

Item No. 11.	Classification: Open	Date: 23 June	Meeting Name: Pensions Advisory Panel
Report Title		Pension Services Update	
From		Pensions Manager, Finance and Governance	

Recommendation

1. The pensions advisory panel (the panel) is asked to note this update on the pensions administration function.

Introduction

2. The Panel received an update in March 2021 which set out information about staff changes, IT / systems, communications and complaint management.
3. This update brings the Panel up-to-date on the current position.

Covid-19 implications

4. Due to current lockdown levels, all staff are being asked to work remotely wherever possible, although this is starting to be relaxed across the council.

New postal address and remote mail solution

5. A remote scanning solution went live on 15 March 2021. All pensions correspondence is now being sent to a new address; Southwark Pension Fund, PO Box 7606, WS10 1EJ where it is then scanned, encrypted and sent to us electronically.
6. A remote postal solution (via Civica, our new pensions admin software provider) is in the final stages of implementation and is expected to go live in July 2021.

Contact Centre

7. A First Contact Team Leader (with significant experience of the council's CRM systems) has now been appointed. First Contact Officer interviews are taking place shortly.
8. The new First Contact Resource Team will be embedded within the Technical and Projects Team which is also responsible for all training and communication. This allows us to further develop and deliver on the funds 'digital by default' communication and customer access strategies. The First Contact Team will be the first service of its kind across the LGPS.

IT / systems

9. Implementation of Civica's pension administration and payroll system (UPM) is now at build/test stage. Extensive time is allocated for training and user acceptance testing to ensure all administration and payroll functions are as expected from the go-live date.
10. The initial recruitment exercise for a Pensions Payroll Manager was delayed 5 months due to technical problems outside of our control. A further recruitment exercise has recently been concluded resulting in an offer being accepted. Start date is to be confirmed.
11. As a result, the payroll go-live was put back to September. However, due to the delay, Civica resources had to be re-allocated to other clients, which has had an impact on the overall implementation timeline. Therefore, we have decided to align payroll go-live with pensions administration go-live in early 2022.
12. Payroll data migration (via SAP) has gone well with the completion of two successful parallel runs. Prior to go-live, one further data conversion will be done to bring payroll data up to date.
13. The first cut of data from the current pension administration system, Altair, has been delivered to Civica who are currently mapping it to the new UPM system. Initial reports are positive with no major issues.

Recruitment / staffing

14. The following job descriptions were evaluated, signed off by HR and were live on Southwark's recruitment website a few weeks ago:
 - See IT update - a Pensions Payroll Manager could not be appointed initially and therefore we have used a specialist agency.
 - A Payroll Officer has been appointed following an internal recruitment exercise.
 - The First Contact Team Leader has now joined the team.
 - First Contact Officer shortlisting is underway - over 100 applications were received.
 - A Data Officer role is now being advertised following an internal move.
 - Assistant Pension Officer/apprenticeship roles being advertised shortly.

Progress to June 2021

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

Communication and initiatives

16. Employers are now receiving regular weekly emails detailing information that might be useful to them. In the longer term a monthly news round-up will be issued.

17. A 'Small Pots' (value under £10k) trivial commutation exercise was communicated to a specific group of members in January 2021. 43 members returned forms to proceed.
18. 23 training courses are now available on My_Learning_Source. We have a dedicated pension training folder within the personal learning section of My_Learning_Source making it much easier for delegates to book relevant training sessions. Training continues to be rolled out to internal pension staff and HR, as well as the trade unions and employers. Fund members have participated in pension fund induction, general knowledge sessions and pre-retirement courses. Feedback continues to be very positive and we plan to develop further training for HR, employers, members and other stakeholders.
19. A Spring 2021 newsletter has been issued to members in both paper and digital versions.
20. Pension Services have been shortlisted for two communication awards with Pensions Age and Professional Pensions, showcasing the new pension fund website launched last year.
21. Consultation finished on the new Admin Strategy with no negative feedback being received from employers. The new strategy contains a simpler and more transparent charging structure for employer transgressions that require pension fund resources to resolve.

Complaint management

22. A list of recent complaints and how they have been managed is set out below:
 - IDPR Complaint - son of deceased member requested information regarding his late father's pension and dependent payments made. Applicant appealed the Stage 1 decision and escalated to Stage 2 for the Pensions Manager to make a final decision.
 - General Complaint - communication received from a claims company for a former member who transferred out to another pension arrangement which has since shut down, and is seeking financial compensation from Southwark. Adequate checks were undertaken at the time of transfer, all election forms were signed at point of transfer.
 - General Complaint - former member raised complaint against his financial advisors in relation to a transfer out from Southwark. We were contacted by the Financial Services Compensation Scheme to provide additional information to aid member's case.
 - Pensions Ombudsman complaint - delayed allocation of AVCs in 2016/17 and recent delayed AVC transfer to Lewisham. Terms to resolve matters passed to the Pensions Ombudsman in December rejected by complainant. A formal Opinion was issued in February followed by a second Opinion. The Pensions Ombudsman issued a Final Determination

upholding the complaint in part. It showed the delay caused no financial loss to the former member who had claimed he had suffered a financial loss.

- General Complaint - a members pension became payable in 2017 and claim forms were sent but no response was ever received. Chasers were sent until a response was received in 2021. Pension was put into payment but contained pension increases from 2017 to 2021. As the pension was higher than what was detailed on claim forms in 2017 a complaint was raised as the 'variance' had not been disclosed prior to payment.

Other news - £95k Exit Cap

23. The Exit Cap was introduced very quickly in November 2020 to cap exit payments in the public sector at £95k.
24. Government has since withdrawn these regulations (although it does intend to offer similar regulations at some point in the future).
25. The £95k Exit Cap had been hanging over the public sector for a number of years but was inexplicably rushed through in Autumn 2020. It potentially fell foul of several areas of legislation, including equality, and the manner of its implementation also meant that Government had not met its statutory obligations on consultation.
26. No Southwark member benefits were affected, although significant time was spent by employers and the administering authority in trying to interpret and introduce the regulations.

Performance monitoring

27. Attached as Appendix 1 is data collected between 1 February and 31 May 2021. As explained in previous updates, the information focuses on statutory requirements.
28. Longer-term aspirations are to benchmark against CIPFA guidance (or better).

Conclusions

29. Implementation of the new structure is 95% complete but having the correct staff with the necessary skills in place is critical to the achievement of future plans.
30. There will continue to be some reliance on specialist external support. However, this is ever reducing as backlog work nears completion. Internal training is in place to ensure all business as usual work is all managed in-house by Pension Services.
31. Performance monitoring remains an important part of the pensions administration function. The procurement of new Civica software will allow Pension Services to develop workflow and task management, where more

detailed Management Information can be extracted around performance. However, the Panel is also asked to consider that processing speed is not the only indicator of success, and that attention to detail and the customer journey must also be considered.

APPENDICES

Name	Title
Appendix 1	Pensions Services Metrics 1 February 2021 to 31 May 2021

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Barry Berkengoff, Pensions Manager	
Version	Final	
Dated	14 June 2021	
Key Decision?	N/A	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	N/A	N/A
Strategic Director of Finance and Governance	N/A	N/A
Cabinet Member	N/A	N/A
Date final report sent to Constitutional Team		14 June 2021