	<b>Pension Board</b> 24 July 2023
	<b>Report from the Corporate Director,          Finance and Resources</b>
<b>Pensions Administration Update</b>	

<b>Wards Affected:</b>	ALL
<b>Key or Non-Key Decision:</b>	Non-Key
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
<b>No. of Appendices:</b>	Two: Appendix 1 - Q4 2022-23 Performance Report Appendix 2 - Brent Pension Fund Administration Report - Annual Appendix
<b>Background Papers:</b>	N/A
<b>Contact Officer(s):</b> (Name, Title, Contact Details)	Minesh Patel, Corporate Director, Finance and Resources <a href="mailto:minesh.patel@brent.gov.uk">minesh.patel@brent.gov.uk</a> 020 8937 4043  Ravinder Jassar, Deputy Director of Finance <a href="mailto:ravinder.jassar@brent.gov.uk">ravinder.jassar@brent.gov.uk</a> 020 8937 1487  Sawan Shah, Head of Pensions <a href="mailto:sawan.shah@brent.gov.uk">sawan.shah@brent.gov.uk</a> 020 8937 1955

## 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 LPPA contract against agreed Service Level Agreements (SLA's) during January to March 2023.

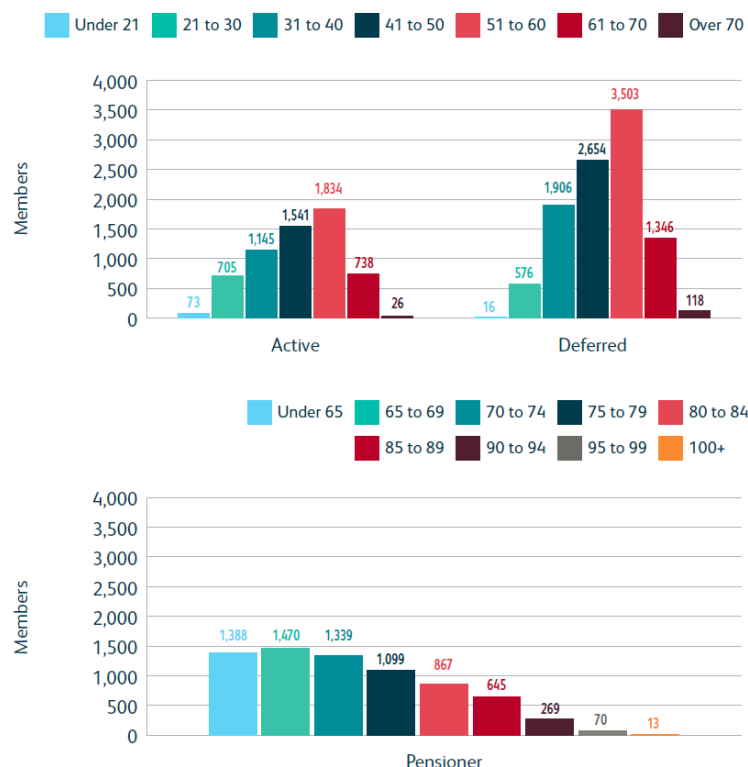
3.2 Overall, the service delivered by LPPA continued to have challenges through the final quarter of 2022/23 – LPPA have acknowledged this and are committed to improving their service. The Pensions administration team hold monthly meetings with LPP to monitor the performance of the contract looking at both the individual month and trends across months. Full details on the Q4 2022-23 performance are set out in Appendix 1. The annual summary for the 2022-23 year is attached in Appendix 2.

3.3 As of 31 March 2023, the Brent Pension Fund had 23,341 members, which was made up of:

- 6,062 active members
- 7,160 pensioners (including dependants)
- 10,119 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:



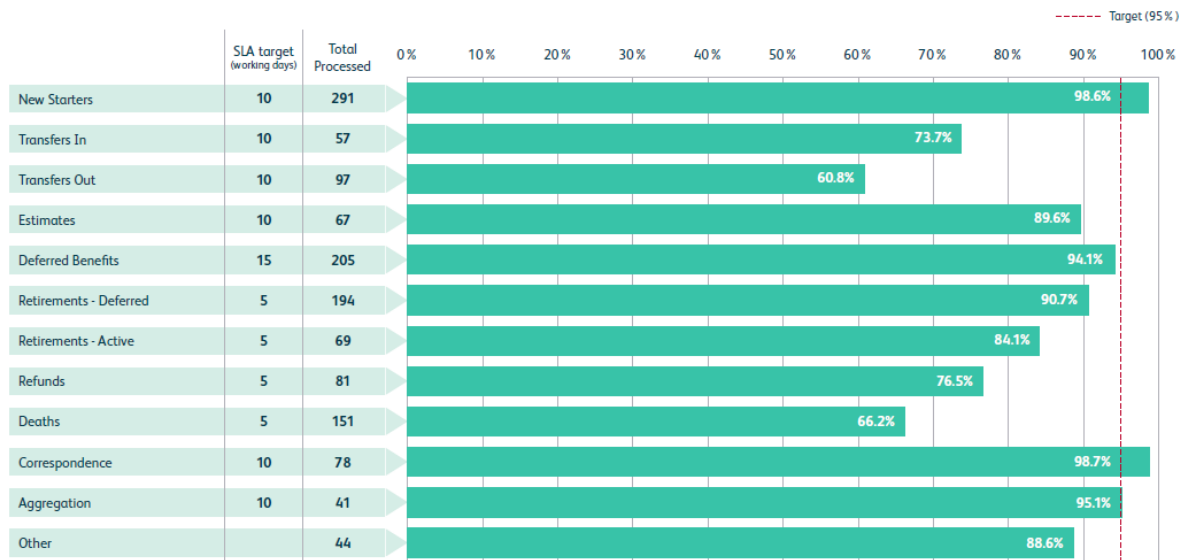
3.5 This shows that the majority of the working age active members fall into the 31 to 60 age groups while, as would be expected, 51-60 is the banding with the highest number of deferred members. For pensioner and dependant members, the number

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 86.7%, which is below the contractual SLA target of 95% however relaxed SLAs were agreed with the Fund during the Universal Pensions Management (UPM) migration period up to end of January 2023: 90% for payment cases; 70% for other case types. Casework performance for the period was impacted as the casework teams clear the spikes in work relating to the final Phase 2 Project Pace migrations which included the Brent Fund. LPPA are working to a plan to return performance to within the contractual SLA by end of September 2023 at the latest.

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 with performance of 10 minutes 29 seconds in January, 10 minutes 4 seconds in February and 6 minutes 19 seconds in March, all of which were above the target time of 4 minutes. The wait times across all three months is largely due to an increase in volumes of inbound calls.

3.9 The Helpdesk implemented a new call handling system in March which allows improved call routing. As a result, LPPA are able to train additional Helpdesk advisors more quickly and reduce the average wait time. Initial data from April and May 2023 shows that helpdesk call wait times are now near the target time of 4 minutes.

3.10 The average calls answered should be 95%. Over the last quarter, 89.4% of calls were answered in January, 90.0% in February and 92.9% in March.

- 3.11 Employer and member engagement activity delivered for the quarter included developments on the website for topics including new joiners<sup>1</sup>, retirement guide for leavers<sup>2</sup> and member contribution rates for 23/24<sup>3</sup>. Several bite-sized video FAQs<sup>4</sup> were developed to help answer some of the more popular member questions, including opting out, and information on the 50:50 option. FAQ's were added to the LPPA website, following the Spring Budget.
- 3.12 Scheduled updates in the coming months include Annual Benefit Statements (ABS) scheduled for delivery in line with statutory deadlines (by the end August), and the summer newsletter for active and deferred members will be issued.
- 3.13 Since the last Pension Board, 33 new complaint cases have been received. This included 10 new complaints in February, 8 new complaints in March, 7 new complaints in April and 8 new complaints in May. Out of the 33 cases, 17 related to delays, 15 related to general service and 1 payment. It is acknowledged that levels of complaints are high compared to the historical average and this is due the challenges in performance following the system migration.
- 3.14 No Internal Dispute Resolution Procedure ("IDRP") complaints were received during the period and one IRDP case was concluded. 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.
- 3.15 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 31 March 2023, Common data has a total

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<sup>1</sup> <https://www.lppapensions.co.uk/new-to-the-scheme/>

<sup>2</sup> <https://www.lppapensions.co.uk/employers/guides-to-leavers/retirement/>

<sup>3</sup> <https://www.lppapensions.co.uk/employers/employer-essentials/employer-responsibilities/contributions/>

<sup>4</sup> <https://www.youtube.com/@LPPAdministration/videos>

accuracy rate of 96.5% compared with 96.6% in December while conditional data has a total accuracy rate of 89.6% compared with 86.0% in December.

Figure 3:

COMMON DATA				CLIENT SPECIFIC			
Data Item	Active	Deferred	Pensioner / Dependant				
Invalid or Temporary NI Number	3	78	24				
Duplicate effective date in status history	0	8	9				
Gender is not Male or Female	0	0	0				
Duplicate entries in status history	10	33	20				
Missing (or known false) Date of Birth	0	0	0				
Date Joined Scheme greater than first status entry	10	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	2	0	0				
Last entry in status history does not match current status	13	6	1				
Member has no address	22	527	32				
Missing Forename(s)	0	6	1				
Missing State Retirement Date	0	0	0				
Missing postcode	22	570	57				
Missing Date Joined Pensionable Service	1	0	0				
<b>Total Fails</b>	<b>88</b>	<b>1,228</b>	<b>148</b>				
<b>Individual Fails</b>	<b>62</b>	<b>667</b>	<b>99</b>				
<b>Total Members</b>	<b>6,062</b>	<b>10,119</b>	<b>7,160</b>				
<b>Accuracy Rate</b>	<b>99.0%</b>	<b>93.4%</b>	<b>98.6%</b>				
<b>Total accuracy rate</b>				<b>96.5%</b>			

CONDITIONAL DATA		CLIENT SPECIFIC	
Data Item	Fails		
Divorce Records	0		
Transfer In	105		
AVC's/Additional Contributions	25		
Deferred Benefits	8		
Tranches (DB)	0		
Gross Pension (Pensioners)	56		
Tranches (Pensioners)	0		
Gross Pension (Dependants)	78		
Tranches (Dependants)	78		
Date of Leaving	163		
Date Joined Scheme	167		
Employer Details	3		
Salary	219		
Crystallisation	280		
Annual Allowance	152		
LTA Factors	99		
Date Contracted Out	5		
Pre-88 GMP	699		
Post-88 GMP	532		
<b>Total Fails</b>	<b>2,669</b>		
<b>Individual Fails</b>	<b>2,420</b>		
<b>Total Members</b>	<b>23,341</b>		
<b>Accuracy Rate</b>	<b>89.6%</b>		

3.16 The Spring 2023 Newsletter for retired members has been published and is available on the LPPA website<sup>5</sup>. The edition provides updates on pension increases, 2023 pay dates, member stories about health and wellbeing in retirement and information on the benefits of using PensionPoint.

#### 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 To support Fund employers with the submission of their year end return, 2 year end training sessions were held in April with a further 2 sessions held in May. Email communications were also sent to employers in advance of the deadline and after the deadline to those employers who were yet to submit their returns.

4.4 Fortnightly reports have been issued to Fund officers to update on training attendance and the submission of the annual return. At the time of dispatch of this report the latest report showed that, 13 employers, which represent 5% of members in the Fund, had not submitted their end of year return. While this number

<sup>5</sup> <https://www.lppapensions.co.uk/news-hub/member-newsletters/retired-member-newsletter-2023/>

is higher than the Fund would want, it is a significant improvement from last year. The Fund and LPP are closely monitoring submission of returns and working together with employers to ensure the returns are received promptly. Fund officers are now in the process of escalating to senior management of employers (CEO/CFO, Headteachers and Governors/trustees) where returns are still outstanding and providing support to employers where required.

- 4.5 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 Regulatory Projects**

- 5.1 The Pensions Board has previously received updates on the McCloud case, an age discrimination court case involving the transitional protection arrangements introduced as part of the 2014 reforms of public sector pension schemes including the LGPS.
- 5.2 In 2020, the government issued a consultation to remedy age discrimination in the LGPS. On 30 May 2023, DLUHC issued a further Consultation “McCloud’ remedy in the LGPS – supplementary issues and scheme regulations’ together with draft Regulations for the whole ‘McCloud’ remedy. This Consultation closed on 30 June 2023. It is intended these Regulations come into force on 1 October 2023.
- 5.3 LPPA continue to work alongside the UPM system provider Civica to develop and implement functionality for the remedy throughout 2023. LPPA has also issued emails to employers in relation to data requirements for the McCloud exercise.
- 5.4 The pensions dashboard has been paused until further notice by Department of Work and Pensions to allow a more achievable timeline for the platform to be established.
- 5.5 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