

**Report of: Corporate Director Resources**

<b>Meeting of</b>	<b>Date</b>	<b>Agenda Item</b>	<b>Ward(s)</b>
Pensions Board	14th March 2022		
<b>Delete as appropriate</b>		Non-exempt	

**SUBJECT: PENSION ADMINISTRATION PERFORMANCE****1. Synopsis**

- 1.1 This report provides the Board with information on the administration activities and performance of the Pension Administration. The information is in respect of the period from 1<sup>st</sup> November 2021 to 31<sup>st</sup> January 2022 and includes the number of 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 during the relevant period.
- 2.2 To note the information in respect of the IDRP, compliments and complaints.
- 2.3 To endorse the contractual engagement of a Pensions Tracing Agency.
- 2.4 To note the ongoing work in relation to the McCloud Judgement.
- 2.5 To note the steps taken in relation to the recruitment of Pensions Officers.
- 2.6 To note Islington Council's new staging date for auto re-enrolment.
- 2.7 To note the changes to the Council's Pension Fund Website to make the complaints process clearer to members and customers.
- 2.8 To note for information Appendix 2- Lgps Current Issues February 2022

### 3. Background – Statistics and key performance indicators

3.1 The membership profile at 31<sup>th</sup> October 2021 and 31<sup>st</sup> January 2022 is shown in the following table.

Category	Oct - 21	Jan - 22
Number of current active members	6,606	6685
Number of preserved benefits	8,465	8344
Number of Pensions in payment	6,329	6358
Number of Spouses/dependants pensions in payment	985	990
Total	22,385	22,377

There have been modest increases in the number of active members and pensioners. The increase in actives is largely due to auto-enrolment. The Pensions Office is still seeing a high uptake of deferred beneficiaries claiming their pensions early which has led to the small increase in total pensioner numbers.

3.2. Key performance indicators from 1<sup>st</sup> November 2021 to 31<sup>st</sup> January 2022:

Process	Target days to complete	Volume	Target % Achievement	% Achieved within target days	Actual average days
Deaths	5	54	95%	96.00%	5.00
Retirement benefits	5	64	95%	94.00%	6.50
Pension estimates	10	135	95%	85.00%	12.00
Preserved benefit calculations	15	90	95%	81.00%	19.00
Pension Payroll Adj.	10	20	95%	98.00%	10.00
Transfer-in quotation	10	25	95%	95.00%	10.00
Transfer-in actual	10	17	95%	92.00%	12.00
Transfer out actual	12.5	15	95%	91.00%	14.00
Transfer out quotation	15	31	95%	100.00%	12.50
All processes	-	465		82.00%	

3.3 Overall performance has seen a marginal increase of 2% from the 80% achieved in the last quarter in completed processes within the target days.

3.4 Number of members auto-enrolled into the LGPS from November 2021 to January 2022:

Month	Starters No.	Opt Outs	Opt Outs %
November	46	2	4.35
December	61	1	0.02
January	53	1	1.89
Total	160	4	2.50

3.5 The Pensions Office have received -15- communications thanking Pension Administration staff for their service and -4- complaints.

#### **4. Pension Tracing Agency**

- 4.1 The Pensions Office is looking to engage a Pensions Tracing Agency to help find over 1000 deferred members for whom we do not have a current home address. This exercise is currently undertaken by the DWP Bulk Letter Forwarding Service, however they restrict clients to a maximum of 6 traces per application. Despite numerous attempts to negotiate with DWP for a higher ceiling, they will not move from that limit. As such we will be looking to engage an additional service provider.

#### **5. McCloud Update**

- 5.1 Work is continuing on identifying members who were found to have been discriminated against in transitional protection arrangements following the LGPS move from a final salary to a care scheme. We have received a report from our main payroll provider and have asked them to provide additional information to identify variances between their records and the data held on the pension's database. Scheme Employers will need to get the data to us no later than 18<sup>th</sup> March 2022.
- 5.2 The Pensions Office will seek legal advice in relation to non-compliance by any Scheme Employer in responding to our request to review scheme data and identify discrepancies.
- 5.3 The government's plans to introduce legislation this year to incorporate the McCloud judgment into public service pension schemes.

#### **6. Staffing Update**

- 6.1 We have successfully recruited via agency a Pensions Officer who will be starting sometime in March, subject to satisfactory references. Changes were made to the JD and person specification of the Pensions Officer position removing a requirement to have LGPS experience to attract a wider pool of candidates.
- 6.2 The candidate who accepted our job offer in November and was due to start work with the Pensions Office in January 2022, subsequently informed us via her employment agency that due to personal issues she no longer wished to take up this appointment. The vacant Pensions Officer post has been immediately re-advertised with the agency and we are also working with our own internal HR Recruitment Team to recruit to this position.
- 6.3 In co-ordination with the Director of Finance there has been a minor re-organisation of Pension Team roles and job evaluations are now in progress. The specific aim of the re-organisation is to retain and attract talent as well as providing additional resource to enable the Pensions Team to respond at pace to member and customer queries.

#### **7. Auto-enrolment**

- 7.1 Islington Council's auto-re-enrolment date is the 1<sup>st</sup> April 2022. HR will be writing to all qualifying staff in early March 2022 to tell them that they will be put back into the Local Government Pension Scheme with effect from 1<sup>st</sup> April. Communications in relation to this matter will be displayed on the Council's intranet in March 2022.

## **8. Complaints**

- 8.1 The Communications Team will be updating Islington Council's Pension Fund Website with an additional button entitled 'Customer Service'. When a member or client clicks this button, they will be taken to a page that informs them how to complain or give a compliment, amongst other useful content. A copy of the Pension Fund 'Internal Disputes Resolution Process' will also be available on this page.
- 8.2 To further improve engagement with our customers, an auto-response message will be assigned to the pension's mailbox to aid understanding of our processes. When members or clients email the pensions mailbox, they will receive an auto-response that will detail response times and the names, telephone and email address of the Pensions Officers dealing with the query.

## **9. Implications**

### **9.1 Financial Implications**

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

### **9.2 Legal Implications**

- 9.2.1 There are no specific legal implications in this report.

### **9.3 Resident impact assessment**

- 9.3.1 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.

- 9.3.2 In respect of this report, a Resident Impact Assessment is not being made because the contents of the report relate to processes that are strictly in accordance with the statutory Local Government Pension Scheme Regulations. The LGPS Regulations are made under the Superannuation Act 1972, and the Council has a statutory duty to comply with the LGPS Regulations.

### **9.4 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:**

None applicable 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 2022 to reduce the current and future carbon exposure by 50% and 75% respectively compared to when it was measured in 2016 and also invest 15% of the fund in green opportunities. The link to the full document is <https://www.islington.gov.uk/~media/sharepoint-lists/public-records/finance/financialmanagement/adviceandinformation/20192020/20190910londonboroughofislingtonpensionfundinvestmentstrategystatement.pdf>

## **10 Conclusion and reasons for recommendations**

10.1 The report will be made to each meeting of the Pension Board and is provided in order to assess administration performance and dispute resolution. This report also updates members on progress on McCloud, communications and resources in the Pensions Team.

### **Background papers:**

None.

Final report clearance:

### **Signed by:**

David Hodgkinson

Corporate Director of Resources

Date 2 March 22

### **Received by:**

Head of Democratic Services

Date

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