

Administration and regulatory updates

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1. Synopsis

- 1.1. The report provides Pension Board members with the latest administration and regulatory updates affecting the Local Government Pension Scheme (LGPS).

2. Executive Summary

- 2.1 Details are provided on the work undertaken by the pensions administration team, adherence to key performance indicators and progress on project work.
- 2.2 An update from the Scheme Advisory Board's (SAB) last meeting is also included.

3. Recommendations

- 3.1. Pension Board members are asked to note the contents of this report with or without comment.

REPORT

4. Risk Assessment and Opportunities Appraisal

4.1. Risk Management

By ensuring the guidance and legislation mentioned in this report is followed and adhered to, risks to the fund are minimised. A risk register is kept and updated in line with council corporate policy.

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. Currently there are no direct financial implications arising from this report.

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. Administration and regulatory update

- 7.1. In addition to this report, the Pensions Board are advised to note the pensions administration reports submitted to the Pension Committee on 13 September 2024.
- 7.2. **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.
- 7.3. From the 2nd chart you can see for the 1st quarter of the year (April to June) 8 of the 16 KPIs are 95% or above, for the 2nd quarter (June to September) 8 of the 16 KPIs are 95% or above, this is based on the legal time frames for providing information to members. You will also note that the Fund's 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.
- 7.4. 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 backlog is due to the volume of early leavers and aggregation cases that are generated each month. The additional resources should help to improve the number of cases processed on time for the calculation and notification of deferred benefits when a member leaves the fund before benefits are due.
- 7.5. The operations team are also reviewing the processing of transfer cases as this is another area where we are not meeting the KPI target. Officers who process these cases also process retirements and death cases which will always take priority, but we do need to ensure we are processing transfer cases more efficiently.
- 7.6. The communications team workload is also increasing due to greater engagement by pension scheme members and the increase in the number of employers in the Fund. The team are doing more analysis of

the use of the Fund website and queries from members so that we can provide information to members more tailored to their needs.

- 7.7. We are looking at how we can direct more of the general enquiries so that members can 'self-serve,' this will help with additional work that will be created by the Pensions Dashboards. This will require a full review of the fund's website content, development of contact forms and further development of the fund's BOT Penny.

8. Cyber security

- 8.1. The Data Protection Act 2018, along with guidance from The Pensions Regulator, sets out rules that pension funds must follow to make sure they have good cyber security. Shropshire County Pension Fund takes data security very seriously and works closely with Shropshire Council's IT team and any companies providing pensions software to confirm that the systems holding personal data are protected.
- 8.2. The team have undertaken an exercise with the Shropshire Council Risk Assessment team to evaluate the Cyber Security Policy and Business Impact Analysis and Service Recovery Plan (BIA & SRP). Following feedback from this exercise a few minor updates have been made to the recovery plan, but overall, the Risk Officer was re-assured that we have the right processes in place to help limit any impact from potential disruption to our service.

9. Communications

- 9.1. The fund monitors member take-up of its online area member self-service (MSS), known by members as 'My Pension Online.' The annual benefit statements for both active and deferred members are now available to view on 'My Pension Online' unless a member has requested a paper copy.
- 9.2. As of 30 September 2024, a total of 53% active members and 45% of deferred members and 54% of pensioners were registered to view their records on 'My Pension Online'.

	July 2024	August 2024	September 2024
Telephone calls received to helpdesk team	600	644	632
% of calls answered	97%	97%	93%
Emails received to pensions@shropshire.gov.uk	932	916	919
% of emails responded to within 10 working days	100%	100%	100%
My Pension Online activation keys issued	138	78	197
Member updates made through My Pension Online	627	591	563
Incoming post received and indexed to the pensions administration system	2,716	2,476	2,913
1-2-1 video appointments held with scheme members	26	27	14
Users visiting the website	2,880	2,513	2,612

- 9.3. Due to a staff shortage answer rates were impacted slightly in September. Members of the administration team were called upon to support in answering calls and emails that were received into the pension's inbox. However, more of the fund's communications team are receiving training to be able to support the helpdesk and to provide adequate cover when needed.
- 9.4. Following a poll among fund colleagues, we have decided to name our Virtual Assistant (Bot) Penny. This will shortly be updated on the fund's website.
- 9.5. In September 57 questions were submitted to Penny. When questions are submitted, we can view what is called the confidence score. September's overall confidence score was achieving an 80% accuracy rate. We are pleased with this and will continue with the development of the knowledge base so that trust in Penny will increase.

Projects

10. McCloud

- 10.1. The team have now started to plan the work for the retrospective cases, which need review. This work will need to be completed by 31st August 2025.
- 10.2. The Local Government Association (LGA) have published a guide for funds to assist with the processing of McCloud cases and have recently updated the guide to include more information on transfers and other

calculations impacted by the underpin. We now also have the GAD calculator which will calculate interest on any arrears due to members.

11. Pension Dashboards

- 11.1. A work plan has been created for the Pension Dashboards and monthly meetings are held by the project team to record progress, decisions made and review next steps. **Appendix B (September) and Appendix C (October)** shows the most recent monthly reports.
- 11.2. We are in the process of procuring data service that will allow us to connect to dashboards and support our work in keeping data as clean and up to date as possible. This will mean that when members access the dashboards, they can have confidence in the information they can see regarding their pension benefits. These data tools will assist with tracking members where we have lost touch and mortality screening.
- 11.3. Alongside the data services we will also produce an up-to-date data quality workplan. The quality of the data we hold is good and this is down to the work of the team with Employers to ensure we receive accurate data directly from them, by the statutory time scales.

12. Update of 'My Pension Online' platform (Engage)

- 12.1 At the end of September we began work on the implementation of the update to the member self-service portal. The portal has a much easier registration and log in process and has additional functionality which will help members with retirement planning.
- 12.2 We have completed a soft launch of the new portal, by informing our pensioner members via their autumn newsletter. This way we could test the water on the types of questions we may get asked before we roll it out the rest of the membership.
- 12.3 In the new year we plan to run a promotion campaign to target members who have not registered, this will include the creation of video tutorials and roadshows where we will visit employers with low take up to get members signed up.
- 12.4 We are also looking to publish far more information to member accounts so that we can reduce the amount of paper communications we produce. We understand that not every member will be able to access information online and we will be able to produce paper communications for those individuals. We will be aiming for digital communications to be published to member's accounts as our default preference. This is something that we have been trying to move towards for some time.

13. Update from Scheme Advisory Board (SAB) meeting held on 22 July 2024

13.1. The SAB met on 22 July 2024 and discussed:

- King's Speech
- Scheme Annual Report
- Board and Committee Membership

13.2. Pension Board members can read a detailed summary of the meeting on the [Board updates page](#) of the SAB website. The SAB board meetings page includes full details of the meeting and agenda papers. Use the links below to find out more about:

- [Latest news](#)
- [SAB meeting and agenda papers](#)
- [Committee meeting and agenda papers](#)
- [Responsible Investment Advisory Group meetings and agenda papers](#)

14. SAB statement and investigation into further opinion on fiduciary duty

14.1. SAB has issued a statement on fiduciary duty and dealing with lobbying. The SAB hopes that the statement will help administering authorities: deal with the increasing levels of interest in how LGPS funds are invested; and manage discussions with stakeholders and at board and committee meetings.

14.2. The SAB Secretariat is seeking an opinion from Counsel as to whether there is a need to update the previous advice received on the nature of fiduciary duty for administering authorities. Further information will be published when the opinion is received.

14.3. The SAB Secretariat is aware of a letter sent to administering authorities on behalf of the Palestine Solidarity Campaign. The Board is seeking legal advice on the contents but cannot guarantee when this will be available. The SAB will publish the legal advice once they have received it.

15. MAPS launches digital Pension Wise appointments

15.1. On 9 September 2024, the Money, and Pension Service (MAPS) launched digital Pension Wise appointments. Digital appointments will offer equivalent guidance to that offered by telephone and face-to-face appointments. See the [press release from MAPS](#) for more information. Digital appointments can be accessed at any time, opening the service to those who cannot commit to an appointment in working hours. Pension

Wise appointments, including digital appointments, can be accessed by anyone over 50 with a defined contribution pension.

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

Pensions Committee Meeting 13 September 2024 Pensions Administration Report

Pensions Board Meeting 19 July 2024 Administration and Regulatory updates

Cabinet Member (Portfolio Holder)

N/A

Local Member

N/A

Appendices

Appendix A – KPI chart

Appendix B – Monthly report for Dashboard project (September)

Appendix C – Monthly report for Dashboard project (October)