

Resources Department  
222 Upper Street  
London, N1 1XR

Report of: Corporate Director of Resources

Meeting of: Pensions Committee/Pensions Board

Date: 7<sup>th</sup> October 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 May 2024 to 31 July 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 the despatch to members of the 2024 Annual Benefit Statements on time
- 2.7. To note the link to Mercer September LGPS Current Issues [latest update on current issues](#).

### 3. Background

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

<b>Category</b>	<b>Apr-24</b>	<b>Jul-24</b>
Number of current active members	6656	6655
Number of preserved benefits	8781	8786
Number of Pensions in payment	6739	6829
Number of Teachers Compensation Pensions in payment	101	101
Number of Spouses/dependants pensions in payment	970	978
Number of Teachers Compensation Spouses Pensions in payment	14	14
<b>Total</b>	<b>23,261</b>	<b>23,363</b>

Active membership in this reporting period has remained virtually unchanged from the last reporting quarter. Deferred members, pensioners and spouses/dependants have seen a marginal increase of approximately 0.06%, 1.34% and 0.83% respectively.

3.2. The table below shows performance against case type for the period from 1 May to 31 July 2024:

<b>Process</b>	<b>Total Cases Processed</b>	<b>Target Days</b>	<b>% Achieved within target days</b>	<b>Actual average days</b>
Deaths	24	10	95%	11.0
Retirement benefits	70	7	83%	12.0
Pension estimates	115	10	80%	14.0
Preserved benefits	10	30	92%	25.0
Pension Payroll Adj.	77	10	100%	8.0
Transfer-in quotation	82	10	84%	12.0
Transfer-in actual	67	10	86%	11.0
Transfer out quotation	88	15	90%	17.0
Transfer out actual	73	12.5	82%	18.0
Transfer out (Non-Public Sector) actual	2	30	100%	28.0
Refunds	35	10	100%	9.0
Starters	176	30	85%	32.0
All key processes	819		88%	

Key processes have increased by 9% during this quarter, primarily due to data reconciliation, identifying previously unreported school new starters and contribution posting exercises required to produce the Annual Benefit Statements. Overall performance has increased by 2% from the 86% achieved in the last quarter in completed processes within the target days.

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

<b>Month</b>	<b>Starters No.</b>	<b>Opt Outs</b>	<b>Opt Outs %</b>
May	63	5	7.94
June	56	4	7.14
July	57	0	0
Total	176	9	5.11

3.4. The Pension Office received -11- communications thanking Pension Administration staff for their service and -3- complaints. One complaint related to retirement estimate request, the other the processing of a refund and finally a transfer-in request. All these complaints were resolved. There were no IDRPs received during this period.

### **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.

### **Scheme Advisory Board (SAB) – News Update**

#### **3.6 Pensions Review**

On the 16 August 2024, [HM Treasury](#) published the Terms of Reference for Phase one of the Government's Pensions Review. The first phase of the review will focus on developing policy in four areas:

- Driving scale and consolidation of defined contribution workplace schemes;
- Tackling fragmentation and inefficiency in the Local Government Pension Scheme through consolidation and improved governance;
- The structure of the pensions ecosystem and achieving a greater focus on value to deliver better outcomes for future pensioners, rather than cost; and
- Encouraging further pension investment into UK assets to boost growth across the country.

### **Shared Cost Additional Pension Contributions (SCAPCs) Review**

- 3.6.1 SAB has [written to MHCLG](#) officials to ask for a review of the actuarial factors and regulations underpinning shared cost additional pension contributions (SCAPCs). This was one of the first recommendations of the Gender Pensions Gap working group. The current regulations impact those (predominantly female) members with caring responsibilities who may lose pension when they have to take occasional days or weeks as authorised unpaid leave. The letter asks that the rules around buying back pension 'lost' during unpaid authorised leave should be made easier to understand and more flexible to implement.

### **Change of Name**

- 3.6.2 On the 8 July 2024, the Department for Levelling Up, Housing & Communities reverted to its former name as the Ministry of Housing, Communities & Local Government (MHCLG).

### **Annual Benefit Statements (ABS)**

- 3.7 The Pensions Office sent out member ABS in August and updated the guidance notes available on the Pension Fund web pages.

## **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 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>

#### 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: 30 September 2024

Report Author: Patrick Fullerton, Pensions Manager

Tel: 020 7527 2588

Email: [patrick.fullerton@islington.gov.uk](mailto:patrick.fullerton@islington.gov.uk)

Financial Implications Author: joana marfoh

Tel:02075272382

Email: [joana.marfoh@islington.gov.uk](mailto:joana.marfoh@islington.gov.uk)

Legal Implications Author: n/a

Tel:

Email: