



Pension Board
22 March 2023

**Report from the Corporate Director,
Finance and Resources**

Pensions Administration Update

Wards Affected:	ALL
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	One Appendix 1 - Q3 2022-23 Administration Performance Report
Background Papers:	N/A
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel Corporate Director Finance & Resources 020 8937 4043 (minesh.patel@brent.gov.uk) Ravinder Jassar, Deputy Director of Finance 020 8937 1487 (ravinder.jassar@brent.gov.uk) Sawan Shah, Head of Pensions 020 8937 1955 (sawan.shah@brent.gov.uk)

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.

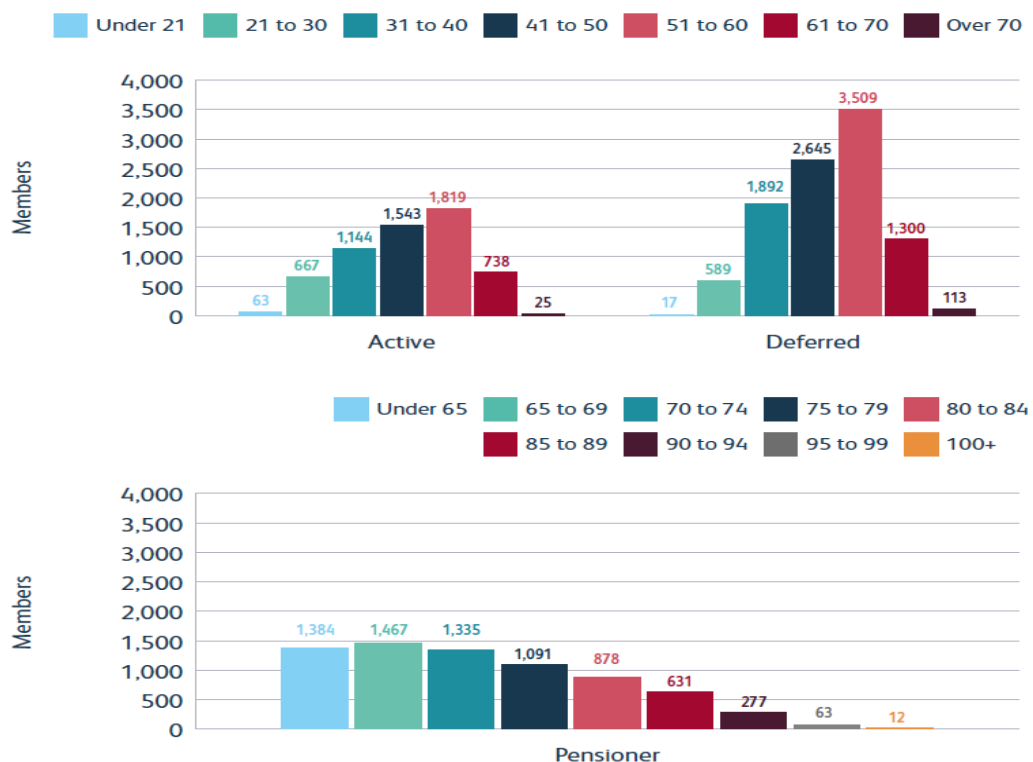
2.0 Recommendation(s)

- 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 2022.
- 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 2022-23 performance report are set out in Appendix 1.
- 3.3 As of 31 December 2022, the Brent Pension Fund had 23,202 members, which was made up of:
- 5,999 active members
 - 7,138 pensioners (including dependants)
 - 10,065 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:

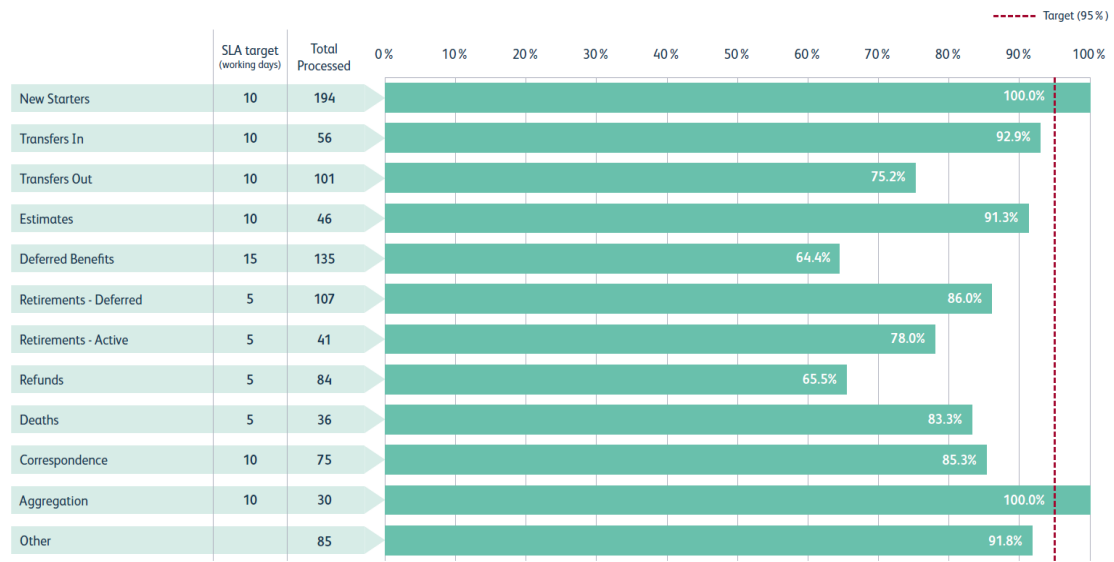


- 3.5 This shows that the majority of the working age active members fall into the 31 to 60 age groups while, as would be expected, 51-60 is the banding with the highest number of deferred members. For pensioner and dependant members, the number of members in the under 65, 65 to 69 and 70 to 74 bands is broadly the same. Number of members declines progressively into the older bands.
- 3.6 The quarterly average percentage of cases processed on time was 84.0%, which is significantly below the usual contractual SLA target of 95% however relaxed

SLAs have been agreed with the Fund during the Universal Pensions Management (UPM) migration period: 90% for payment cases; 70% for other case types. Casework performance for the period was impacted by spikes in work relating to the final Phase 2 Project Pace migrations which included the Brent Fund.

3.7 Figure 2 provides detail on the number of cases that have been processed grouped by category.

Figure 2:



3.8 Helpdesk call performance measures the average wait time and calls answered. The Fund had a significant increase in its wait times through the quarter with performance of 3 minutes 58 seconds in October, 4 minutes 55 seconds in November and 9 minute 2 seconds in December. Therefore the average wait time across the quarter was approximately 6 minutes with the last 2 months of the quarter above the target time of 4 minutes. The increase in wait times is largely due to an increase in volumes of inbound calls and spikes in caseload related to the Project Pace migration.

3.9 Service improvements delivered included the launch of the Help Hub on the LPPA website, a new member help and support section that consolidates all resources (FAQ's, videos, forms and documents, training) into one easily accessible area. The News Hub was launched at the same time, a website page that enables quick and simple access to all LPPA new articles, blogs and research stories.

3.10 The LPPA employer toolkit page which includes access to content for internal emails, posters and intranet articles was made available to help all employers communicate the benefits of the PensionPoint member portal to their members in the workplace.

3.11 Scheduled updates in the coming months will be focused on encouraging members to register for PensionPoint and employer training sessions will continue with a focus on monthly returns and navigating the UPM employer portal

- 3.12 Since the last Pension Board, 13 new complaint cases have been received. This included 4 new complaints in November, 7 new complaints in December and 2 new complaints in January. Out of the 13 cases, 6 related to delays, 6 related to general service and 1 related to payments. No Internal Dispute Resolution Procedure (“IDRP”) complaints were received. 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.
- 3.13 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 2022, Common data has a total accuracy rate of 96.6% compared with 96.8% in September while conditional data has a total accuracy rate of 86.0% compared with 86.3% in September.

Figure 3:

COMMON DATA CLIENT SPECIFIC

Data Item	Active	Deferred	Pensioner / Dependent
Invalid or Temporary NI Number	2	79	24
Duplicate effective date in status history	0	0	3
Gender is not Male or Female	0	0	0
Duplicate entries in status history	5	24	15
Missing (or known false) Date of Birth	0	0	0
Date Joined Scheme greater than first status entry	7	0	4
Missing Surname	0	0	0
Incorrect Gender for members title	0	0	0
Invalid Date of Birth	5	0	0
No entry in the status history	0	0	0
Last entry in status history does not match current status	5	0	0
Member has no address	20	525	32
Missing Forename(s)	0	6	1
Missing State Retirement Date	0	0	0
Missing postcode	21	567	58
Missing Date Joined Pensionable Service	0	0	0
Total Fails	65	1,201	137
Individual Fails	43	652	94
Total Members	5,999	10,065	7,138
Accuracy Rate	99.3%	93.5%	98.7%
Total accuracy rate			96.6%

CONDITIONAL DATA CLIENT SPECIFIC

Data Item	Fails
Divorce Records	0
Transfer In	113
AVC's/Additional Contributions	25
Deferred Benefits	2
Tranches (DB)	0
Gross Pension (Pensioners)	58
Tranches (Pensioners)	0
Gross Pension (Dependants)	66
Tranches (Dependants)	70
Date of Leaving	17
Date Joined Scheme	20
Employer Details	3
Salary	235
Crystallisation	218
Annual Allowance	168
LTA Factors	95
Date Contracted Out	1,244*
Pre-88 GMP	469
Post-88 GMP	528
Total Fails	3,331
Individual Fails	3,249
Total Members	23,202
Accuracy Rate	86.0%

* Date Contracted Out will be migrated to UPM in February.

4.0 LPP Business Update

4.1 LPPA have introduced a new pension administration system which is made by Civica and called Universal Pensions Management (UPM). The UPM system replaced 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. The Brent Fund went live on 11th November 2022.

4.2 Updates for this quarter include:

- LPPA has successfully migrated all 18 clients on to the UPM platform.
- Performance has been impacted due to spikes in work created by the phase 2 migrations and a project has been launched to ensure that performance is returned to targets as soon as possible.
- 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.
- Monthly returns: employers will be required to submit monthly returns from May 2023, following the submission of their final annual return for 2022/23 in April. Training sessions for employers covering both the monthly and annual returns are available on the LPPA website.

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 LPP Business Update

5.1 The Fund held an Employers Forum on 23rd November 2022 which all fund employers and their payroll providers were invited to attend. Presentations were received from:

- Officers covering developments since the last employers forum in 2019, including investment performance, data quality and employer responsibilities.
- The Fund Actuary, Hymans Robertson, covering the 2022 valuation, the assumptions used, changes since the last valuation, employer level results and next steps.
- LPPA covering an overview of pensions administration, employer statutory requirements, improving member experience and the introduction of monthly returns.

6.0 External Payroll Providers

- 6.1 Most schools in the borough use 3rd party payroll providers, therefore the Council needs to receive data on a timely basis from payroll providers in order to fulfil its pensions responsibilities. Over the last few months, officers have been concerned about a particular payroll provider that is used by many of Brent's schools causing issues across the LGPS and Teachers' Pensions.
- 6.2 The issues the Council has faced include non receipt of data returns by the relevant deadlines, errors on data returns and inability to resolve such issues due to a lack of communication.
- 6.3 The Council has written to schools in the borough who make use of this payroll provider's services to highlight the need to ensure their payroll provider is fulfilling all their responsibilities and ensure that appropriate contract management is taking place. The Council has also highlighted the consequences of the issues including interest charges, the inability to update member pension records and the potential for incorrect pension calculations. The Council is aware that some schools have reviewed their arrangements with the provider and have elected to move to another provider in the coming months.
- 6.4 This issue has also caused issues in relation to the audit of the Council's Teachers' Pensions End of year certificate 2021/22 which has been brought to the attention of the Council's Audit and Standards Advisory Committee. Sign-off of the certificate has been delayed beyond the deadline of 30 November 2022 due to delays in receiving evidence requested by the external auditors from the payroll provider.
- 6.5 Officers have expressed these concerns to the payroll provider and are engaging with them on a regular basis to ensure performance improves and that they fulfil their contractual obligations on behalf of the schools they provide services to.

7.0 Financial Implications

- 7.1 Not applicable.

8.0 Legal Implications

- 8.1 Not applicable.

9.0 Equality Implications

9.1 Not applicable.

10.0 Consultation with Ward Members and Stakeholders

10.1 Not applicable.

11.0 Human Resources

11.1 Not applicable.

Report sign off:

Minesh Patel
Director of Finance