

Resources Department
222 Upper Street
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Report of: Corporate Director of Resources

Meeting of: Pensions Board

Date: 10th December 2024

Subject: PENSION ADMINISTRATION PERFORMANCE

1. **Synopsis**

- 1.1. This report provides the Committee and Board with information on the administration activities and performance of the Pension Administration. The information is an update on the period from 1 August 2024 to 31 October 2024 and includes the number of Local Government Pension Scheme (LGPS) members auto-enrolled into the scheme for this period.
- 1.2. The report also provides information regarding the Internal Dispute Resolution Procedure (IDRP), compliments and complaints.

2. **Recommendations**

- 2.1. To note the number of members' auto-enrolled into the LGPS.
- 2.2. To note the information in respect of the IDRP, compliments and complaints.
- 2.3. To review the performance data for the administration activities of the Council's Pensions Office.
- 2.4. To note any new Internal Audit Investigations in Pensions Administration.
- 2.5. To note the Scheme Advisory Board Update
- 2.6. To note developments on the Pensions Dashboard

3. Background

3.1. The membership profile in Jul-24 and Oct-24 is shown in the following table.

Category	Jul-24	Oct-24
Number of current active members	6655	6795
Number of preserved benefits	8786	8780
Number of Pensions in payment	6829	6891
Number of Teachers Compensation Pensions in payment	101	101
Number of Spouses/dependants pensions in payment	978	990
Number of Teachers Compensation Spouses Pensions in payment	14	14
Total	23,363	23,571

Active membership in this reporting period has increased by 2.1% from the last reporting quarter. Deferred members show a marginal decline of 0.07%, pensioners and spouses/dependants have seen a marginal increase of approximately 0.9% and 1.2% respectively. Teachers Compensation Pension payments remain unchanged.

3.2. The table below shows performance against case type for the period from 1 August to October 2024:

Process	Total Cases Processed	Target Days	% Achieved within target days	Actual average days
Deaths	27	10	90%	12.0
Retirement benefits	108	7	85%	11.0
Pension estimates	61	10	72%	18.0
Preserved benefits	8	30	100%	22.0
Pension Payroll Adj.	52	10	100%	9.0
Transfer-in quotation	76	10	88%	14.0
Transfer-in actual	70	10	81%	15.0
Transfer out quotation	75	15	100%	14.0
Transfer out actual	68	12.5	84%	15.0
Transfer out (Non-Public Sector) actual	0	30		
Refunds	14	10	100%	10.0
Starters	220	30	89%	31.0
All key processes	779		85%	

Key processes have decreased by approximately 5% and overall performance is down by 3% during this quarter, primarily due to the data cleansing project the Pensions Office has undertaken in preparation for the Pension Fund Valuation and the requirements of the Pensions dashboard. The target date for completion of the data cleansing project is October 2025 and the progress of this work will be an agenda item on this report for the Board to review going forward. This will inevitably impact on our performance but should be mitigated by additional resourcing. Also impacting on the Pensions Office performance in this quarter is the extensive user testing exercises Senior Pensions Officers have had to perform as part of the implementation of new pension systems.

- 3.3. The table below shows the number of members auto enrolled into the LGPS from August 2024 to October 2024:

Month	Starters No.	Opt Outs	Opt Outs %
Aug	52	7	13.46
Sep	116	1	0.86
Oct	52	1	1.92
Total	220	9	4.09

- 3.4. The Pension Office received -15- communications thanking Pension Administration staff for their service and -4- complaints. Two complaints related to transfer out requests, the other an address change and finally a transfer-in request. All these complaints were resolved. There were no IDRPs cases received during this period.

Audit Investigations

- 3.5. The Pensions Office in partnership with our Internal Auditors are currently undertaking a review of all pensioners captured on the NFI data matching report as being deceased and where pension payments are still being made. The result of this current review will be reported to the Pensions Board in the next quarter.

Outside of the NFI data matching exercise, there has been no new cases of potential fraud identified by the Pensions Office and reported to Internal Audit.

Scheme Advisory Board (SAB) – News Update

- 3.6 **Separation of LGPS accounts**

On the 13 November 2024, the Board Secretary wrote to the Local Government Minister, Jim McMahon MP, re-stating the Board's previous recommendation in a letter dated August 2022 made for the separation of pension fund accounts from the administering authority's main accounts, as it is in Scotland and Wales. Key stakeholders who support this change include the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Institute of Chartered Accountants in England and Wales (ICAEW).

Pensions dashboard – News Update

3.7 On 22 October 2024, DWP published a written statement on dashboards. The statement confirms the Government’s commitment to the existing timetable for connecting schemes to the new platform. All public service pension schemes must be connected by 31 October 2025.

3.8 On 5 September 2024, The Pensions Regulator (TPR) published its dashboards compliance and enforcement policy, and the key risk areas identified are as follows:

- Scheme not connecting by the connection deadline
- Governing body being unable to demonstrate they have regard to the guidance on connection
- Scheme failing to fully connect or remain connected to dashboards in line with the regulations
- Scheme failing to have adequate controls for reviewing and assessing the quality of their data to ensure continuous improvement

3.9 Once connected to the dashboard, schemes will need to find members and return data as requested. The TPR will take an interest where a scheme is failing to find a pension for a member when they should (in line with legal requirements) and when a scheme returns data to the wrong member.

3.10 The TPR have announced that in November 2024, as part of their data quality engagement program they will send all public section pension scheme managers readiness surveys in relation to the Pensions dashboard. All survey responses are anonymous.

3.11 The Pensions Office will be working with the Council’s Procurement, Information Governance and Digital Service teams to select an ISP Provider and get the Pensions dashboard program in place for our members using the LGPS National Framework which will reduce procurement time to complete. The progress of this project will be an agenda item on this report going forward.

4 Implications

4.1 Financial Implications

4.1.1 The cost of administering the LGPS is chargeable to the Pension Fund.

4.2 Legal Implications

4.2.1 There are no specific legal implications in this report.

4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

4.3.1 Nonapplicable to this report. Environmental implications will be included in each report to the Pension Board/Committee as necessary. The current agreed investment strategy statement for pensions outlines the policies and targets set to April 2026 and 2030 to reduce the current and future absolute emissions by 49% and 60% respectively compared to when it was measured in 2016 and also invest 20% of the fund in green opportunities. The link to the full document is [Islington Pension Fund Investment Strategy Statement](#)

4.4 Equalities Impact Assessment

4.4.1 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

4.4.2 An Equalities Impact Assessment is not required in relation to this report, because there are no adverse impacts in terms of equalities arising from the contents of this report. The LGPS is a statutory public service pension scheme open to all Council employees.

5 Conclusion and reasons for recommendations

5.1 The report will be made to each meeting of the Pension Board and at least annually to the Pensions Committee in order to assess administration performance and dispute resolution.

Appendices:

none

Background papers:

Final report clearance:

Signed by:

Corporate Director of Resources

Date: 2 December 2024

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