

Meeting Name:	Pensions Advisory Panel
Date:	30 September 2024
Report title:	Pension Services – Administration and Operational Update
Ward(s) or groups affected:	Not applicable
Classification:	Open
Reason for lateness (if applicable):	Not applicable
From:	Head of Pensions Operations, Resources

RECOMMENDATION

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

BACKGROUND INFORMATION

2. The Panel last received an update in June 2024 setting out specific information on recruitment, IT/systems, Cyber security, National Dashboard Programme, McCloud remedy, communication initiatives and complaint management.

RECRUITMENT

3. Recruitment is stable albeit some vacancies exist within First Contact, Admin and Data teams.
4. An existing member of staff who was on secondment to the new Teachers' Pensions Team (now part of Schools HR) will be returning to the Data team.

IT/SYSTEMS

5. Following the circulation of the Cyber Risk Assessment (where overall findings were positive), recommendations have been shared with the software provider. We will share any feedback and next steps with the Panel in due course.

6. A 2024 HealthCheck is underway with the pensions admin provider. This will focus on critical functionality and set out configuration improvements around Employer Hub, Member Portal and Contact Manager software (used to record and manage all inbound member and employer enquiries via phone and email).

NATIONAL DASHBOARD PROGRAMME

7. The pensions admin provider continues to develop a dashboard 'ecosystem' as part of the legal requirement for all administering authorities to adhere to the new Pensions Dashboards Regulations 2022.
8. Southwark Council's "connect by" date remains unchanged as 31 October 2025.

PROGRESS TO SEPTEMBER 2024

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

COMMUNICATION INITIATIVES

9. The 2024 Annual Benefit Statement (**ABS**) exercise was completed as follows:
 - ABS for deferred members (ex-staff) were posted on 15th August 2024.
 - ABS for Council staff were issued electronically on 20th August 2024.
 - ABS for Council Depot staff were posted to home addresses and Depot work addresses as per agreement with Unions and HR.
 - ABS for Schools staff were issued in phases from late August due to additional work that was needed on third party payroll data. Primary focus was on the three main providers who have 80% of schools/external employer payroll services (Strictly Education, EPM and Dataplan).
10. Pension Savings Statements (**PSS**) for Annual Allowance (**AA**) purposes are currently being prepared. Anyone affected or with a tax charge will receive a PSS in early October 2024 for the period 2023/24.
11. The standard AA increased from £40,000 to £60,000 on 6th April 2023 which should be beneficial to many Southwark staff.
12. A re-modelled Southwark Pension Fund website is due to go live shortly. This will include up-to-date Southwark house style, improved user navigation, and a dedicated section for Pension Fund Finance and Investments.

COMPLAINT MANAGEMENT

13. A list of recent complaints and how they have been managed is set out below:

Against Employer:

- 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 a medical assessment, but the employer makes the final decision.

Case Open - with Ombudsman pending formal decision.

- Pensions Ombudsman single complaint - protracted complaint from a former member of Council staff about pension benefits and a Settlement Agreement.

Case Open - Southwark has provided its formal response and now awaits a final decision from the Ombudsman.

- IDRP stage 1 - ill-health complaint against the Council as employer. Whilst the ill-health tiering award was not in dispute, a disagreement existed over contractual hours which affected the final value of pension benefits to be paid.

Case Closed - Council HR upheld complaint in favour of member and benefits were re-calculated and put into payment.

Against Administering Authority (i.e. Pension Fund):

- Pensions Ombudsman single complaint - a cohabiting partners' pension and death grant claim made against the pension fund. The applicant alleged both he and the deceased were financially dependent on one another and living together as husband and wife. **Complaint formally determined and upheld in part. The Ombudsman found no evidence of a cohabiting relationship and said the Administering Authority had reached the correct decision based on all the evidence available. Complainant has appealed the Ombudsman's decision.**

Case Open - likely to be appealed at High Court of Justice in October 2024.

- Pensions Ombudsman single complaint - pensions liberation claim that pension fund undertook no receiving scheme due diligence when a transfer out was paid in 2016.

Case Open - Pension Fund denies all allegations. Complainant has now taken an identical matter to the Crown Court, meaning the Ombudsman may have to discontinue its own investigation.

- IDRP stage 2 - dispute over the allocation of a lump sum death grant.

Case Open - new evidence being considered by IDRP stage 2 Adjudicator.

ADMINISTRATIVE PERFORMANCE MONITORING

Performance metrics are detailed in Appendix 1 covering the period June to August 2024.

FUTURE WORK PLANNING

14. Pension Services has signed up to a wider Finance Directorate Business Plan over 2024/25. All admin and IT related objectives will be shared with the Panel in due course.

CONCLUSIONS

15. Recruitment and retention of key staff with the necessary skills is critical to the achievement of all future plans, as is succession planning.
16. 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

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

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

Community impact statement

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

Equalities (including socio-economic) impact statement

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

Health impact statement

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

Climate change implications

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

Resource implications

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

Legal implications

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

Financial implications

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

Consultation

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

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive – Governance and Assurance

26. Not applicable.

Strategic Director of Resources

27. Not applicable.

Other officers

28. Not applicable.

APPENDICES

Name	Title
Appendix 1	Administration Metrics: June, July and August 2024

AUDIT TRAIL

Lead Officer	Clive Palfreyman, Strategic Director of Resources	
Report Author	Barry Berkengoff, Head of Pensions Operations, Resources	
Version	Final	
Dated	17 September 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 Resources	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	17 September 2024	