Committee	Pensions Committee
Date and Time	4 December 2026 10am
	Public

Administration and Regulatory update

LGPS

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Service Area:	Pension Fund – Finance
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1. Purpose of Report

1.1 This report highlights administration performance, current resourcing pressures, key regulatory activity and project delivery for the Pensions Committee. Most performance indicators remain positive, but the report also identifies areas requiring continued oversight, including McCloud remedy work, employer data submissions, Pension Dashboard preparation and the impact of new regulatory requirements on team capacity.

2. Recommendations

The Committee is asked to:

2.1 Note and comment on the KPI chart and the information provided on KPIs that are not currently meeting the 95% target for completion within statutory timescales, including the actions being taken to address this. (Appendix A)

2.2 Note the progress and completion of key activities from the Fund business plan for Q1 2026-27. (Appendix B)

2.3 Note the progress of the Pension Dashboard implementation which is provided in the separate update report. (Appendix C)

3. Summary of Main Proposals

3.1 Overall, the administration position remains stable, with positive performance in several key areas. The key issues for Committee oversight are the impact of regulatory change on capacity, continued monitoring of McCloud remedy work, employer data submission performance, and preparations for Pension Dashboard connection and query handling.

3.2 The main proposals in this report relate to the actions required to ensure the pensions administration team can continue to meet the Fund's statutory responsibilities effectively. These include reviewing resources, technology and work allocation arrangements so the service remains able to meet stakeholder needs and respond to increasing regulatory and project demands.

4. Key Risks and Opportunities

4.1 Performance is monitored to ensure regulatory timescales and key performance indicators are met. The main risks are delays in statutory casework, employer non-compliance with contribution and data submission deadlines, additional work arising from regulatory change, and pressure on team capacity. These risks are managed through KPI monitoring, breach reporting, project plan updates, employer engagement, and annual reporting of strategic administration risks to committee.

5. Financial Implications

5.1 The administration budget is set each year and monitored to ensure that the work of the team is achieved within this. Any additional costs are subject to approval by the Head of Pensions.

5.2 Costs are met by the pension fund and have no direct impact on the revenue budget for the Council.

6. Legal and HR Implications

6.1 The Fund must continue to comply with the LGPS Regulations, associated statutory guidance and the requirements of The Pensions Regulator. This includes maintaining appropriate internal controls, accurate records, timely payment of benefits, effective breach monitoring and clear evidence of decisions taken in relation to McCloud remedy, Access and Fairness implementation and Pension Dashboard readiness.

6.2 The Fund has reported itself to The Pensions Regulator in connection with delays in completing McCloud age discrimination remedy work. A response is awaited. The management team will continue to maintain an action plan for outstanding cases, monitor progress through governance reporting, and ensure that any further material delays or breaches are assessed and reported where required.

6.3 The Access and Fairness changes, Pension Dashboard duties and ongoing McCloud activity create legal and operational requirements that must be delivered alongside business-as-usual casework. HR implications include workload planning, prioritisation, training, knowledge transfer, staff consultation and fair allocation of work

across the team. Two new posts have been created within the Systems, Communications and Governance teams to support the additional work. The management team will continue to review whether further capacity, training or changes to working practices are required to maintain compliance, service resilience and staff wellbeing.

7. Equality and Diversity Implications

7.1 The Access and Fairness changes have positive equality implications for scheme members and beneficiaries. Phase 1 includes equalised survivor benefit rules, changes affecting eligible cohabiting partners, removal of the age 75 cap on some death grants, and improved pension outcomes for members taking certain types of unpaid or child-related leave. These changes support fairer treatment for members and survivors and may require retrospective case reviews, arrears payments and clear communications to affected groups.

7.2 The Fund will need to ensure that member and employer communications are accessible, inclusive and written in plain language. This includes providing targeted information for survivors, members affected by unpaid absence changes, members using digital services such as My Pension Online and Pension Dashboards, and members who may need alternative communication formats or additional support to understand the changes.

8. Climate Change, Biodiversity and Environmental Implications

8.1 Climate Change, Biodiversity and Environmental implications are not detailed in this report.

9. Performance and Team Update

9.1 The team's output and performance for the period 1 April 2026 to 30 September 2026 is available at Appendix A.

9.2 The KPI chart shows that 3,936 cases were completed between 1 April and 30 September 2026, with overall performance against legal timescales at 90.05%. Performance remained broadly consistent across the first two quarters, with 90.26% of cases completed within target in Q1 and 89.83% in Q2.

9.3 Although the overall percentage is slightly below the 95% target, the number of cases completed increased from 1,767 in Q1 to 2,169 in Q2. This demonstrates that the team completed a higher volume of work during the second quarter while maintaining a similar level of timeliness.

9.4 The dip against the 95% target should be viewed in the context of increased output, the impact of annual leave over the summer period and the continued training and development of new staff. Newer team members are now becoming more confident in their work and are beginning to contribute more effectively to case output, but this improvement is gradual as they build the technical knowledge and assurance needed to complete more complex pension administration work.

9.5 A project plan has been set up to manage the retrospective cases relating to the equalisation of partner benefits and removal of the age 75 death grant cap. Guidance has been issued to instruct funds on the actions that need to be completed and the timescales for completion.

9.6 The management team will continue to monitor performance, work allocation and training support to improve KPI performance while maintaining quality and compliance.

10. Communications

10.1 The following chart shows statistics on work undertaken by the helpdesk team that is not covered by the workflow system or reported within the wider team statistics in Appendix A.

	April 26	May 26	June 26	July 26	Aug 26	Sep 26
Telephone calls received to helpdesk	613	682	663	699	551	602
% of calls answered	96%	95%	98%	97%	96%	96%
Contact us forms and Emails received to pensions inbox	848	1108	972	1050	932	949
% responded to within 10 working days	100%	100%	100%	100%	100%	100%
My Pension Online activation keys issued	97	128	70	105	37	27
Incoming post received (items per day)	112	68	101	83	106	113
1-2-1 video meetings	7	10	12	13	14	14
Users visiting the website*	741	1036	659	573	587	553

*** Where cookie has been accepted to track access**

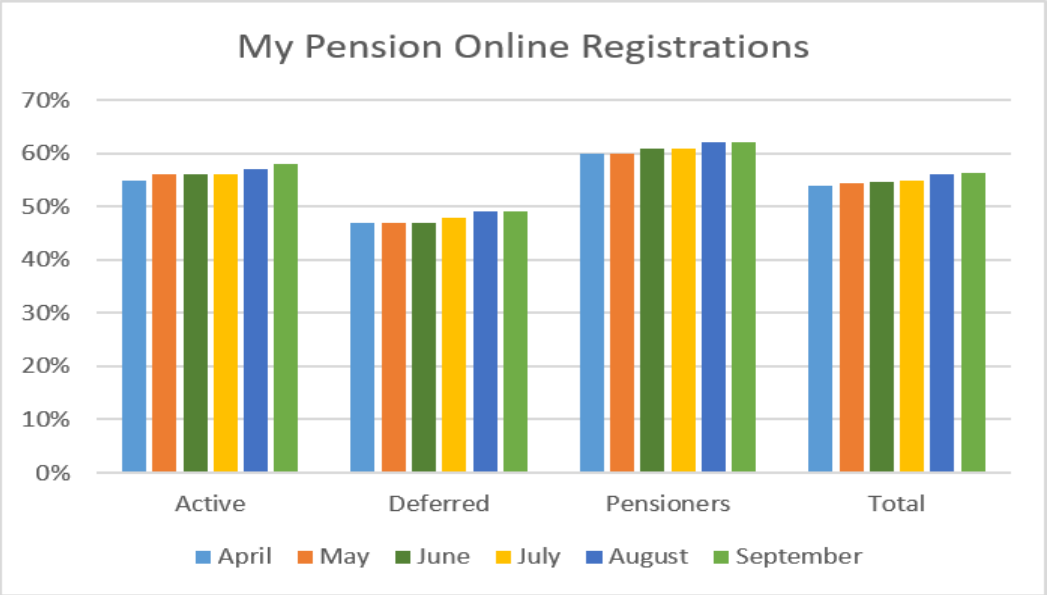
10.2 Penny the Pensions Bot, available through the Fund website, continues to support members by answering their questions. Each month, the team reviews the questions asked and the responses provided. Where accuracy is below 100%, this is usually because the question asked is too broad or lacks enough detail for the bot to identify the correct answer. The table below shows that accuracy has improved following work by the communications team to review questions and add further information to the answer bank.

10.3 The team will be implementing a new bot as part of the work we are completing to update the Fund's website; this is scheduled to go live at the beginning of 2027. The current Pensions Bot continues to support members by providing quick access to information and reducing routine enquiries. The most common enquiry themes relate to accessing My Pension Online, specifically "How do I access My Pension Online?" and "I'm unable to log in". To improve the user experience and help members find information more quickly, these topics are featured as common questions on the bot's landing page, enabling users to access relevant guidance without needing to type out their enquiry.

026/2027	Apr	May	Jun	Jul	Aug	Sep
Questions submitted	118	201	78	97	26*	94
Asked an expert	7	22	8	13	2	8
Accuracy %	77	76	66	70%	69%	74%

**** Bot data for 21/07 - 11/08**

10.4 The table below shows the percentage of members who have registered for 'My Pension Online'. It is encouraging that we are continuing to see a steady increase month on month across all categorises of membership and are approaching almost 60% of members accessing the online platform. This makes it much quicker and easier for us to communicate with members by sending direct messages to their email addresses and uploading documentation to their secure online account.



10.5 In preparation for Pension Dashboard, and to encourage more deferred members to actively engage with their pension held by Shropshire, a rolling communications plan has been implemented to target individuals who are not registered for My Pension Online.

10.6 In support of the work to ensure we have up to date information held for our members, the annual tracing exercise has both cleansed addresses and found new contact details for a number of our members who hold a deferred benefit or deferred refund with us:

- 722 members have been updated with a new postal address, these are classed as high matches
- 207 members will be contacted to check if they are at a new address, these are classed as medium matches

11. Employer Performance

11.1 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 table below shows the percentage of employers who have made payments by the deadline for the quarter to 31 August 2026.

11.2 This table also includes information about employers who make monthly deficit lump sum payments, which form part of employer contributions. Information about employers who did not meet these deadlines is covered in the governance report via the reported breaches chart.

	i-Connect Submissions on time	Contributions paid on time	Lump sum deficit payments paid on time
Average for the Quarter	**97%**	**99%**	**90%**
July 2026	97%	99%	100%
August 2026	97%	99%	73%
September 2026	97%	98%	97%

11.3 During the last quarter, an average of 99% of monthly payroll contributions were received by the due date. Delays were minimal and occurred where payment was received one or two days late, often because the due date fell at a weekend and payment was not made on the preceding Friday.

11.4 Lump sum deficit payments were lower on average, at 90%. This was mainly due to separate payments being required for schools within a Multi Academy Trust, where all related payments were made late. The August figure was lower for this reason, as the due date fell at a weekend and payment was not made by the deadline.

11.5 Although monthly payments were generally received on time, i-Connect data submissions were just slightly lower, averaging 97% for the quarter. This was due to some new Admission Agreements taking some time to get set up and make their first submission.

12. Projects

12.1 The Fund's **business plan for 2026/27**, with comments on activities undertaken during Q2, is available at Appendix B. The plan has been reviewed to incorporate the additional work the team will need to complete in relation to regulatory changes.

12.2 Access and Fairness/Access and Protections - Added to the plan for this year is the work we are completing regulatory changes as this has created additional work relating to the retrospective checks that need to be completed for the equalisation of spouse's benefits. This is a significant project which has statutory timescales for completion.

We have approx. 350 cases to review for these and 36 death benefit cases where an additional death grant may be payable. A member of the membership and benefits team will be moved across to work on these cases and will be moved from the business-as-usual work. This will be covered by the other members of the team.

12.3 Pension Dashboards – See Appendix C for the latest project report. The team is now reviewing how queries from the dashboard should be answered and the timescales within which responses must be provided. New functionality will be purchased within the pension software system to assist with member queries where personal data does not match, such as surname or address. We are also reviewing additional staffing requirements for the ongoing work that will be created across the Systems and Communications teams.

12.4 McCloud - We reported in the last update that the team have worked well to complete as much of the additional work created by the Age Discrimination remedy by the 31 August deadline. However, there were some outstanding cases that needed to be completed.

- 171 trivial commutations, (where a member has retired and received a one-off lump sum rather than an ongoing pension). These have been checked and has resulted in 2 cases requiring an additional payment.

For the remaining cases listed below guidance is still outstanding and so we are unable to provide a timescale for completion

- Revisiting pension sharing on divorce cases with a transfer date before 1 October 2023.
- Transfers in over age 65 where the member is transferring in remediable service.
- Calculating non-club transfers to a club scheme.

13. Staffing

13.1 New and anticipated requirements over the next year have led the management team to create additional posts to ensure the service can deliver all required work. These posts sit within the Communications and Governance, and Systems and Employer Relations teams, and will support increased member communication requirements, the fund website refresh, and the system updates and developments needed to support the team going forward, together with increased need to monitor and assess data being received from employers.

14. Regulatory Updates

14.1 Phase 1 of the Access and Fairness scheme changes have now come into force, and we expect that further regulations changes relating to Phase 2 will follow shortly. These include an increase in reporting requirements for members opting out of the scheme, reforms to forfeiture rules and requirements to report on the gender pensions gap.

14.2 We also await the changes that are part of the Access and Protection changes relating to the change to Normal Minimum Pension Age (NMPA), Fair Deal and pension protections on outsourcing and Academy streamlining (consolidation into one pension fund where a Multi Academy Trust has membership in multiple pension funds).

15. LGPS England & Wales Scheme Advisory Board (SAB) Review

15.1 Following the Government's review of the Local Government Reorganisation (LGR) plans, MHCLG has confirmed that the deadlines set out in its guidance for funds considering changes to their administering authority no longer apply.

The MHCLG letter to administering authorities also confirms that any change to the administering authority should be considered on hold.

Although the timetable has been paused, the underlying considerations set out in the earlier guidance remain relevant. See SAB's statement of 10 August for more information about the guidance and consideration as to where the pension function could sit.

The Board will continue to seek clarity from Government on the implications of the wider LGR review, press for updated LGPS guidance once the revised timetable is known, and support funds in considering their longer-term governance and administrative arrangements.

15.2 The Board co-sponsored a new report, Making pensions exciting: closing the diversity pension gap in the LGPS, which looks at the complex factors that can influence pension outcomes. The report, developed by Investors for Purpose:

- explores research undertaken with City of Westminster Pension Fund
- provides an understanding of members' experiences, and
- presents valuable evidence to inform future discussion and recommendations on how the Scheme can continue to evolve and improve.

The Board thanks Investors for Purpose, the City of Westminster Pension Fund and Hymans Robertson for their contributions to this report.

This information has been shared with Employers in the Fund to raise awareness of the implications of this for members of the Local Government Pension Scheme.

SAB Local Pension Board forum

15.3 On 7 September 2026, Board Chair, Councillor Roger Phillips OBE hosted the first Local Pension Board chairs' forum, attended by chairs from 36 administering authorities.

The forum provided a valuable opportunity for chairs to share experiences and discuss the opportunities and challenges within their roles. Through discussion and live polling, attendees identified governance reform, pooling, recruitment and retention and regulatory change as key issues. Encouragingly, 60 per cent of attendees reported that their authority felt prepared for the forthcoming governance changes.

New Board webpage on investment in conflict areas

15.4 Due to the ongoing political sensitivity around responsible investment and investment in conflict zones, the Board has published a new Investment in conflict zones webpage. The page brings together all the Board's work in this area including Board statements, correspondence with various Local Government Ministers and legal

opinions commissioned by the Board. It also includes links to the earlier work done on Boycotts, Divestments and Sanctions.

Background Papers

1. Administration and Regulatory update September 2026

Appendices

Appendix A - KPI chart April to September 2026
Appendix B - Fund business plan 2026-27
Appendix C – Dashboard Project plan update