



<u>Committee and Date</u>	<u>Item</u>
Pensions Committee	7
15 March 2024	<u>Public</u>
9.30am	

PENSIONS ADMINISTRATION MONITORING REPORT

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1. Synopsis

- 1.1. The report provides members with monitoring information on the activities and performance of pensions administration team.

2. Executive Summary

- 2.1. Updates are given on; workloads and resourcing, progress on McCloud implementation, the Pensions Dashboard Programme (PDP), Pension Increase for April 2024, Engage, preparation for Year End and communication updates.
- 2.2. The Business Plan for 2024-26 has now been finalised incorporating the minor changes requested at the last meeting and is provided at Appendix A for approval by the committee.

3. Recommendations

- 3.1. Members are asked to accept the position as set out in the report.
- 3.2. To approve, with or without comment, the Business Plan 2024-2026 at Appendix A.

REPORT

4. Risk Assessment and Opportunities Appraisal

- 4.1. Risk Management

Performance is considered and monitored to ensure regulatory timescales and key performance indicators are adhered to. Administration risks are identified and managed and are reported to committee on an annual basis.
- 4.2. Human Rights Act Appraisal

The recommendations contained in this report are compatible with the Human Rights Act 1998.
- 4.3. Environmental Appraisal

There is no direct environmental, equalities or climate change consequence of this report.

5. Financial Implications

- 5.1. Managing team performance and working with other administering authorities ensures costs to scheme employers for scheme administration are reduced. Complying with the national requirement to provide data to the Pension Dashboards will increase costs for the fund. These are presently unquantifiable. Compliance with the proposed Pensions Regulator's (TPR) one code will also increase Fund costs.

6. Climate change appraisal

- 6.1. Energy and fuel consumption: No effect
Renewable energy generation: No effect
Carbon offsetting or mitigation: No effect
Climate Change adaptation: No effect

7. Performance and Team Update

- 7.1. The team's output and performance level to January 2024 is attached at Appendix B. The chart shows a large spike in outstanding tasks and processes towards the end of December 2023. The team were taking leave during December and the office was closed for the Christmas break and this is reflected here. Processes being completed rose quite highly and outstanding work started to fall during January 2024 as the team returned. Some of the tasks and processes will not yet be due for processing as we are waiting for information from employers or members. The chart shows both single standalone tasks or tasks that are part of a case. Cases are a complete process that hold steps (tasks) for a procedure to be completed.
- 7.2. A review is underway by the pensions management team of the workloads across the team and the resources required to address any backlogs. The team are looking at processes and changes to the way work can be done to improve efficiency. This will include looking at work the team will need to complete in connection with McCloud and Pensions Dashboard. From a resource point of view the team have had a significant turnover of staff over the past year. This has led to areas of work backlogging whilst we try to recruit and train new staff. We are currently fully staffed for both the Communications and Governance and Systems and Support teams, and new team members are receiving training to support them in their new roles. However, the fund has recently lost a Senior Pensions Officer on the Operations team.
- 7.3. **McCloud** – With the implementation of the age discrimination remedy (McCloud) from 1st October 2023, the team have had to review processes for work going forward, additional checks on member records are now required to ensure the underpin is being applied correctly to members benefits who are in scope. Software developments are assisting with this work, but not all functionality is currently available, and this is leading to additional time being spent on cases. There are still

some areas where guidance is outstanding, and we are monitoring the number of cases that are affected by this. The priority for the team is to ensure all members in scope who are leaving the scheme have the underpin applied correctly to their benefits. The rectification of those that have left in the remedy period (1st April 2014 to 31st March 2022) will be another area of work for the team to pick up. The team are currently adding the underpin indicator and running checks to see the underpin has been applied to any past cases. These will then need to be investigated and benefits rectified if necessary. There are a large number of members in scope for this exercise, however we only expect to see a small number of cases where benefits will be improved.

- 7.4. **Pensions Dashboards** - The team are currently putting together a project plan for the implementation of Pension Dashboards. There are two main areas of work that the Pensions Team will have to undertake to deliver this project and then manage the additional work that will be created once the dashboards go live. The first step is to procure an Integrated Service Provider (ISP) this will allow the dashboards to speak to our pension database. Initial work has begun, looking at providers and liaising with our procurement and legal colleagues to ensure we follow the correct procedures for the purchase of this. The 2nd is the ongoing work to manage data quality, when a member uses the dashboard, they can find a match to any scheme they are a member of. If the information held for members is not quite right, it will lead to a partial match and then the team will have to investigate if that person holds a benefit in the scheme. The team will be looking to update the data quality workplan to improve areas of data that are highlighted. For example, we have more than 600 records where a current address is not held, so we will be looking to run a tracing exercise for these individuals.
- 7.5. **Pensions Increase** - From 8th April 2024, pensions increase of 6.7% will be applied to pensions in payment. Work is currently underway to implement this increase and notify pensioners.
- 7.6. **Year End processing** - Communication is going to employers shortly reminding them of their data requirements and reconciliations needed for the year end 31 March 2024. Revised deficit schedules will also be issued for the uprated lump sum amounts due from some employers in 2024/2025.
- 7.7. **Audit** -The team have recently been reviewed by internal Audit and await the outcome of the review.
- 7.8. Planning has begun for the external audit with most of the work due to commence from the end of June. However planning meetings are already underway.

8. Communications

- 8.1. The following chart shows statistics on the work undertaken by the helpdesk team not covered with the workflow team statistics in **Appendix B**.

	November 2023	December 2023	January 2024
Telephone calls received to helpdesk team	535	397	794
% of calls answered	90%	92%	93%
Emails received to pensions@shropshire.gov.uk	944	613	966
% of emails responded to within 10 working days	100%	100%	100%
My Pension Online activation keys issued	90	47	89
Member updates made through My Pension Online	424	230	432
Opt out requests directly dealt with by helpdesk	30	26	23
Incoming post received and indexed to the pensions administration system	3053	2322	3694
1-2-1 video appointments held with scheme members	20	21	23
Users visiting the website	2824	2120	2947

- 8.2. The number of calls being picked up by the helpdesk is returning to normal levels as the helpdesk is fully staffed. The new helpdesk officer is undergoing training so we expect these figures to improve further once her training is completed.
- 8.3. The fund monitors member take-up of its online area member self-service (MSS), known by members as 'My Pension Online'. The annual benefit statements for both active and deferred members are now available to view on 'My Pension Online' unless a member has requested a paper copy. As at January 224 a total of 51% active members and 43% of deferred members were registered to view their records on 'My Pension Online'.

9. 'Engage'

- 9.1. My Pensions Online is to be replaced by 'Engage' the platform is being updated to help members have a better experience, for logging on and viewing their pension details. The team are currently planning when to move across to the new platform as there will be an implementation process and testing required before we can make it accessible to members. There are areas of functionality within the online portal that the team have not had opportunity to explore and put into place. Following implementation of Engage we will be creating a work plan to prioritise the development of this functionality.

10. Employer performance

- 10.1. In line with the Shropshire County Pension Fund administration strategy, employers must pay their contributions and lump sum deficit payment by the 19th of the month. Accompanying data must also be submitted via i-Connect by this date. The below table shows the percentage of employers who have made payments by the deadline over this quarter. This table also includes information about employers who make monthly deficit lump sum payments.
- 10.2. Information about employers who did not meet these deadlines is covered in the governance report.
- 10.3. The performance of employers is measured mainly by checks on whether information or payments have been received on time. These are recorded on the breaches log when information is received late. The above table only shows 2 elements of information, whereas the log will show all types of information that have not been received.
- 10.4. More information regarding breaches is provided in the Governance report.

	November 2023	December 2023	January 2024
i-Connect data submissions received on time	96.53%	97.22%	99.31%
Monthly contribution payments received on time	97.92%	93.75%	98.61%
Monthly deficit lump sum payments received on time	92.86%	100%	100%

11. SCPF Business Plan 2024-2026

- 11.1 The draft business plan 2024-2026 was presented to the last Pension Committee in December and is now included as a final version for approval by Members incorporating the minor changes requested.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Pensions Committee Meeting December 2023 Pensions Administration Report

Cabinet Member (Portfolio Holder)

N/A

Local Member

N/A

Appendices

Appendix A – Business Plan 2024-2026

Appendix B – Performance Chart