	Pension Board 24 March 2022
	Report from the Director of Finance
Pensions Administration Update	

Wards Affected:	ALL
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	1. Q3 2021-22 Performance Report 2. Project PACE Update 3. LGPC Bulletin – October 2021 4. LGPC Bulletin – November 2021 5. LGPC Bulletin – December 2021 6. LGPC Bulletin – January 2022 7. LGPC Bulletin – February 2022
Background Papers:	N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Minesh Patel, Director of Finance Ravinder Jassar, Deputy Director of Finance Flora Osiyemi, Head of Finance Sawan Shah, Senior Finance Analyst

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 This report reviews the performance of the LPP contract against agreed Service Level Agreements (SLA's) during October to December 2021.

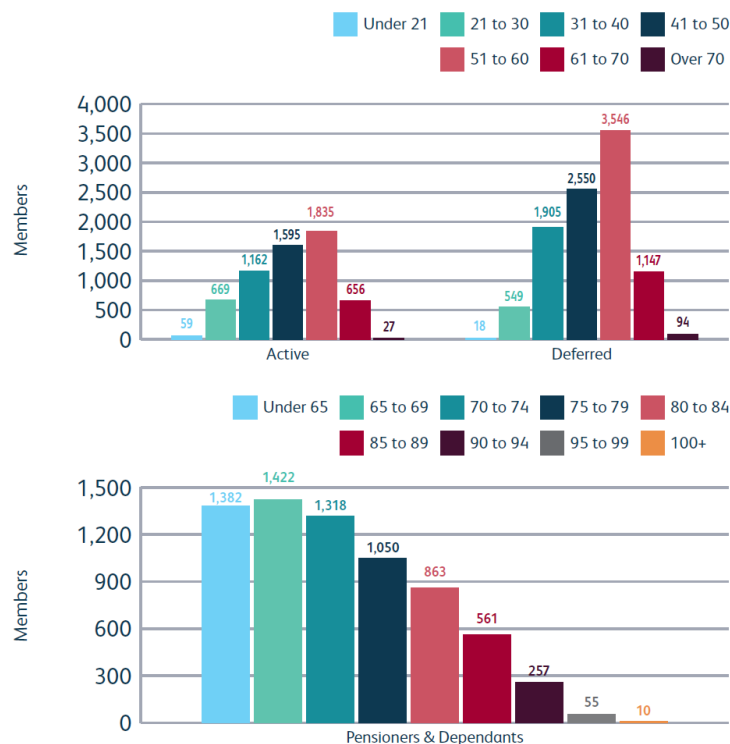
3.2 The Pensions administration team hold monthly meetings with LPP to monitor the performance of the contract reviewing both the individual month and trends across months. Full details on the Q3 2021-22 performance report are set out in Appendix 1.

3.3 As of 31 December 2021, the Brent Pension Fund had 22,730 members, which was made up of:

- 6,003 active members
- 6,918 pensioners (including dependants)
- 9,809 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 This shows that the majority of the working age active members fall into the 31 to 60 age groups while, as would be expected, 51-60 is the banding with the highest number of deferred members. For pensioner and dependant members, the number of members in the under 65, 65 to 69 and 70 to 74 bands is broadly the same. Number of members declines progressively into the older bands.

3.6 The percentage of cases processed on time has remained high with a quarterly average of 99.1%. This is above the 98% target.

3.7 Figure 2, provides detail on the number of cases that have been processed grouped by category. At the start of October, cases brought forward totalled 1,110

and there were 950 outstanding cases at the end of December 2021. Most categories saw decreases in outstanding cases, where there were increases in case numbers these were relatively small.

Figure 2:

	Brought Forward at 01/10/21	Completed	Received	Outstanding as of 31/12/21
New Starters	70	242	213	41
Transfer In	179	98	75	156
Transfer Out	112	140	153	125
Estimate - Individual	17	63	56	10
Deferred Benefits	157	218	204	143
Deaths	210	201	119	128
Retirements (Immediate)*	38	35	37	40
Retirements (Deferred)*	103	106	106	103
Refunds	55	101	107	61
Estimates - Employer	7	38	59	28
Correspondence	24	99	94	19
Aggregation	46	73	59	32
Other (see Definitions – page 3)	92	152	124	64
TOTALS	1,110	1,566	1,406	950

* In Q4 20/21, we trialled a new way of prioritising retirement cases. This resulted in the retirement process being split out into its two component parts 1) the options stage 2) the payment stage. The number of completed cases reported in this table may therefore vary to the number of retirements processed on page 11, which are reported against the SLA. We have since re-designed the workflow so that the two component parts of the process can be handled under the one case type.

- 3.8 Helpdesk call performance measures the average wait time and calls answered. The Fund improved performance in its wait times through the quarter with performance of 3 minutes 59 seconds in October, 3 minutes 29 seconds in November and 3 minute 14 seconds in December. All three months were at or below the target time of 4 minutes. The fund will be working with LPP to understand further details behind the delayed timings. The average calls answered should be 90%. Over the last quarter, 97% of calls were answered in October and November and 96.9% in June. This was considerably above the 90% target across all 3 months.
- 3.9 Service improvements delivered included the launch of the LPPA LGPS member panel, a new monthly Employer bulletin (PensionPulse) was launched with the aim of providing more frequent updates on training and LGA regulatory information, and a new animated video was launched on the website to explain the benefits of defined benefit pension schemes to members.
- 3.10 Scheduled updates in the coming months will be focused on Project PACE with training sessions delivered to phase 1 employers on the new employer portal and the launch of PensionPoint, the new member online portal which is replacing My Pension Online.
- 3.11 Since the last Pension Board, 2 new complaint cases have been received. This included 1 new complaint in November, 1 new complaint in December and zero new complaints in January. Out of the 2 cases, 1 related to delays and 1 related to general service. 1 stage 2 Internal Dispute Resolution Procedure (“IDRP”) complaint was received in November 2021. 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.

3.12 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:

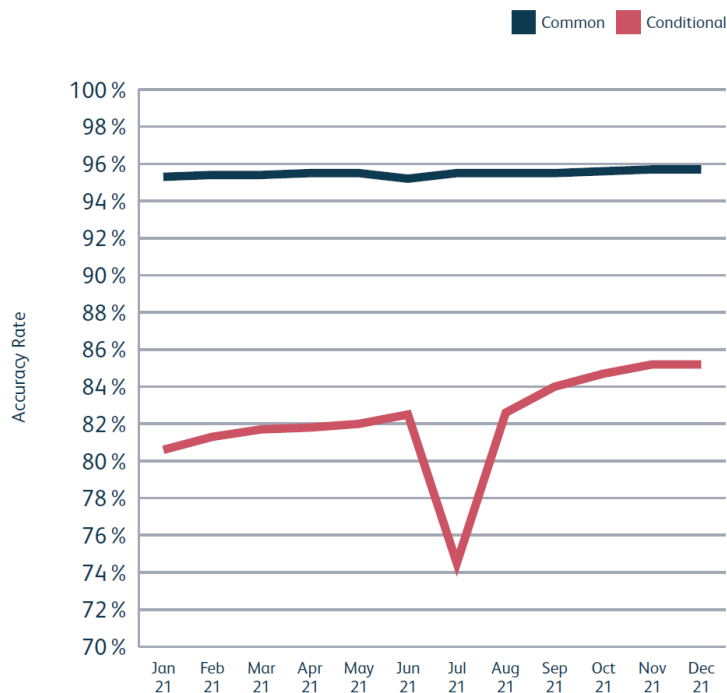
Common Data used to identify scheme members and would include names, addresses, national insurance number and date of birth.

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 December 2021, Common data has a total accuracy rate of 95.6% compared with 95.5% in September while conditional data has a total accuracy rate of 85.2% compared with 84.0% in September.

Figure 3:



4.0 LPP Business Update

4.1 LPPA are introducing a new pension administration system which is made by Civica and called Universal Pensions Management (UPM). The UPM system will replace 5 different systems including Altair, LPP's workflow management system (CMS), both YourFund employer portals and the My Pension Online member self-service portal. The overall project is called project PACE. It is expected that Go Live for the Brent Pension Fund will be in September 2022. LPP are providing Brent officers with regular updates in monthly meetings to ensure successful transfer of administrative systems.

4.2 Updates for this quarter include:

- LPPA successfully went live with 3 clients onto the UPM platform on 26th January 2022 and the 4th client went live on 24th February 2022. Additionally, the member and employer portals are now live.
- Successful implementation includes 67 LPPA operational staff trained and processing work in UPM and 5,225 members have registered successfully to the new member portal, Pension Point.
- There has been a significant increase in the numbers of calls coming into the helpdesk and consequently, there have been an increase in wait times. Visibility of documents (e.g. P60s) has been completed for 1 of the 3 clients, LPPA are planning with Civica how this can be fast tracked for future go-lives.

A full update provided by LPPA is attached in Appendix 2.

4.3 John Crowhurst, the Commercial Director at LPPA will be in attendance at the Pensions Board meeting to provide a verbal business update.

5.0 Data Cleanse Update

5.1 As reported at the previous Pensions Board meetings, the Fund commissioned a separate project to review and resolve outstanding leaver queries.

5.2 The process for clearing the leavers will depend on the case. Options include: using data available through previous end of year returns, contacting the employer to resolve the query, reviewing archives for leaver information or contacting the member for payslip/P60 information.

5.3 1,385 missing leaver queries have been identified as within the scope of the project and the Fund has been receiving regular updates on progress against the project from LPPA. Phase 1 commenced on 12/10/2020 and was completed by 31/03/2021. At the end of phase 1, 695 cases had been resolved leaving 690 cases outstanding.

5.4 As the remaining cases continued to have a material impact on the Fund's TPR data scores and because these queries would impact the triennial valuation in 2022, the Fund commissioned phase 2 of the project to address the remaining cases. The project team includes an experienced member of the administration

team who has relevant experience in handling complex cases. Phase 2 of the project was completed on 22nd February 2022.

- 5.5 Across phase 1 & 2 of the project, a total of 1,219 of the original LB Brent 'missing leaver' errors in scope have been resolved (88%). Of the outstanding 166 cases, 55 are now active cases within "business as usual" and the remaining 111 cases have been passed over to Brent and will be followed up with employers at the 2021-22 year end.

6.0 GMP Project

- 6.1 From 6th April 2016, Contracting-Out Status for pension schemes in the UK ceased. This instigated a reconciliation exercise between HMRC and UK pension scheme administrators to ensure that contracted-out liabilities were recorded correctly across the records of both parties.
- 6.2 LPPA received HMRC's Final Data Cut in August 2020 and the Guaranteed Minimum Pensions (GMP) reconciliation project commenced in August 2021. This project reviewed the final data output from HMRC in relation to the GMP reconciliation exercise on behalf of the London Borough of Brent and carry out the appropriate corrective action on active, deferred and pensioner records.
- 6.3 The total number of cases across all work streams in scope of the project is 1,448. At the closure of the project on 03 February 2022, all 1,448 cases had been reviewed and actioned with remedial action taken where required.

7.0 Re-enrolment

- 7.1 Every three years all employers have a legal duty to assess and re-enrol staff who have left the workplace pension scheme. This is known as 're-enrolment'. Each employer must then submit a re-declaration of compliance to The Pensions Regulator ("TPR") informing them that our legal duties have been met, even if there are no staff to re-enrol. The re-enrolment date for the Brent Pension Fund was selected to be 1 February 2022.
- 7.2 The criteria for assessment and re-enrolment is that the member of staff:
- is over the age of 22 and under State Pension Age;
 - receives an annual salary of £10,000 or greater; and
 - opted out of a pension scheme more than 12 months ago.
- 7.3 The Council contacted maintained schools and their payroll providers about re-enrolment in December 2021 and January 2022 and the requirements to supply data for staff who were not currently in a Pension Scheme. We notified internal staff via Yammer, updates to the Managers Briefing and through a header on the staff intranet homepage informing staff that they may be enrolled.
- 7.4 Challenges faced included that because the Council moved to a new payroll system in October 2021, this was the first time re-enrolment was run in Oracle Cloud. Unfortunately as the data needed to run the reports in Oracle Cloud had

not been migrated from the earlier payroll system, the process had to be undertaken manually. Officers are currently investigating a data cleanse proposal to ensure that this can be rectified for the next re-enrolment date in 2024/25.

- 7.5 Between the Council and the Maintained schools, 316 employees were enrolled into a workplace pension scheme, a further breakdown is shown in the table below:

	Enrolled in Local Government Pension Scheme	Enrolled in Teachers Pension Scheme	Enrolled in NHS Pension Scheme
Brent Payroll	43	16	2
Maintained Schools	177	78	0
Total	220	94	2

- 7.6 At the time of publication of this report, 82 opt out notifications had been received from Brent staff and 48 from maintained schools. These were in the process of being actioned.
- 7.7 The TPR re-declaration of compliance has to be completed by 30 June 2022. Data is currently being collated from the maintained Schools and their payroll providers to complete the re-declaration.

8.0 LGPS Update

- 8.1 The Local Government Association (“LGA”) issues a monthly bulletin containing important updates for all LGPS stakeholders. Bulletins issued since the last pension board meeting have been attached in Appendices 3 to 7.

9.0 Financial Implications

- 9.1 As outlined in section 5 of the report, LPPA have been commissioned to undertake a separate project in order to process historical ‘missing’ leavers. The cost of the project will be in the region of £159k which will be funded from the Brent Pension Fund.
- 9.2 As outlined in section 6 of the report, LPPA have been commissioned to undertake a GMP reconciliation project in order to review and amend records accordingly where differences arise between HMRC and Brent data. The project is scheduled to run for 7 months starting in August 2021 with a cost of £62k which will be funded from the Brent Pension Fund.

10.0 Legal Implications

- 10.1 Not applicable.

11.0 Equality Implications

- 11.1 Not applicable.

12.0 Consultation with Ward Members and Stakeholders

12.1 Not applicable.

13.0 Human Resources

13.1 Not applicable.

Report sign off:

Minesh Patel
Director of Finance