



Pension Board
3 September 2024

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

Pension 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
List of Appendices:	Three Appendix 1: Q1 2024/25 Brent Pension Fund – Quarterly Administration Report Appendix 2: Q4 2023/24 Brent Pension Fund – Quarterly Administration Report Appendix 3: Payroll onboarding timeline
Background Papers:	Not applicable
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel, Corporate Director, Finance and Resources 020 8937 minesh.patel@brent.gov.uk Amanda Healy, Deputy Director of Finance 020 8937 5912(amanda.healy@brent.gov.uk) Sawan Shah, Head of Finance 020 8937 1955 (sawan.shah@brent.gov.uk) John Smith, Pensions Manager 020 8937 1985 (john.smith@brent.gov.uk)

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 Local Pensions Partnership Administration (LPPA) against agreed Service Level Agreements (SLA's) during the period April to June 2024 (Quarter 1).

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 LPPA have migrated both its pension administration and workflow systems to UPM.

3.3.2 Although migration was very disruptive initially, LPPA should have adjusted to the new system by now and it should be business as usual.

3.3.3 The figures reported have improved significantly; however, it should be noted that the LPPA only reports on the cases it is able to complete, not the volume of work it receives.

3.3.4 Brent is liaising with the LPPA to develop enhanced performance metrics that should benefit everyone.

3.3.5 Overall, the service is getting better but there are still areas where there is room for improvement.

3.4 LPPA Quarter 1 performance report

3.4.1 Brent Pension Fund had 24,247 members on 30th June 2024 of which:

- 6,645 were active members,
- 10,149 were deferred members, and
- 7,453 were pensioner and dependant members.

3.4.2 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:



- 3.4.3 This shows that most of the working age active members fall into the 35 to 60 age groups while, as would be expected, 35-60 is the cohort with the highest number of deferred members.
- 3.4.4 For pensioner and dependant members, the numbers in the 65-75 banding are broadly the same before progressively declining gently with age.
- 3.4.5 The number of deferred pensioners is disproportionately high and may indicate a backlog of intra-fund transfers (members moving within the fund whose pension benefits have not been aggregated) and, possibly, backlogs in other areas.
- 3.4.6 The average percentage of cases processed on time was reported as 98.5% April, 98.6% May and 99.0% in June.
- 3.4.7 Figure 2 provides detail on the number of cases that have been processed grouped by category.

Figure 2:



3.4.8 An important aspect of pensions administration is how the administrators respond to difficult complaints. The LPPA's performance in this area has been good with key officers such as the Operations Manager and the Technical Manager taking ownership of the complaints and resolving them promptly.

3.4.9 The Casework performance metric shows that performance was good but there is an underlying backlog of 1,936 cases. This is too high for a fund the size of Brent and it needs to be steadily reduced.

3.4.10 The Helpdesk call performance graphic measures the average wait time and calls answered. During the quarter wait times were 3 minutes 22 seconds in April, 1 min 40 seconds in May and 2 mins 4 seconds in June. The performance was generally good, although over a fifth (21.8%) of calls missed the four-minute target.

3.4.11 Overall, two thirds of Help Desk callers (67%) were satisfied and a twelfth (8.4%) were dissatisfied.

3.4.12 The performance report for the previous period, January to March 2024, is attached in Appendix 2.

3.5 Complaints

3.5.1 Since the last Pension Board, 38 new complaint cases have been received at a rate of 7.6 per month. The number of complaints received during the quarter is analysed by case type as shown in table 2 below. It is acknowledged that levels of complaints are high compared to the historical averages, but they are gradually falling.

Table 2: complaints received by month:

Month	Delays	General Service*	Total
February 24	0	13	13
March 24	0	9	9
April 24	1	6	7
May 24	1	4	5
June 24	3	1	4

**General Service includes four payroll complaints although the Pensions Payroll is currently administered in-house.*

3.5.2 No Internal Dispute Resolution Procedure (“IDRP”) were received in the quarter and one outstanding case was determined, and was upheld. Brent and LPPA take action to ensure that IDRP cases are resolved swiftly, however, the complex nature of some cases means that this is not always possible to do so. Each case is reviewed following completion to ensure any lessons are learned and, if necessary, processes and procedures are amended.

3.6 Annual benefit statements (ABS)

3.6.1 It is a statutory requirement for the scheme manager to issue an Annual Benefit Statement (ABS) to all eligible active and deferred members by 31 August each year.

3.6.2 Scheme employers are required to submit monthly returns within agreed timescales to enable LPPA to produce an ABS. After submitting their returns, employers may be required to respond to queries on the return before an ABS can be produced. It is therefore important that monthly returns are received promptly as delays may result in ABS not being issued by the deadline.

3.6.3 Employer training sessions were delivered for monthly returns to support them in submitting their returns and resolving queries. Various email communications were sent to employers in advance of the deadline and after the deadline to any employers who failed to submit their returns.

3.6.4 The Fund moved to monthly returns in April 2023 and all the active employers were up to date, save four. The four who were unable to submit monthly returns submitted annual returns. A lot of work has gone into promoting monthly returns over the course of the year and officers believe that the Fund is in a better position than it was last year.

3.6.5 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.

3.7 Pensions Payroll Migration

3.7.1 General Purposes Committee approved to extend the existing shared service arrangements for pensions administration to include pensions payroll in April and work has now started to move from Brent's Oracle payroll to LPPA's UPM payroll. This will facilitate the end-to-end processing of calculation of pension benefits and payment of pensions to be carried out on the same system and negate the issues experienced over many years with having maintain data across two systems.

3.7.2 From a member's perspective, an integrated pension payroll and pension administration system will enable an improved service and all administration related to pensions will be contained within a single team and all pensioner data will be visible on the existing PensionPoint portal.

3.7.3 Updates on the project:

- Agreements on the project initiation and data sharing have been signed.
- The key service design principles including payment dates, methods and processes for overseas payments, deductions and payslips have been agreed.
- Brent General Ledger reporting requirements have been provided to LPPA.
- In June 2024, a payroll file provided by Brent was matched against UPM pension member records and the pre-migration data cleanse is on-going with priority given to cases where there was no match or members with multiple employments.
- Payroll data extracts for the first parallel run have been provided.

3.7.4 The project is being managed a dedicated project manager at LPPA, who is working closely with Brent pension and payroll team officers, LPPA teams and Civica. Weekly project meetings are being held to discuss tasks in progress, upcoming deadlines/tasks, risks, issues and dependencies. The high-level project timetable is attached in Appendix 3.

4 Stakeholder and ward member consultation and engagement

4.1 This is not applicable to this report.

5 Financial Considerations

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

6 Legal Considerations

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

7 Equality, Diversity & Inclusion (EDI) Considerations

7.1 There are none directly arising from this report.

8 Climate Change and Environmental Considerations

8.1 There are none directly arising from this report.

9 Human Resources/Property Considerations (if appropriate)

9.1 There are none directly arising from this report.

10 Communication Considerations

10.1 None that are applicable to this report.

Report sign off:

Minesh Patel

Corporate Director, Finance and Resources