



**Pension Board**  
25 March 2024

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

## **Pension Administration Update**

<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>List of Appendices:</b>	1: Appendix 1 – Quarter 3 Brent Pension Fund Administration Report
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> (Name, Title, Contact Details)	Minesh Patel, Corporate Director, Finance and Resources minesh.patel@brent.gov.uk 020 8937 4043  Ravinder Jassar, Deputy Director of Finance ravinder.jassar@brent.gov.uk 020 8937 1487  Sawan Shah, Head of Finance sawan.shah@brent.gov.uk 020 8937 1955  John Smith, Pensions Manager john.smith@brent.gov.uk 020 8937 1985

### **1.0 Executive Summary**

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

### **2.0 Recommendation(s)**

2.1 The board is asked to note the report.

### **3.0 Detail**

3.1 This report reviews the performance of the LPPA against agreed Service Level Agreements (SLA's) during the period October to December 2023 (Quarter 3) augmented by the interim report for January 2024.

### **3.2 Contribution to Borough Plan Priorities & Strategic Context**

3.2.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

### **3.3 Background**

3.3.1 It is important to note that the Local Pensions Partnership (LPP) has migrated both its pension administration system and its workflow system to UPM.

3.3.2 This is an extremely complex and resource consuming process that would disrupt any pension administration team and it will inevitably impact on service delivery. The comments below should be viewed through the lens of this migration.

3.3.3 The service delivered by the LPP has fallen below the standards they set themselves and they are committed to improving their performance. The Pension Administration Team (PAT) hold monthly meetings with the LPP to monitor their performance in individual months and against trends across several months.

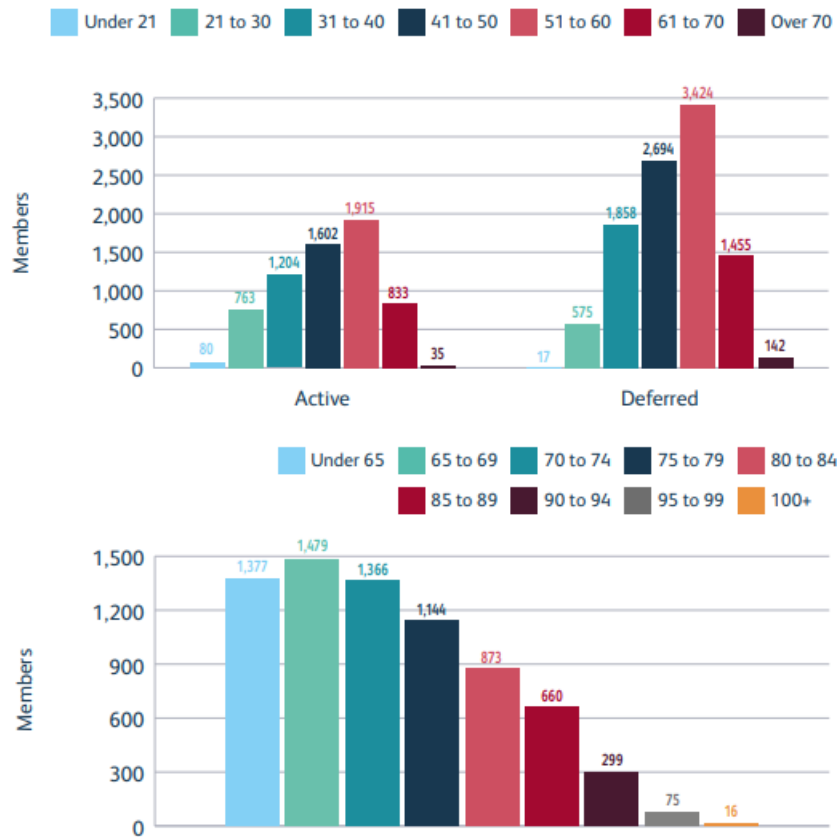
#### **LPPA Quarter 3 performance report**

3.3.4 Brent Pension Fund had 23,886 members at 31 December 2023 of which:

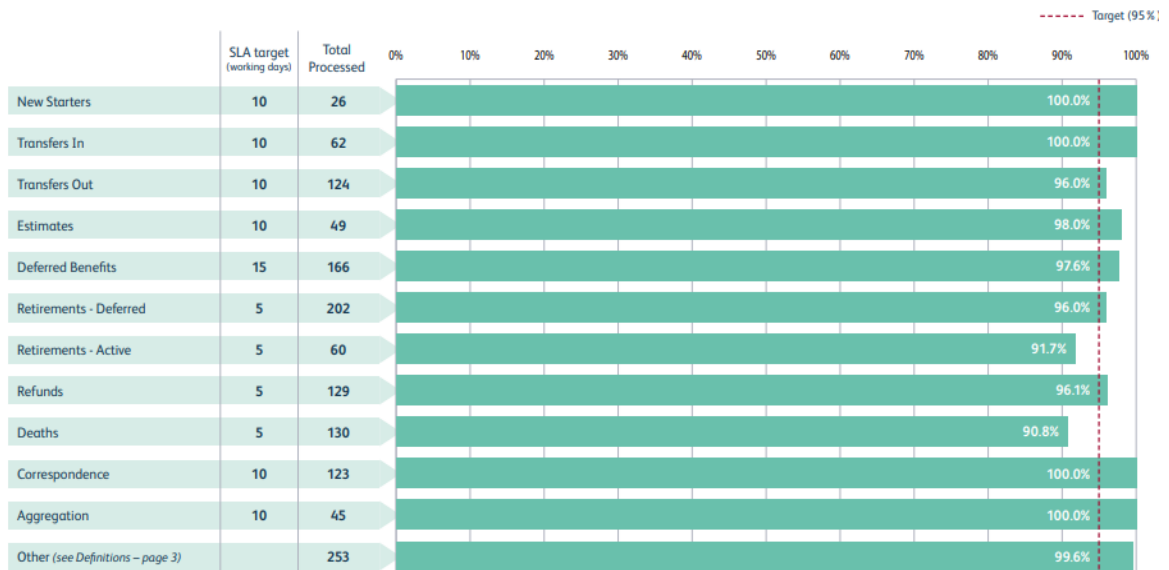
- 6,432 were active members
- 10,165 were deferred members, and
- 7,289 were pensioner and dependant members.

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

**CURRENT AGE DEMOGRAPHIC** CLIENT SPECIFIC



- 3.3.6 This shows that the most of working age active members fall into the 31 to 60 age groups while, as would be expected, 51-60 is the cohort with the highest number of deferred members.
- 3.3.7 For pensioner and dependant members, the numbers in the 65-75 banding are broadly the same before progressively declining gently with age.
- 3.3.8 Although the average percentage of cases processed on time was only 87.8% in October, it subsequently improved to 96.8% in November and 96.9% in December, plateauing at 97.0% for the third quarter on average.
- 3.3.9 Figure 2 provides detail on the number of cases that have been processed grouped by category.



3.3.10 The Casework metric shows that performance was largely good, apart from retirements from active status (91.7%) and deaths (90.8%). The Fund is disappointed with performance in relation to retirements and deaths because they should be the LPPs top priorities, and these processes should not be underperforming the less critical work. Officers have raised these concerns with the LPPA in reports for the Local Pension Board, at our regular performance monitoring meetings and at the Client Forum.

3.3.11 The Helpdesk call performance graphic measures the average wait time and calls answered. During the third quarter, the number of calls received remained largely unchanged from the previous three months and the average wait time fell to under 3 minutes, which is under the target time of 4 minutes.

3.3.12 Call times of over 15 minutes decreased to almost 0%, with 10-15 minute time ranges on a downward trend, although nearly 20% of callers still waited between 5 and 15 minutes for a reply.

3.3.13 Overall Helpdesk satisfaction did increase to 67% on average over the third quarter, however this would suggest that the overall improvement in the time taken to answer calls has been achieved at the expense of quality.

## Complaints

3.3.14 Since the last Pension Board, 27 new complaint cases have been received at a rate of 5.4 per month. This represents a slight decrease in the number of complaints per month from the 7.3 complaints per month recorded at the last Board meeting. The number of complaints received by month and analysed by case type is shown in table 2 below. It is acknowledged that levels of complaints are high compared to the historical average and this is due to the challenges in performance following the system migration.

Table 2: complaints received by month:

<b>Month</b>	<b>Delays</b>	<b>General Service</b>	<b>Total</b>
September 23	2	0	2
October 23	4	4	8
November 23	1	5	6
December 23	1	4	5
January 24	0	6	6
<b>Total</b>	<b>8</b>	<b>19</b>	<b>27</b>

3.3.15 One Internal Dispute Resolution Procedure (“IDRP”) complaint was received in December. Brent and LPP take 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.

### **The interim performance report for January 2024**

3.3.16 The LPP performance metrics for this period are variable, and the four areas reported on were as follows:

#### Retirements from active status

3.3.17 The LPP completed 92.9% in January. The performance has been uneven and has generally lagged below in the SLA target of 95.0%.

#### Retirements from deferred status

3.3.18 This process has maintained a steady decline, with a performance of 92.6% in January.

#### Bereavements

3.3.19 The LPPs performance has been challenging and it achieved 100% in January. This is a significant improvement over the 91.8% figure for the previous period.

#### Overall performance

3.3.20 Marginal declines in overall performance are to be expected from time to time; however, it is worth noting that the LPP is achieving better statistics in routine processes across the board than they are in the handful of key processes that they report on. Overall operational casework performance was 97.7% against the overall service level agreement (SLA).

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

### **Employers Forum**

3.3.22 The Fund and LPPA held a joint Employers Forum on 23 November 2023 which all fund employers and their payroll providers were invited to attend. Presentations were received from:

- LPPA covering improvements to the UPM employer portal, regulatory and technical update including McCloud and Pensions Dashboard, joiners & leavers and employer discretions.
- Officers at Brent covering pensions administration strategy, contributions and data requirements.

## **Internal Audit**

3.3.23 An Internal Audit of the Pension Fund's arrangements regarding the monitoring of the pensions administration contract and the collection of pension contributions was carried out during Q4 2023.

3.3.24 The objective of the audit is to provide assurance on the effectiveness and robustness of the control framework for the Council's arrangements for the pensions' contributions management process reviewing controls in relation to Roles and responsibilities and monitoring of the SLA, contribution data – employer and employee, contribution receipts and, monitoring and reporting.

3.3.25 During the audit, internal audit identified a number of examples of good practice including:

- There is a clear and up to date Pension Administration Strategy in place
- Where contributions data returns were not received on time, this was followed up with the employer by a member of the in-house pensions team.
- The Council maintains oversight of the services provided by London Pension Partnership Administration (LPPA) via monthly meetings and reports received from LPPA, detailing their operational performance against agreed targets.
- On a quarterly basis, Performance Reports on the Fund's performance is shared with the Council.
- Pensions Board meetings are held three times a year, during which the administration performance of the Council's Pension Fund is reported to the Board by the Head of Finance, with LPPA also in attendance.

3.3.26 No critical, high or low risk issues were identified during the audit. There was one medium risk identified which related to late submissions of monthly contribution returns by employers/ payroll providers and where repercussions outlined within the Pension Administration Strategy were not followed through.

3.3.27 The scheme manager is aware of the risk identified and actions have been taken to address the issue. Our preferred approach is to engage with employers where data is not received on time. In particular, we identified significant problems with a specific payroll provider and officers have 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. In response, many schools have elected to move to another provider.

#### **4.0 Stakeholder and ward member consultation and engagement**

4.1 This is not applicable to this report.

#### **5.0 Financial Considerations**

5.1 There are no specific financial implications associated with this report.

#### **6.0 Legal Considerations**

6.1 There are no specific legal considerations arising from this report.

#### **7.0 Equity, Diversity & Inclusion (EDI) Considerations**

7.1 There are none directly arising from this report.

#### **8.0 Climate Change and Environmental Considerations**

8.1 There are none directly arising from this report.

#### **9.0 Human Resources/Property Considerations (if appropriate)**

9.1 There are none directly arising from this report.

#### **10.0 Communication Considerations**

10.1 None that are applicable to this report.

**Report sign off:**

***Minesh Patel***

Corporate Director, Finance and Resources