire Service

43. At the point of writing this report there are 12 active and deferred statements outstanding, 6 are awaiting regulatory guidance, and 6 are awaiting further information in relation to pension rights held with another body or Fire Authority.
44. Statements for pensions in payment where all rights were under the 1992 or 2006 schemes were issued in March 2025 for most pensioners. There are 35 pensioner cases remaining; 18 of these are immediate detriment cases where we are waiting guidance on how to review. 17 are existing pensioners who will be contacted as soon as possible. A breach will be reported to the Pension Regulator for these cases.

On-call Second Options Exercise – Fire Service

45. Payment of pension benefits due is underway, with 23 pensioners having received their benefits to date (£1.2 million paid gross to date).
46. The work is proving to be complex, with many different scenarios. Advice has been issued and is also being sought from LGA in cases where further guidance is required, or where action to take is not clear.
47. A consultation on extending the deadline for completion of the work to 31 March 2026, and proposed amendments to existing regulations has closed and the outcome is still awaited. Confirmation has been received that the deadline will be extended until at least 31 March 2026.
48. Follow up communications need to be issued for those who have not yet received their quotations to confirm revised timescales.
49. Work will be prioritised into 3 groups: Cohort 1 cases (78 remaining) plan to be completed by the end of September. Cohort 2 cases (19) completed by the end of October 2025 and the remaining Cohort 3 cases (133) completed by February 2026.
50. Once the amending legislation has been received, and clarity on this has also been received, we will also need to review eligible cases, and where necessary, send revised quotes, or contact relatives of deceased members.

Staffing

51. The team are carrying vacancies of 2 Pension Support Officers, 2 Senior Administrator and 3 Administrators. Two agency staff have been appointed to cover the work of the Pension Support Officer; these will also support the wider team whilst the other vacancies are recruited.
52. Recruitment remains challenging as candidates increasingly use AI for applications, complicating shortlisting and leading to less successful interviews.
53. Advice is being sought on how these difficulties are overcome, and other options are being explored, including the increased use of automation in the system, to reduce the amount of manual intervention freeing up time to focus on developing staff to process the work.

Lorna Baxter

Annex:

- 1 – Benefit Administration Statistics
- 2 – E-mail statistics
- 3 – Telephone statistics
- 4 – MSS Registration statistics
- 5 – Pension Dashboard project plan
- 6 – McCloud statistics

Background papers: Nil

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