



**Pension Board**  
22 July 2021

**Report from the Director of Finance**

**Pensions Administration Update**

<b>Wards Affected:</b>	ALL
<b>Key or Non-Key Decision:</b>	Non-Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>No. of Appendices:</b>	Two Appendix 1: Annual 20-21 Performance Report Appendix 2: LGPS Active Member Newsletter 2021
<b>Background Papers:</b>	N/A
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	<p>Minesh Patel, Director of Finance 020 8937 4043 <a href="mailto:Minesh.Patel@brent.gov.uk">Minesh.Patel@brent.gov.uk</a></p> <p>Ravinder Jassar, Deputy Director of Finance 020 8937 1487 <a href="mailto:Ravinder.Jassar@brent.gov.uk">Ravinder.Jassar@brent.gov.uk</a></p> <p>Flora Osiyemi, Head of Finance 020 8937 2998 <a href="mailto:Flora.Osiyemi@brent.gov.uk">Flora.Osiyemi@brent.gov.uk</a></p> <p>Sawan Shah, Senior Finance Analyst 020 8937 1955 <a href="mailto:Sawan.Shah@brent.gov.uk">Sawan.Shah@brent.gov.uk</a></p> <p>Saagar Raithatha, Finance Analyst 020 8937 2817 <a href="mailto:Saagar.Raithatha@brent.gov.uk">Saagar.Raithatha@brent.gov.uk</a></p>

## **1.0 Purpose of the Report**

1.1 This report updates the Pension Board on various pensions administration matters as part of its remit to oversee the administration of the Brent Pension Fund.

## **2.0 Recommendation(s)**

2.1 The board is recommended to note the overall report.

## **3.0 Pensions Administration Performance Report**

3.1 The administration of the Brent Pension scheme was transferred to LPP on 1 October 2018. This report reviews the performance of the LPP contract against agreed Service Level Agreements (SLA's) during January to March 2021.

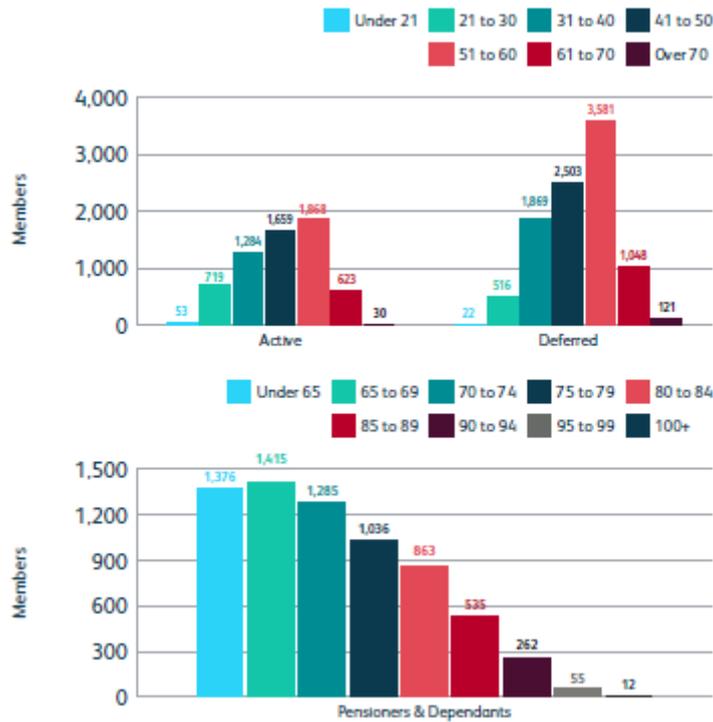
3.2 The Pensions administration team hold monthly meetings with LPP to monitor the performance of the contract looking at both the individual month and trends across months. Full details on the Q4 Annual 20-21 performance report are set out in Appendix 1.

3.3 As of 31 March 2021, the Brent Pension Fund had 22,735 members, which was made up of:

- 6,236 active members
- 6,839 pensioners (including dependants)
- 9,660 deferred beneficiaries.

3.4 Figure 1 shows the current age demographic of the Brent Pension Fund members. This is broken down between active, deferred and pensioner members.

Figure 1:



- 3.5 The percentage of cases processed on time has remained high with a quarterly average of 98.28%. The annual SLA performance was 99.2% which was above the target of 98%.
- 3.6 Figure 2, provides detail on the number of cases that have been processed grouped by category. At the start of the year in April 2021, cases brought forward totalled 2,058 and 1,259 outstanding were cases at the end of March 2021. All categories have seen significant decreases in outstanding cases, notably in the death and retirement categories.

Figure 2:

	Brought Forward at 01/04/20	Completed	Received	Outstanding as of 31/03/21
New Starters	9	1,080	1,100	29
Transfer In	196	387	336	145
Transfer Out	90	393	382	79
Estimate - Individual	31	411	398	18
Deferred Benefits	325	1,663	1,459	121
Deaths	358	792	802	368
Retirements (Immediate)	33	139	197	91
Retirements (Deferred)	333	637	448	144
Refunds	109	623	556	42
Estimates - Employer	13	463	459	9
Correspondence	109	1,528	1,450	31
Aggregation	103	308	251	46
Other (see Definitions – page 3)	349	1,284	1,071	136
<b>TOTALS</b>	<b>2,058</b>	<b>9,708</b>	<b>8,909</b>	<b>1,259</b>

- 3.7 Helpdesk call performance measures the average wait time and calls answered. The Fund had a significant increase in its wait times with performance of 4 minutes 22 seconds in January, 9 minute 43 seconds in February and 11 minutes in March, all of which were above the target time of 4 minutes. The wait times in February and March are largely due to a significant increase in bereavement and retirement cases, resulting in higher volumes of calls and emails received. As a result, LPPA recruited additional staff to its team in order to provide support across all functions. The fund will be working with LPP to understand further details behind the delayed timings with a view to restoring performance over the next quarter. The average calls answered should be 90%. Over the last quarter, 95.7% of calls were answered in January, 89.9% in February and 88.7% in March.
- 3.8 Service improvements delivered involved employer training to clear outstanding year end queries and the launch of the transfer satisfaction survey.
- 3.9 Scheduled updates in the coming months include issuing of the launch of a member video guide and implementation of educational training videos held on the LPPA website.
- 3.10 Since the last Pension Board, 12 new complaint cases have been received. This included 3 new complaints in January, 1 new complaint in February and 8 new complaints in March. Out of the 12 cases, 3 related to delays, 7 related to general service and 1 related to payments made. Brent and LPP are taking action to ensure that these cases are resolved swiftly. However the complex nature of some cases means that this is not always possible. In addition, following the completion of each case, a process is undertaken to ensure any lessons learned are reviewed and consequently, if necessary, processes and procedures will be updated.

3.11 The Pension Regulator (TPR) acknowledges that complete, accurate scheme records are a vital part of the administrative function. The Regulator defines two types of data held in scheme records:

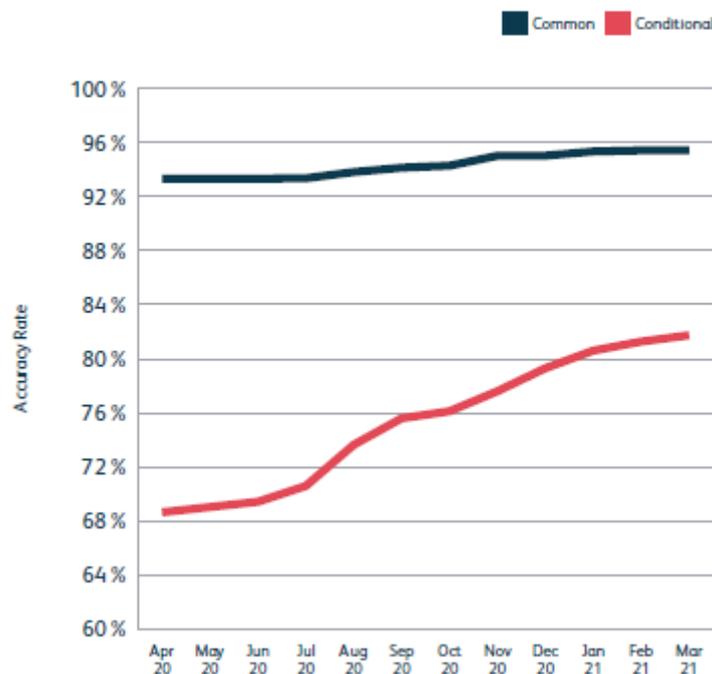
**Common Data** used to identify scheme members and would include names, addresses, national insurance number and date of birth.

**Conditional Data** essential to calculate benefit entitlements such as, member contributions, pensionable pay, service history.

It also encompasses data relating to events that occur during an individual's membership, for example transfers, purchase of additional pension and pension sharing orders. Both types are data that are equally important, but are defined separately for the purposes of measurement and relationship to obligations under the Data Protection Act.

Figure 3 below displays the TPR scores achieved in regards to the accuracy of common and conditional data. As at March 2021, Common data has a total accuracy rate of 95.4% while conditional data has a total accuracy rate of 81.7%, a marked improvement from the previous quarter.

Figure 3:



3.12 The Active Members newsletter will be sent to members during the week commencing 19<sup>th</sup> July and is attached to this report in Appendix 2. This edition provides key updates on topical issues including contribution rates for 2021/22, how a member can increase their pension, the impact of Covid-19 on members' pensions and how to avoid pension scams. The newsletter will be available through

the online portal, My Pension Online, and a direct link will be provided to members who are not registered for the portal.

#### **4.0 Annual Benefit Statements**

- 4.1 It is a statutory responsibility for the scheme manager to issue an annual benefit statement (ABS) to all eligible active and deferred members by 31 August each year.
- 4.2 Scheme employers are required to submit an end of year return in order to be able to produce an ABS. Following submission of the return, employers may be required to respond to queries to clarify any data on the return before an ABS can be produced. It is therefore important that end of year returns are received promptly. Therefore, delays in submission of returns can lead to a risk that the ABS are not issued by the deadline.
- 4.3 Overall, the majority of employers have met the 30<sup>th</sup> April deadline to provide the end of year return. However, at the time of dispatch of this report, 7 employers, which represent 4% of members in the Fund, had not submitted their end of year return. The Fund and LPP are closely monitoring submission of returns and working together with employers to ensure the returns are received promptly.
- 4.4 The Pensions Administration Strategy allows the scheme manager to take action against employers that do not comply with their statutory and legal obligations to the Pension Fund. These actions will be considered should employers not respond to requests for information in a timely manner.

#### **5.0 LPP Business Update**

- 5.1 LPPA has recently been through a procurement exercise for their pension administration system and contracts have been signed with Civica to provide their Universal Pensions Management (UPM) system. The UPM system will replace Altair as well as LPP's workflow management system (CMS), both YourFund employer portals and the My Pension Online member self-service portal. The Project is being delivered by a dedicated team of project managers and ring-fenced project roles to ensure no impact to the day to day performance of the business. It is expected that Go Live for the Brent Pension Fund will be in September 2022. LPP are to provide Brent officers with regular updates in weekly and monthly meetings to ensure successful transfer of administrative systems.
- 5.2 At the previous Pension Board meeting in March 2021, it was reported that LPP would commence work on the Guaranteed Minimum Pensions (GMP) reconciliation project in April 2021. This project will review discrepancies between HMRC's and Brent's data in relation to the GMP reconciliation exercise. LPP are to carry out this work on behalf of the London Borough of Brent. The project will be split into 5 key work streams which will cover amendment of deferred, active and pensioner records where errors are found, correction of duplication of records and revision of pensioner benefits where necessary.

5.3 John Crowhurst, the Commercial Director at LPP will be in attendance at the Pension Board meeting to provide a verbal business update.

**6.0 Financial Implications**

6.1 Not applicable.

**7.0 Legal Implications**

7.1 Not applicable.

**8.0 Equality Implications**

8.1 Not applicable.

**9.0 Consultation with Ward Members and Stakeholders**

9.1 Not applicable.

**10.0 Human Resources**

10.1 Not applicable.

**Report sign off:**

***Minesh Patel***  
Director of Finance