

Item No. 8.	Classification: Open	Date: 26 February 2024	Meeting Name: Pensions Advisory Panel
Report title:		Pension Services – Administration Function Update	
Ward(s) or groups affected:		None	
From:		Pensions Manager, Finance	

RECOMMENDATION

1. The Pensions Advisory Panel (the **Panel**) is asked to note this update on the pensions administration function.

BACKGROUND INFORMATION

2. The Panel last received an update in September 2023 setting out specific information on recruitment, IT/systems, National Dashboard Programme, communication initiatives and complaint management. This report looks to combine the (cancelled) December 2023 and March 2024 Panel meetings.

RECRUITMENT

3. Pensions Officer interviews took place in late October 2023 where an internal candidate already working within Corporate Risk and Insurance was successful.
4. An experienced Senior Pensions Officer (with Mercers TPA background) joined the pensions admin team in November 2023.
5. Following interviews in November 2023 an existing Pensions Officer was appointed to Senior Pensions Officer. In line with our Career Progression Policy, this was managed as an internal recruitment campaign where a number of other Southwark candidates applied. One Pensions Officer role remains vacant.
6. A new Data Officer and Senior Data Officer started in November and December 2023 respectively. Both Officers have a SQL reporting (Structured Query Language) and IT/data management background.
7. Since the last Panel update, a formal review of the Data/Systems team function has been undertaken, relevant to future pension fund IT/software needs and work volumes. As a result, two distinct teams are being formed to manage all pension fund data/interface and IT/technology support

requirements¹. A number of vacant roles exist and recruitment has already begun.

IT/SYSTEMS

8. Ongoing 'end to end testing' and data analysis continues on IT/admin software to ensure all data fields were captured following the original data migration.
9. Southwark's Senior Management Pensions Team met with Civica's MD and new Client Account Manager in November 2023. An open and honest discussion took place about Southwark's day-to-day user experience of UPM. We believe this will pave the way forward to conclude any remaining data migration issues.
10. To re-iterate, ongoing remediation work does not affect BAU/transactional work (processing retirements, death benefits etc.) within the admin team. It does however mean additional quality assurance checks remain in place at this time.
11. We still await the results of a Cyber Risk assessment against new pension fund software. An independent review is being undertaken through Aon and the results will be initially communicated to the Local Pension Board (the **Board**) and then the Panel at a later date.

NATIONAL DASHBOARD PROGRAMME

12. It has been confirmed that the proposed staging date for public service pension schemes will now be around 30 September 2025.
13. The admin system supplier is developing a dashboard ecosystem as part of the legal requirement for all administering authorities to adhere to the new Pensions Dashboards Regulations 2022.

PROGRESS TO FEBRUARY 2024

Since the last Panel update, further progress has been made in the following areas.

COMMUNICATION INITIATIVES

14. Annual Benefit Statements (**ABS**) were issued to staff earlier in February, starting with members who had CARE only benefits.
15. An ABS Action Plan will be in place for 2024 and will be communicated to all external employers and payroll providers, and followed up with Employer Hub training. Details of the Action Plan will be shared with the Board shortly.

¹ Appendix 1 provides a high-level breakdown of team structure.

16. Weekly training continues to be provided to staff. The training service has also been extended to the LB of Haringey, Berkshire Council, and more recently the LB of Harrow and North Yorkshire Council. The pension fund will now consider making LGPS training part of a chargeable service going forward as it attracts other interested local authorities.
17. Pension Increase 2024 planning is now underway where LGPS pensions will increase by 6.7% from 8 April 2024. A lower, pro-rata increase will apply to pensions that started after 23 April 2023.
18. The pension fund website is currently being re-branded and will also take into account the Council's recent 'refresh to visual identity'. As part of the changes being made there will also now be a dedicated finance and investment section.

COMPLAINT MANAGEMENT

19. A list of recent complaints and how they have been managed is set out below:
 - Pensions Ombudsman single complaint - ill-health tiering award appeal against a former school employer. All ill-health tiering awards are recommended by Occupational Health following medical assessment, but the employer makes the final decision. **Matter still with Ombudsman pending a formal decision.**
 - Pensions Ombudsman single complaint - a cohabiting partners' pension claim and a claim for the death grant was made against the pension fund where the applicant alleged that both he and the deceased were financially dependent on one another and living together as husband and wife, however there was no evidence of that. **Complaint was partially upheld. The Ombudsman found no evidence that the Administering Authority had made an incorrect decision. Applicant was awarded £500 to cover a non-financial injustice.**
 - Pensions Ombudsman single complaint - a protracted employer complaint from a former member of Council staff about pension benefits detailed in a Settlement Agreement. **Southwark has submitted its formal response.**
 - Pensions Ombudsman single complaint - pensions liberation matter where the applicant contests that the pension fund undertook no receiving scheme due diligence when a transfer out was paid back in 2016. **Southwark is investigating and will provide a formal response shortly.**
 - IDRP stage 1 - approximately 10 formal complaints with the Council concerning claimed incorrect employee pension deductions made from the Council's payroll system. All complaints are with Council

HR as the stage 1 adjudicator. The pension fund is monitoring and is aware of Union involvement in some cases. **This forms part of a wider piece of work and has oversight from the Director of People and Organisational Development. The Council has indicated it will make refund payments for 2022/23 in February 2024 pay.**

ADMIN PERFORMANCE MONITORING

Metrics will be system reinstated once all data migration issues are resolved. For now, all transactional work is recorded outside of the admin system.

Performance metrics were provided to the Board in January 2024 covering the period October, November and December 2023 and are detailed in Appendix 2 for the Panel.

FUTURE WORK PLANNING

20. Due to existing resourcing levels across Pension Services, a work plan and their implementation timeframes are still to be signed off by the Pensions Manager.

CONCLUSIONS

21. Recruitment and retention of key staff with the necessary skills is critical to the achievement of all future plans, as is succession planning.
22. There will continue to be some reliance on specialist external support. However, with internal training now firmly established and taking place each week, 95% of all BAU and project work is managed in-house by Pension Services.

KEY ISSUES FOR CONSIDERATION

Policy framework implications

23. There are no immediate implications arising from this report.

Community, equalities (including socio-economic) and health impacts

Community impact statement

24. There are no immediate implications arising from this report.

Equalities (including socio-economic) impact statement

25. There are no immediate implications arising from this report.

Health impact statement

26. There are no immediate implications arising from this report.

Climate change implications

27. There are no immediate implications arising from this report.

Resource implications

28. There are no immediate implications arising from this report.

Legal implications

29. There are no immediate implications arising from this report.

Financial implications

30. There are no immediate implications arising from this report.

Consultation

31. There are no immediate implications arising from this report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive – Governance and Assurance

32. Not applicable.

Strategic Director of Finance

33. Not applicable.

Other officers

34. Not applicable.

APPENDICES

No.	Title
Appendix 1	High-level breakdown of team structure
Appendix 2	Admin metrics – October/November/December 2023

AUDIT TRAIL

Lead Officer	Clive Palfreyman, Strategic Director of Finance	
Report Author	Barry Berkengoff, Pensions Manager, Finance	
Version	Final	
Dated	13 February 2024	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive – Governance and Assurance	No	No
Strategic Director of Finance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	14 February 2024	