

PENSIONS ADMINISTRATION MONITORING REPORT

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1. Synopsis

- 1.1. The report provides members with monitoring information on the performance of and issues affecting the pensions administration team.

2. Executive summary

- 2.1. Detail is provided on team workloads and performance, and projects currently being undertaken, including McCloud, Dashboards, Annual Benefit Statement production, Pension Saving Statements and The Pensions Regulator new code checklist.

3. Recommendations

- 3.1. Members are asked to accept the position as set out in the report.
- 3.2. Members are asked to approve the updates to the fund's business plan (appendix C) and note the progress for key activities from the business plan (appendix D)

REPORT

4. Risk Assessment and Opportunities Appraisal

- 4.1. Risk Management
Performance is considered and monitored to ensure regulatory timescales and key performance indicators are adhered to.
- 4.2. Human Rights Act Appraisal
The recommendations contained in this report are compatible with the Human Rights Act 1998.
- 4.3. Environmental Appraisal
There is no direct environmental, equalities or climate change consequence of this report.

5. Financial Implications

- 5.1. Managing team performance and collaborating with other administering authorities ensures costs to scheme employers for scheme administration are reduced.
- 5.2. We are currently in the process of procuring the additional software and data tools to meet the requirements for Pension Dashboards.
- 5.3. The Pensions Regulator's (TPR) new general code will also increase fund costs as we complete the checklist to confirm where we meet the requirements and where there are gaps. This work will be completed by the end of September and a work plan put in place for areas that require attention.

6. Climate change appraisal

- 6.1. Energy and fuel consumption: No effect
Renewable energy generation: No effect
Carbon offsetting or mitigation: No effect
Climate Change adaptation: No effect

7. Performance and Team Update

- 7.1. **Appendix A** shows the 16 key performance indicators (KPIs) for cases processed by the Operations team, this shows the number of cases processed by the timescales set within our administration strategy and legal time scales under the disclosure regulations. The fund's objective is to achieve 95% of cases being processed within the agreed time frame.
- 7.2. From the chart you can see 8 of the 16 KPIs are 95% or above, based on the legal time frames for providing information to members. You will also note that the Funds own target timescales are much shorter than those of the legal time frames. These timescales were set some time ago and will be considered as part of the next review of the Administration Strategy.
- 7.3. For the KPIs that are not currently at 95%, a business case was submitted to the Head of Pensions - LGPS Senior Officer and the Executive Director of Resources for approval of additional resources. The business case for 3 full time pension assistants and additional hours for a communications assistant was approved in August 2024. This will allow the team to tackle the backlog of work currently building up on the operations team. This is due to the volume of early leavers and aggregation cases that are generated each month. The communications team workload is also increasing due to increased engagement by

members and the need to have a variety of communications for distinct groups of members.

8. Communications and Governance

- 8.1. The following chart shows statistics on the work undertaken by the helpdesk team not covered by the workflow system which are predominantly completed by the Operations team and reported with the wider team statistics in Appendix A.

	May 2024	June 2024	July 2024
Telephone calls received to helpdesk team	624	502	600
% of calls answered	95%	96%	97%
Emails received to pensions@shropshire.gov.uk	827	821	932
% of emails responded to within 10 working days	100%	100%	100%
My Pension Online activation keys issued	64	63	138
Member updates made through My Pension Online	310	284	627
Incoming post received and indexed to the pensions administration system	2634	2799	2716
1-2-1 video appointments held with scheme members	20	26	26
Users visiting the website	2,488	2,275	2,880

- 8.2. Requests for activation keys rose significantly in July following the publication of Annual Benefits Statements for all of the fund's deferred members. An increase was also seen in August when the active statements were sent out. This direct communication with members has also resulted in more member updates being made on 'My Pension Online' such as death grant nominations and address changes.
- 8.3. Visitors to the fund's website also rose following the publication of ABS as members sought to find out more about their own pensions.
- 8.4. Telephone calls remain constant with the past three months all achieving well above the target of 90% to be answered.
- 8.5. The first quarter of the year (April-June 2024) saw 765 interactions with the bot which led nine to ask an expert. This is where the bot does not have a stored answer for a particular question and then the queries go to the Helpdesk to be answered. We are growing the knowledge base

(questions) and are also changing the top four questions members will see when they open the bot so they are focused on particular areas that we may be working on at that time, for example in April we update pensions with Pensions Increase so expect queries from Pensioner members at this time of the year.

8.6. For January to June, the questions were:

- How do I access my pension online?
- How do I access my P60?
- Where can I find my payslips?
- How do I get a pension forecast?

For July to December, they will be

- How do I access my pension online?
- How is my pension worked out?
- How do I get a pension forecast?
- When will my annual benefit statement be available

8.7. In July, 44 questions were answered by the bot with an answer rate of 82% accuracy. We are going to promote the use of the bot in a news article to try and increase the number of interactions and the team has also decided to call the bot Penny so we will be changing the website to reflect this and hope more people will interact as it seems less impersonal with a name.

9. Employer performance

9.1. In line with the Shropshire County Pension Fund administration strategy, employers must pay their contributions and lump sum deficit payment by the 19th of the month. Accompanying data must also be submitted via i-Connect by this date. The below table shows the percentage of employers who have made payments by the deadline over the first quarter of 2024-25. This table also includes information about employers who make monthly deficit lump sum payments. Information about employers who did not meet these deadlines is covered in the governance report.

	April 2024	May 2024	June 2024
i-Connect data received on time	97%	98%	98%
Monthly contributions received on time	97%	95%	97%
Monthly deficit lump sum payments received on time	71.5%	95%	98%

Projects

10. McCloud

- 10.1. The team continue to work through the implementation of the age discrimination remedy, this has created additional work, with the need to spend more time checking records for members in scope.
- 10.2. We are still waiting for information to be received for Teachers with excess service.
- 10.3. There are different rules if a teacher holds a full-time contract and an additional part-time contract, for these purposes the additional part-time contract is referred to as 'excess service.' The Transition Protection changes which are being introduced will affect any excess service during the remedy period. Where there is concurrent full-time and part-time teaching service, the part-time service is not pensionable in the Teachers' Pension Scheme.
- 10.4. This excess teaching service will be pensionable in the Local Government Pension Scheme (LGPS). This means we will have to create records for these individuals.
- 10.5. In the last committee report we informed Members of the number of cases that will need to be reviewed for members who left in the remedy period. The team will begin work on these cases in the coming weeks. The first stage of the process is to look at each type of case and establish how long it will take to work through. Once this is known we can identify the resources needed to tackle these cases.

11. Pension Dashboards

- 11.1. A work plan has been created for the implementation of Pension Dashboards and monthly meetings are held by the project team to record progress, decisions made and review next steps. A copy of the monthly project update is available at **Appendix B**.
- 11.2. We have now completed the contract with our software provider, Heywood Pension Technologies, who will provide the Integrated Service Provider (ISP). We are in the process of agreeing the project plan for the implementation of this. We must have this completed by 31st October 2025.
- 11.3. In addition, the team are currently looking to procure a supplier which will provide mortality screening and address tracing for scheme members. This will assist with raising our data quality, particularly for deferred members, who have moved and not updated their contact details.

- 11.4. We are also looking to procure a provider who can trace and screen pensioners who live abroad and separately, verify bank account details. These services help to reduce the risk of overpayment of pensions and potential fraud cases.

12. Annual Benefit Statements

- 12.1 Annual Benefit Statements were sent out in July and August to deferred and active members in accordance with statutory deadlines.
- 12.2 9 statements could not be sent, these were for members who have flexibly retired and continued in the scheme with a new record. Unfortunately, this is down to an issue with the software system, those affected have been written to, to confirm that a statement is not available, however if they require information about their pension, they can contact the fund directly. We have raised the issue again with our software provider and requested that this is fixed before we have to run statements next year.

13. Engage – update to Member Self-service platform

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14. Business Plan

- 14.1 The Business plan has also been updated to show the actual budget spend for 2023/24 where previously an estimate was provided.
Appendix C.
- 14.2 An update to the team's activities listed in the Fund's Business Plan is included at **Appendix D**. The progress has been RAG rated to indicate if work is on track for each given activity and where the work has been completed.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Pensions Committee Meeting 21 June 2024, Pensions Administration Report

Cabinet Member (Portfolio Holder)

N/A

Local Member

N/A

Appendices

Appendix A – KPI Chart

Appendix B – Dashboard Project Plan

Appendix C – Business Plan

Appendix D – Progress update for Business Plan