



Committee report

Committee **LOCAL PENSION BOARD**
Date **15 JUNE 2022**
Title **ADMINISTRATION SERVICE UPDATE**
Report of **PENSIONS MANAGER**

EXECUTIVE SUMMARY

1. This report presents an update of activity, performance against service standards and information on complaints and breaches of the law, since the last pension board meeting on 6 April 2022.

RECOMMENDATION

2. That the content of this report be noted by the Pension Board.

MEMBERSHIP NUMBERS

3. Changes in membership status from 1 March 2022 to 30 April 2022 as follows:

| | Feb-22 | Apr-22 | Change | % change |
|--------------------|--------|--------|--------|----------|
| Active | 4,330 | 4,321 | -9 | -0.2% |
| Deferred | 6,245 | 6,250 | 5 | 0.1% |
| Pensioner | 5,267 | 5,311 | 44 | 0.8% |
| Frozen & Undecided | 1,027 | 1,012 | -15 | -1.5% |
| TOTAL | 16,869 | 16,894 | 25 | 0.1% |

Please refer to Appendix 1 for full breakdown of current membership.

PROJECT UPDATES

4. Updates for:
 - (a) **i-Connect**
 - (i) As we are still struggling to get a response from Strictly Education, we are going to focus communication with the five Academies for whom Strictly Education provide payroll services, for them to configure the i-Connect file and for them to make the upload each month.

- (b) **McCloud**
 - (i) 86 percent of McCloud data received from employers.
 - (ii) 82 percent of McCloud data member matched with Altair data.
 - (iii) 40 percent of McCloud data analysed and ready for provisional upload.
 - (iv) The team are continuing to work additional hours to analyse the data and to manually update service lines on member records so data can be interfaced into Altair. This has shown through with an increase of 32 percent of data now analysed.

- (c) **GMP**
 - (i) All the required reports were uploaded to the Mercer portal before the 29 April 2022 deadline.
 - (ii) Assumptions and rectification need be agreed with Mercers.

- (d) **Administration System Procurement**
 - (i) Heywood Pension Technology (HPT) have been awarded the pension administration software contract for a ten year period; final award letter was issued 24 May 2022.

- (e) **Valuation 2022**
 - (i) The actuaries stated that our fund data is in a really good place. They have noticed continuing significant improvements in the quality of our data, and that they expect to have to carry out very little verification/correction work when the final year end data is submitted. It was made very clear that it is exceptional for the actuaries to be able to say this and acknowledged the tremendous hard work of the team in achieving this.

- (f) **Tracing Procurement**
 - (i) We have engaged with Procurement and will be using the National Framework to procure a provider.
 - (ii) Next stage is to put together a specification.
 - (iii) Within the framework there will be a direct award process.

- (g) **End of Year (EOY)**
 - (i) All EOY returns received within agreed deadlines.

- (h) **Online Payslips and P60s for Pensioners**
 - (i) Project now complete.
 - (ii) P60's issued to all pensioners before 31 May 2022 statutory deadline.

KEY PERFORMANCE INDICATORS

- 4. To note administration statistics for the year 2021-22 and 2022-23. Please refer to Appendices 3-5 for a full breakdown.

EMPLOYER COMPLIANCE WITH ADMINISTRATION STRATEGY

- 5. Details of previous and current financial years:
 - (a) 2021/22 – all March 2022 data submissions and payments and received by deadline 22 April 2022. Please refer to Appendix 6 for full breakdown.

- (b) 2022/23 – all April 2022 data submissions and payments and received by deadline 22 May 2022, with exception of one late payment from Southern Housing Association. This is current under investigation. Please refer to Appendix 7 for full breakdown.

COMPLAINTS

- 7. To note that there has been one complaint received since the last meeting, from a former employer. The complaint has been passed to the Director of Finance, who is leading on the investigation.

BREACHES OF THE LAW

- 8. To note that there has been one breach identified since the last meeting, relating to the deadline for the publication of the annual report and accounts for the year ended 31 March 2022. This breach has been reported to the Local Government Association and was reported to the pension fund committee at their meeting on 25 May 2022. It is not deemed sufficiently materially significant to report to the Pensions Regulator.
- 9. This item will be covered in more detail later on in the agenda for this meeting.

OTHER MATTERS

- 8. To be noted:
 - (a) Review of LGA of Data Subject Access Requests guidance undertaken by Corporate Information Unit to ensure process compliance.
 - (b) HPT security update following major incident alert arising from Spring4shell vulnerability in i-Connect. Please refer to Appendix 8.
 - (c) Board to note update letter from Prudential about issues arising from their migration to a new administration platform. Please refer to Appendix 9.

CORPORATE PRIORITIES AND STRATEGIC CONTEXT

- 9. The activity reported in this report do not directly impact upon any of the corporate priorities outlined in the [Corporate Plan 2021 – 2025](#).

Pension Fund Strategic Aims

- 10. The primary objective of the fund is to pay benefits to scheme members or their dependants in accordance with the Local Government Pension Scheme (LGPS) Regulations and other statutory provisions. The committee aims to operate the fund in such a manner that, in normal market conditions, all accrued benefits are fully covered by the value of the fund's assets and that an appropriate level of contributions is agreed by the employer to meet the cost of future benefits accruing.
- 11. In addition, the fund has agreed the following administration objectives, which underpin the delivery of the service:

- Deliver a high quality, friendly and informative service to all beneficiaries, potential beneficiaries and scheme employers at the point of need.
- Provide pension and lump sum benefits for all members, in accordance with LGPS Regulations.
- Clearly establish levels of performance and measure the performance of both the Fund and scheme employers against them.
- Develop successful partnership working between the Fund and its employers.

FINANCIAL / BUDGET IMPLICATIONS

12. The timely and accurate submission of monthly data returns and contribution payments by employers supports the fund in being able to pay benefits as they become due through the contributions received and income from investments, without having to withdraw funds from its investments.

LEGAL IMPLICATIONS

13. The Isle of Wight Council is the administering authority for the Isle of Wight Council Pension Fund. An administering authority is defined in the Local Government Pension Scheme Regulations 2013 as “a [local authority] required to maintain a pension fund under the local government pension scheme regulations”.

EQUALITY AND DIVERSITY

14. The council, as a public body, is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
15. There are no implications for any of the protected characteristics arising from items covered in the report.

RISK MANAGEMENT

16. Regular reviews of the timeliness, accuracy and completeness of employers’ data submissions ensures that the fund can maintain accurate membership data to support the accurate payment of benefits to the correct beneficiary when they become due.
17. Monitoring the timeliness of employers’ payment of contributions into the fund ensures that the fund maintains adequate liquidity to meet its current obligations and can also allow early identification of potential issues with the financial health of the employer.

APPENDICES ATTACHED

- Appendix 1 - Membership statistics 30 April 2022
- Appendix 2 - Aggregate membership by status 30 April 2022
- Appendix 3 - KPI statistics 31 March 2022
- Appendix 4 - KPI statistics 30 April 2022
- Appendix 5 - Pensioner payroll statistics 31 May 2022
- Appendix 6 - Employer compliance April 2022
- Appendix 7 - Employer compliance May 2022
- Appendix 8 - Heywood security update April 2022
- Appendix 9 - Prudential letter 29 April 2022

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