

Resources Department
7 Newington Barrow Way
London, N7 7EP

Report of: Corporate Director of Resources

Meeting of: Pensions Board

Date: 6th March 2023

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 November 2022 to 31st January 2023 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 during the relevant period.
- 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 latest pension news roundup.
- 2.6. To note the LGPS Current issues published by Mercer's February 2023 (Appendix 1)

3. Background

3.1. The membership profile on October 2022 and January 2023 is shown in the following table.

Category	Oct-22	Jan-23
Number of current active members	6,591	6,710
Number of preserved benefits	8,587	8,532
Number of Pensions in payment	6,338	6,512
Number of Teachers Comp Pensions in payment	111	108
Number of Spouses/dependants pensions in payment	990	998
Number of Teachers Comp Spouses Pensions in payment	10	11
Total	22,627	22,871

Active membership as seen a marginal increase of just under 0.2%. The Fund's preserved beneficiaries show a margin reduction of 0.6% and the pensioners continue to grow with a 2.75% increase during this period.

3.2. The table below shows performance against case type for the period from November to 31 January 2023:

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Process	Total Cases Processed	Target Days	% Achieved within target days	Actual average days
Deaths	43	10	94.0%	12.0
Retirement benefits	48	7	92.0%	10.0
Pension estimates	143	10	95.0%	14
Preserved benefits	20	30	89.0%	33.0
Pension Payroll Adj.	34	10	100.0%	9
Transfer-in quotation	36	10	80.0%	18.0
Transfer-in actual	69	10	83.0%	15.0
Transfer out quotation	21	15	100.0%	12.0
Transfer out actual	6	12.5	100.0%	11.0
Transfer out (Non-Public Sector) actual	0	-	-	-
Refunds	24	10	99.0	11.0
Starters	107	30	84.0%	31.0
All key processes	551		82.0%	

Overall performance has dipped by 2% from the 84% achieved in the last quarter in completed processes within the target days. This drop in performance is largely due to the Christmas holiday period, resourcing gaps and the increasing complexity of the function. Successful recruitment during this period will mean the introduction of new staff appointments in March 2023 which will provide additional support in managing and improving on our key processes.

An additional key process 'Refunds' has been added to table 3.2.

- 3.3. The table below shows the number of members auto-enrolled into the LGPS from November 2022 to January 2023:

Month	Starters No.	Opt Outs	Opt Outs %
November	67	0	0
December	30	0	0
January	80	0	0
Total	177	0	0

- 3.4. The Pension Office received -11- communications thanking Pension Administration staff for their service and -4- complaints. All complaints were resolved without escalating to the Pension Fund's Internal Dispute Resolution Procedure (IDRP).

Audit Investigations

- 3.5. No new cases of potential fraud have been identified by the Pensions Office and reported to Internal Audit for investigation during this period.

4. Pension News Roundup

- 4.1 The Department for Levelling Up, Housing and Communities has issued a consultation on moving the CARE revaluation date from 1st April to 6th April, if implemented this will take a significant body of members out of scope for the Annual Allowance tax charge.
- 4.2 The Pensions Regulator has issued new guidance on Cyber risk and the key security principals that administrating authorities need to adopt to protect member data.
- 4.3 The Pensions Regulator on the 12th of January 2023 published an updated version of their transfer guidance for administering authorities. The updated guidance makes it clear that members considering transferring to a defined contributions scheme must book a MoneyHelper safeguarding guidance appointment.
- 4.4 The Scheme Advisory Board have announced that they will be publishing updated guidance on McCloud data issues by the end of February 2023.

5. **Implications**

5.1. **Financial Implications**

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

5.2. **Legal Implications**

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

5.3. **Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

- 5.3.1. 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/information/adviceandinformation/20212022/20211123islingtonpensionfundinvestmentstrategystatementdec20.pdf>.

5.4. **Equalities Impact Assessment**

- 5.4.1. 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.
- 5.4.2. 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.

6. **Conclusion and reasons for recommendations**

- 6.1. The report will be made to each meeting of the Pension Board and is provided in order to assess administration performance and dispute resolution.

Appendix: Appendix 1- LGPS Current Issues Feb'23

Final report clearance:

Authorised by:

Corporate Director of Resources

Date: 23 February 2023

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