

Report Title:	Administration Report
Contains Confidential or Exempt Information	No - Part I
Cabinet Member:	Councillor Julian Sharpe, Chairman Pension Fund Committee and Advisory Panel
Meeting and Date:	Pension Fund Committee and Advisory Panel – 6 December 2021
Responsible Officer(s):	Kevin Taylor, Pension Services Manager and Philip Boyton, Pension Administration Manager
Wards affected:	None

REPORT SUMMARY

This report deals with the administration of the Pension Fund for the period 1 July 2021 to 30 September 2021. It recommends that Members (and Pension Board representatives) note the Key Administrative Indicators throughout the attached report.

Good governance requires all aspects of the Pension Fund to be reviewed by the Administering Authority on a regular basis. There are no financial implications for RBWM in this report

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Committee notes the report and:

- (i) **All areas of governance and administration as reported**
- (ii) **All key performance indicators**

Please note that Administration Reports are provided to each quarter end date (30 June, 30 September, 31 December and 31 March) and presented at each Committee meeting subsequent to those dates.

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 The Berkshire Pension Fund Committee has a duty in securing compliance with all governance and administration issues.

3. KEY IMPLICATIONS

- 3.1 Failure to fulfil the role and purpose of the Administering Authority could lead to the Pension Fund and the Administering Authority being open to challenge and intervention by the Pensions Regulator.

4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 Not applicable.

5. LEGAL IMPLICATIONS

5.1 None.

6. RISK MANAGEMENT

6.1 None.

7. POTENTIAL IMPACTS

7.1 Equalities: Equality Impact Assessments are published on the [council's website](#)
N/A

7.2 Climate change/sustainability: N/A

7.3 Data Protection/GDPR. N/A

8. CONSULTATION

8.1 Not applicable.

9. TIMETABLE FOR IMPLEMENTATION

9.1 Not applicable.

10. APPENDICES

10.1 This report is supported by 1 appendix:

- Appendix 1: Administration Report 1 July 21 to 30 September 21

11. BACKGROUND DOCUMENTS

11.1 This report is supported by 0 background documents.

12. CONSULTATION

Name of consultee	Post held	Date sent	Date returned
Mandatory: Statutory Officers (or deputy)			
Adele Taylor	Executive Director of Resources/S151 Officer	23/11/2021	25/11/2021
Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer	23/11/2021	23/11/2021
Deputies:			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	23/11/2021	25/11/2021
Elaine Browne	Head of Law (Deputy Monitoring Officer)	23/11/2021	
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)	23/11/2021	
Other consultees:			
Cllr Julian Sharpe	Chairman – Berkshire Pension Fund Committee	23/11/2021	

REPORT HISTORY

Decision type:	Urgency item?	To follow item?
Pension Fund Committee decision	Yes/No	Yes/No

Report Author: Kevin Taylor, Pension Services Manager 07992 324393
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ADMINISTRATION REPORT

QUARTER 2 – 2021/22

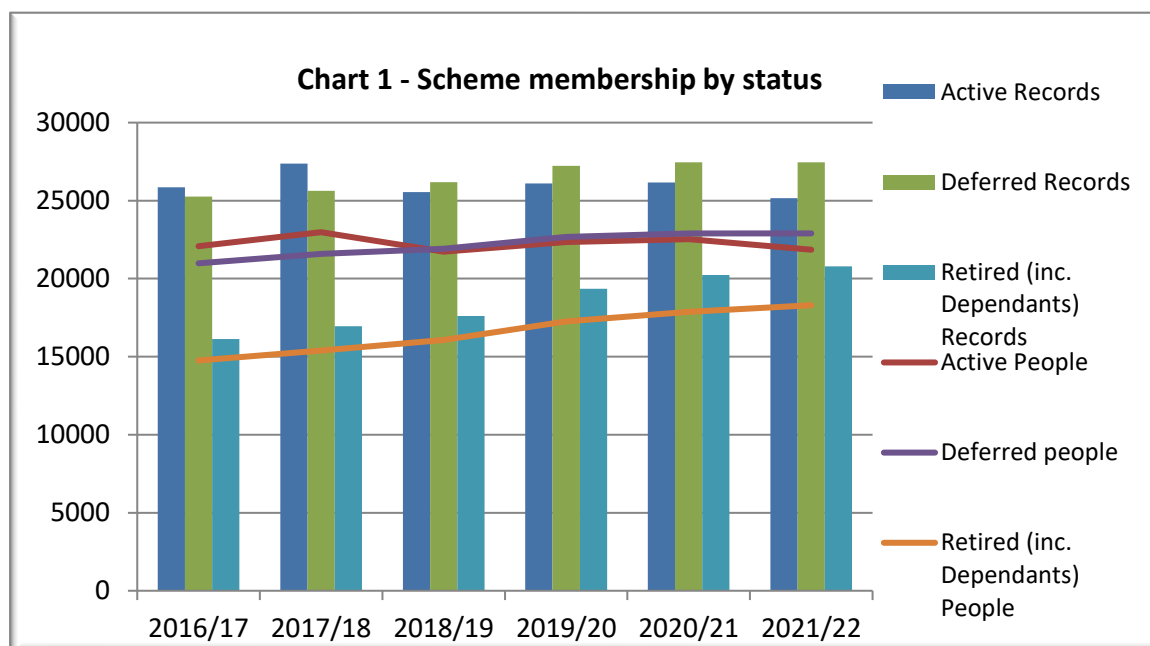
1 July 2021 to 30 September 2021

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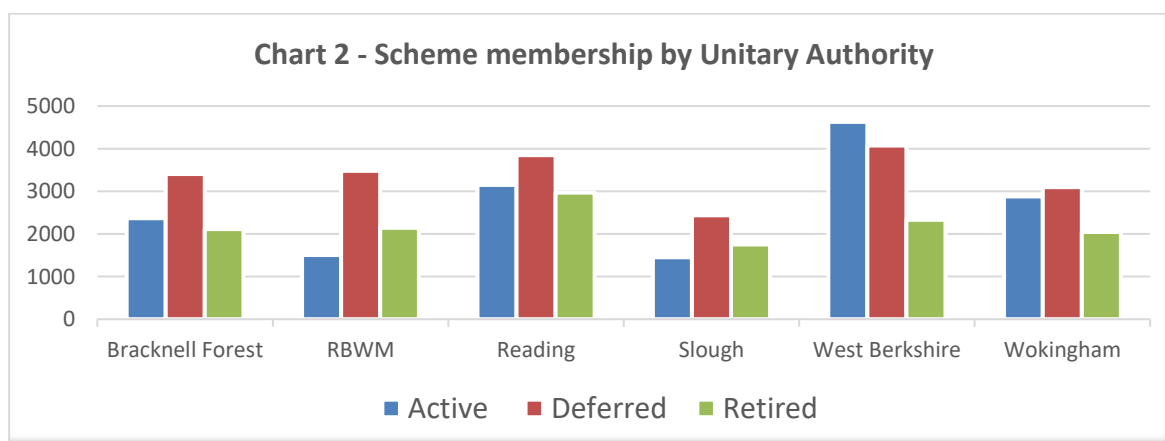
1. ADMINISTRATION

1.1 Scheme Membership



TOTAL MEMBERSHIP			
Active Records	25,147	Active People	21,857
Deferred Records	27,477	Deferred People	22,896
Retired Records	20,797	Retired People	18,297
TOTAL	73,421	TOTAL	63,050

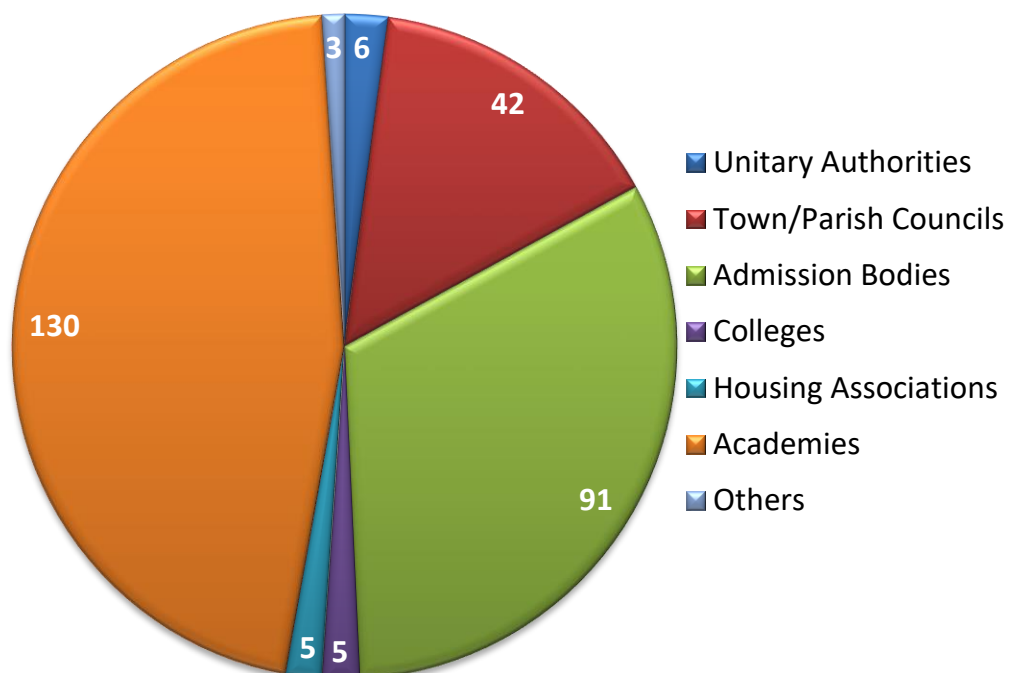
1.2 Membership by Employer



Membership movements in this Quarter (and previous Quarter)						
	Bracknell	RBWM	Reading	Slough	W Berks	Wokingham
Active	-44 +12	+27 -10	-157 -59	-92 -67	+70 -38	-31 -6
Deferred	+13 +21	-5 -35	+6 -7	-4 -2	+5 -34	0 -3
Retired	+28 +25	+30 +37	+38 +41	+38 +31	+54 +65	+27 +45

1.3 Scheme Employers

Chart 3 - Employers with active members

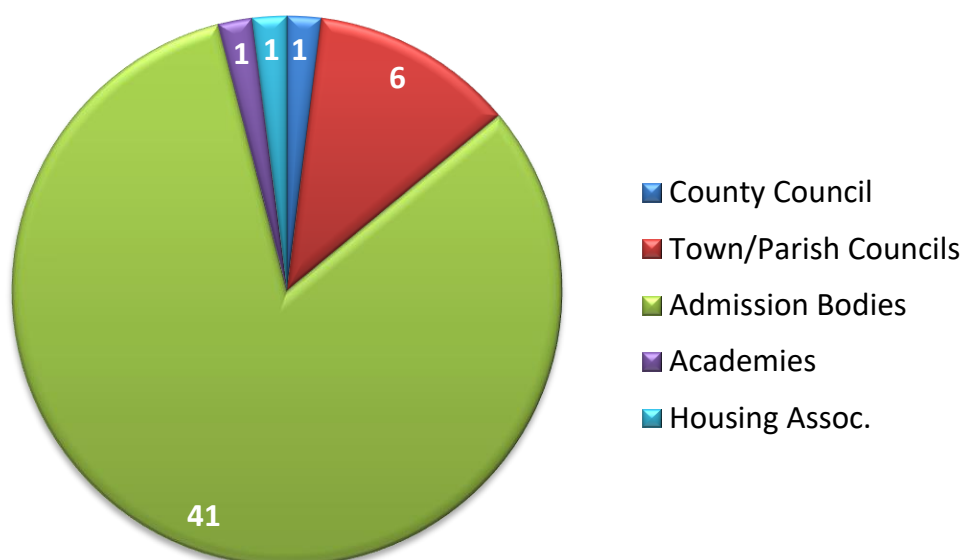


New employers since last report:

Admission Bodies: Caterlink (The Heights Academy)

Academies: Newbury College Academy Trust; The Elliott Foundation Education Trust

Chart 4 - Employers without active members



Exiting employers: None

1.4 Scheme Employer Key Performance Indicators

Table 1A – i-Connect users Quarter 2 (1 July 2021 to 30 September 2021)					
Employer	Starters	Leavers	Changes	Total	Submission Received Within Specification
Bracknell Forest Cncl	232	242	489	963	100%
RBWM	244	245	605	1,094	100%
Reading BC	257	206	770	1,233	100%
Slough BC	94	139	329	562	100%
West Berks Council	594	275	729	1,598	100%
Wokingham BC	182	101	186	469	100%
Academy/ School	580	701	2,745	4,026	82.17%
Others	124	108	288	520	79.08%

NOTES: Table 1A above shows all transactions through i-Connect for the second quarter of 2021/2022. Changes include hours/weeks updates, address amendments and basic details updates.

The benefits of i-Connect are:

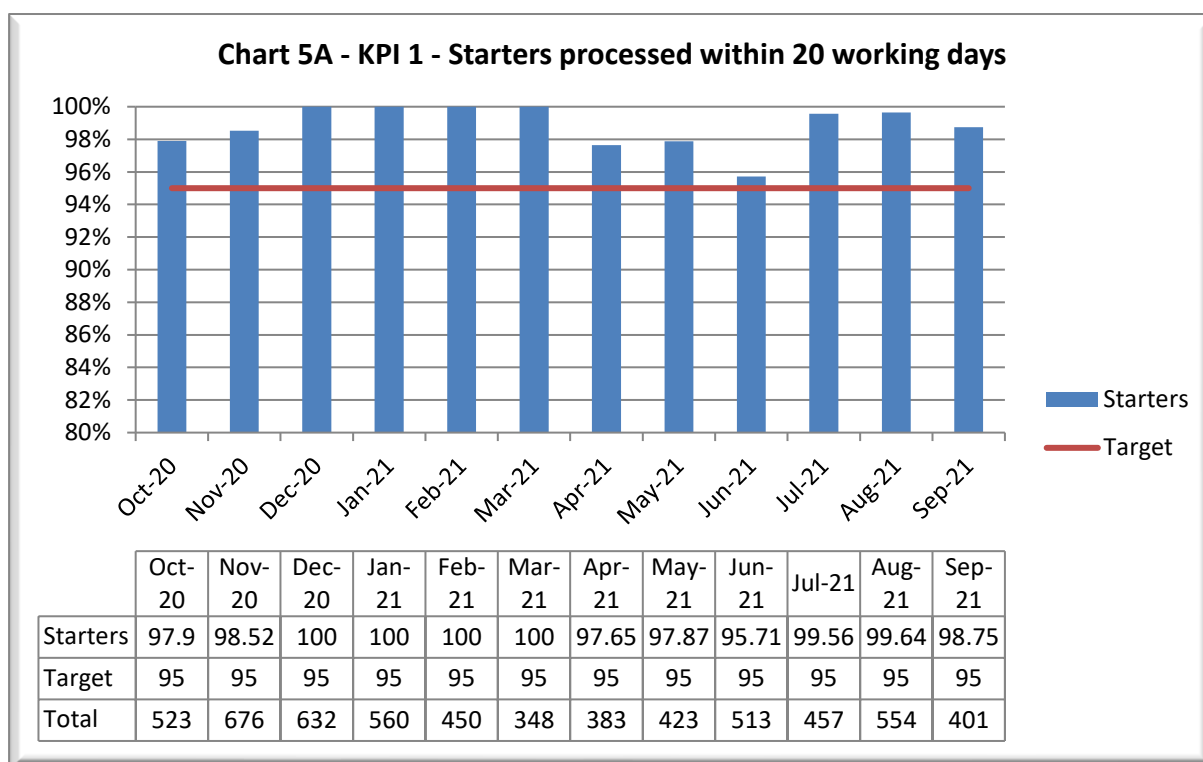
- Pension records are maintained in ‘real-time’;
- Scheme members are presented with the most up to date and accurate information through *mypension* ONLINE (Member self-service);
- Pension administration data matches employer payroll data;
- Discrepancies are dealt with as they arise each month;
- Employers are not required to complete year end returns;
- Manual completion of forms and input of data onto systems is eradicated removing the risk of human error.

Since the 1 July 2021 Officers are pleased to report the following scheme employers have on boarded i-connect with scheme member data received on a monthly basis:

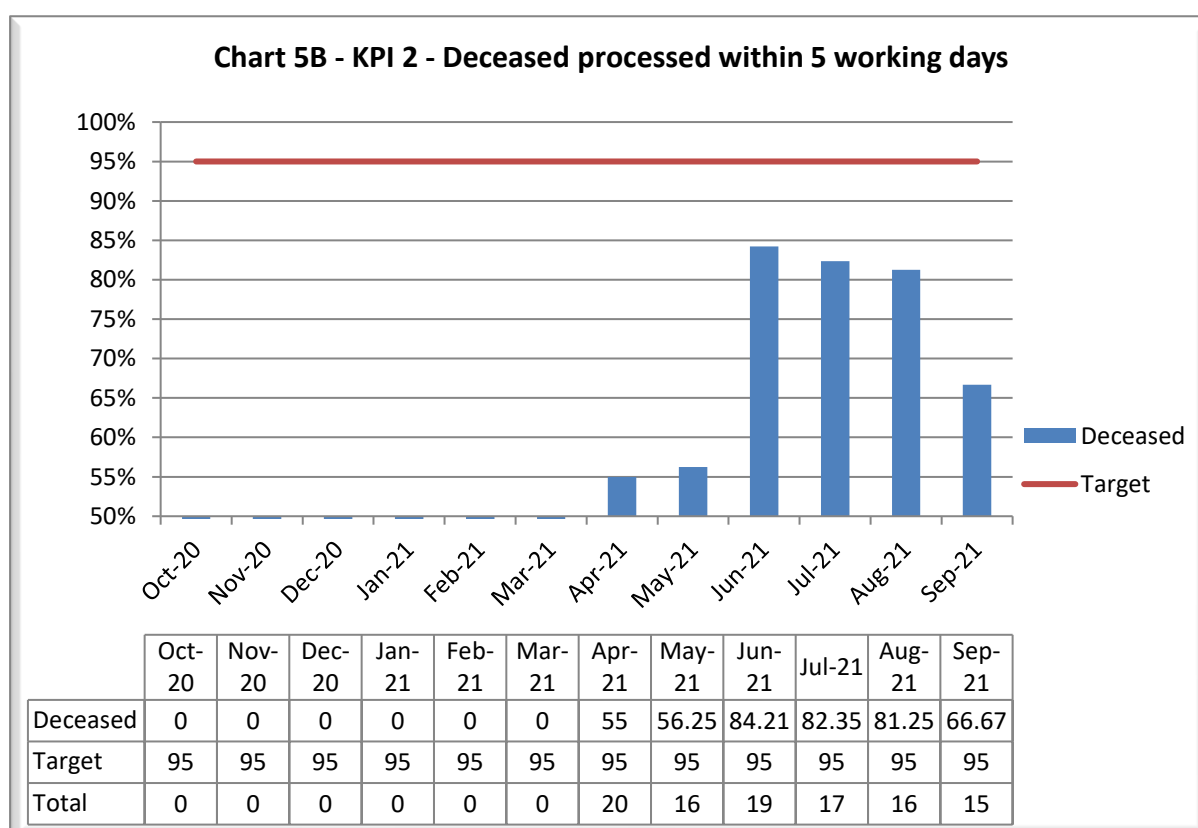
- Adviza
- Newbury Town Council
- Osborne Property Services Limited
- Reading Buses
- University of West London
- Wokingham Town Council

138 scheme employers are yet to on board i-Connect. The Pension Fund is committed to having all scheme employers with 10 or more scheme members on boarded to i-Connect by 31 March 2022. Scheme employers with fewer than 10 scheme members (79 employers) will also be given the option of using an on-line portal version of i-Connect by that date.

1.5 Key Performance Indicators

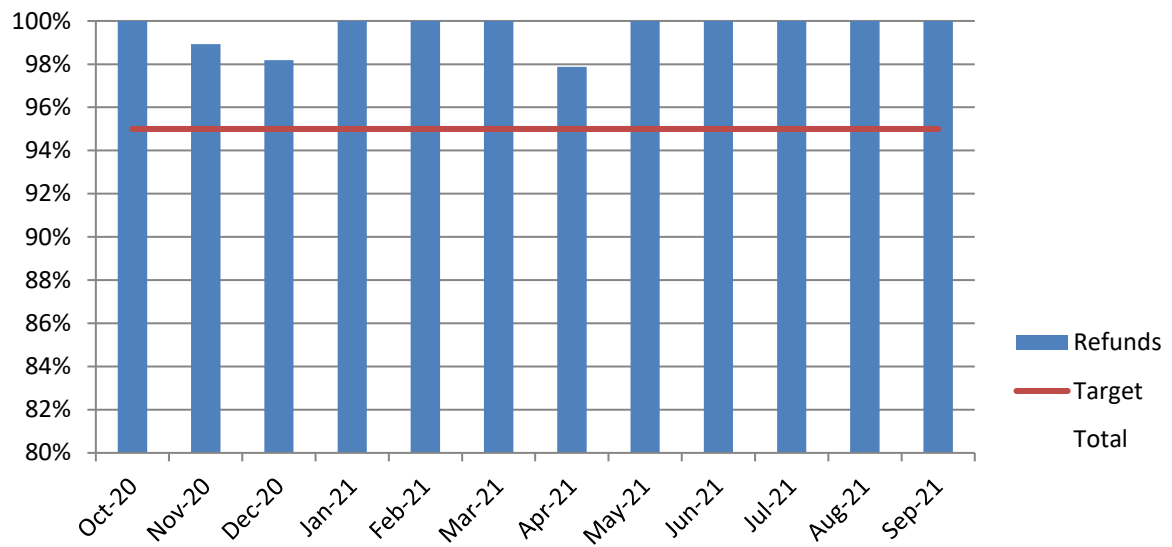


CIPFA Benchmark: Two months from date of joining the scheme or if earlier within one month of receiving jobholder information.



CIPFA Benchmark: As soon as practicable and no more than two months from date of notification of death from scheme employer or deceased's representative.

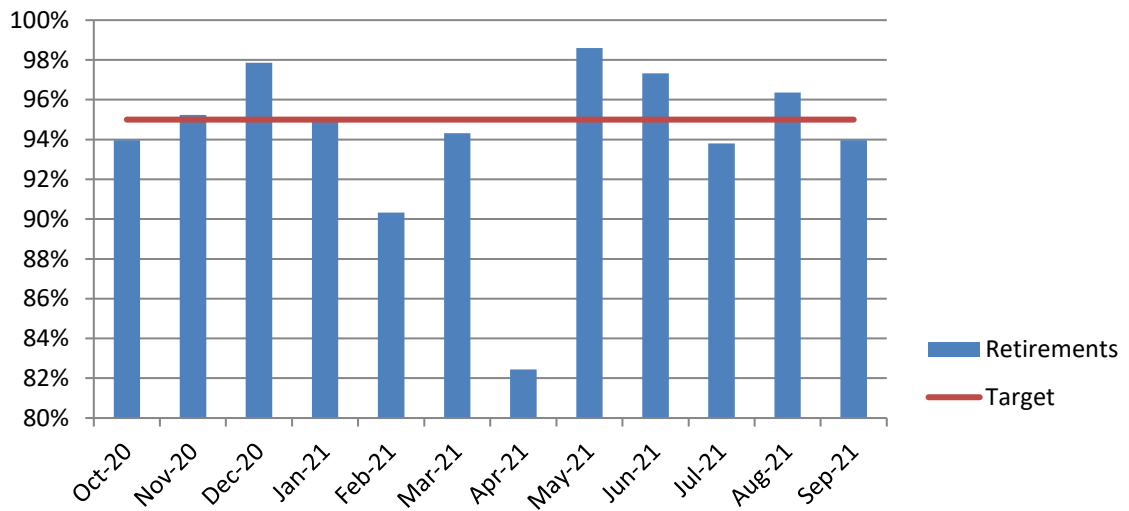
Chart 5C - KPI 3 - Refunds processed within 10 working days



	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
Refunds	100	98.92	98.18	100	100	100	97.87	100	100	100	100	100
Target	95	95	95	95	95	95	95	95	95	95	95	95
Total	48	93	55	28	23	44	47	36	50	51	31	48

CIPFA Benchmark: To be confirmed.

Chart 5D - KPI 4 - Retirements processed within 5 working days

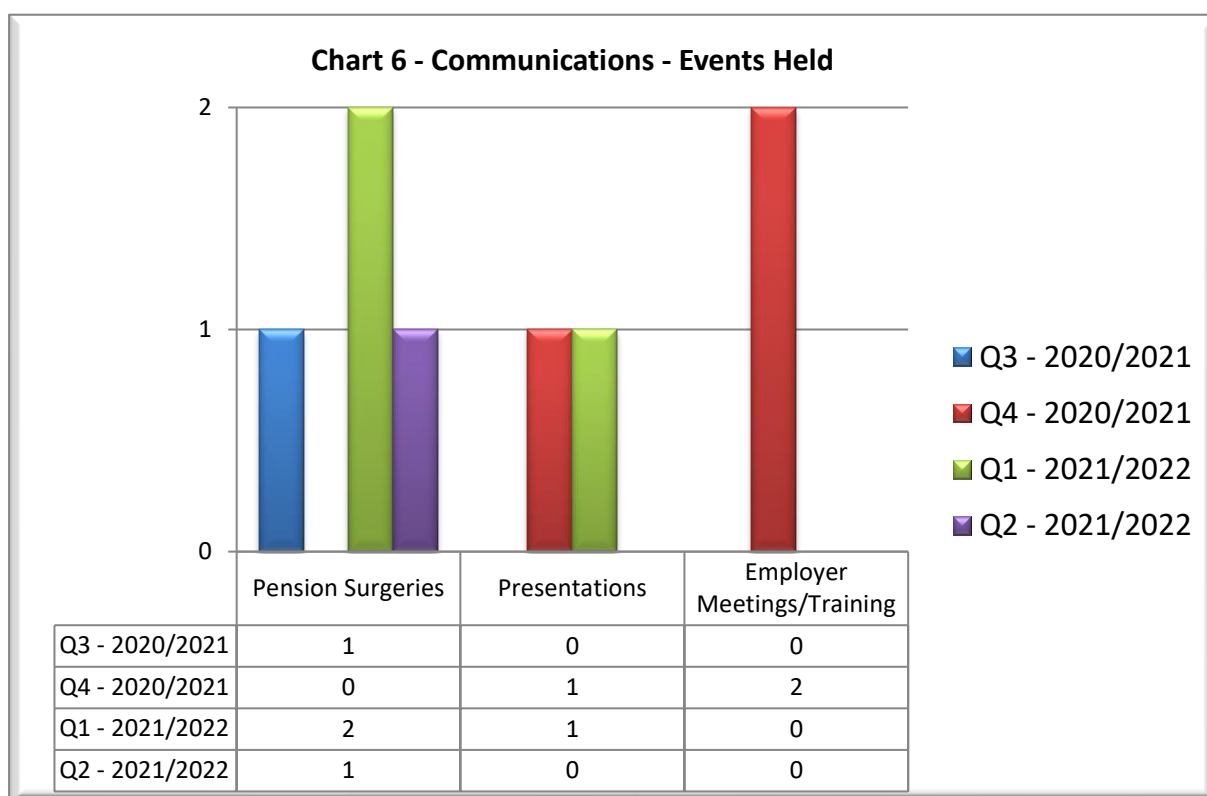


	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
Retirements	93.96	95.24	97.85	94.96	90.32	94.32	82.44	98.6	97.33	93.8	96.36	93.96
Target	95	95	95	95	95	95	95	95	95	95	95	95
Total	149	126	93	119	93	88	131	36	150	129	110	149

CIPFA Benchmark: One month from date of retirement if on or after normal pension age or two months from date of retirement if before normal pension age.

1.6 Communications

All events shown have been held remotely.



1.7 Stakeholder Feedback

As part of the Pension Fund's aim to achieve Pension Administration Standards Association (PASA) accreditation it is a requirement to report to Members the comments and complaints received from scheme employers and their scheme members on a periodic basis. Please see below feedback received from stakeholders during the fourth quarter:

Date Received	Method	Feedback
12/07/2021	Telephone	Member unhappy being sent chase letters for a decision regarding D2 Merges processed in November 2020 and a recent IFA Chase letter as on both occasions the original merge offer was not received. Member has requested hard copies are sent in the post and an email sent to personal email informing them correspondence is on their way.
13/07/2021	Telephone	I attended a pension surgery two years ago but didn't find it as helpful as today's meeting has been, you've given me so much information, thank you
22/07/2021	Email	A massive thank you for firstly resolving the mystery of the missing forms (hard to believe where they sent them, and that Wiltshire presumably just ignored them) and for picking this up and getting it finalised so quickly. I owe an

		apology to (NAME REDACTED) too, I appreciate he isn't with you anymore, his constant delayed responses led to me getting extremely frustrated with him and we've now established that he genuinely hadn't received the forms. I hope you have a lovely extended break and many thanks again.
24/08/2021	Office visit	Member left chocolates as a token of her gratitude for withholding her temporary address from her husband
30/07/2021	Email	The collective support, patience and excellent communication of you and your team through this complex procedure has been very much appreciated.
02/08/2021	Telephone	I'm glad I got to speak with you because you always have the answers.
13/08/2021	Email 1	Many thanks for your prompt reply and very comprehensive answers to my queries.
13/08/2021	Email 2	Thank you so much for your guidance, you have been great. I hope you have a very enjoyable holiday.
13/09/2021	Card	Thank you ever so much for your professional support & advice given to me. I am truly grateful for all your time, patience, guidance, and valued information shared with me in order to pursue my course in Ill health retirement based on this unprecedented climate. I had to choose life over money to keep my son & daughter safe they have cystic fibrosis. Pray you are well and safe and will continue to be safe & blessed. Love and Gratitude.
16/09/2021	Card & Cakes	Thank you so much for all your help with getting my Prudential AVC, I really appreciated everything you did, enjoy these as a small gesture of my gratitude.

2 SPECIAL PROJECTS

2.1. *McCloud Judgement*

In 2014 the Government introduced reforms to public service pensions, meaning most public sector workers were moved into new pension schemes in 2014 and 2015.

In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to some members of the judges' and firefighters' pension schemes, as part of the reforms, gave rise to unlawful discrimination.

On 15 July 2019 the Chief Secretary to the Treasury made a written ministerial statement confirming that, as 'transitional protection' was offered to members of all the

main public service pension schemes, the difference in treatment will need to be removed across all those schemes for members with relevant service.

The changes to the LGPS include transitional protection for members who were within 10 years of their Final salary Scheme normal pension age on 1 April 2012, ensuring that they would receive a pension that was at least as high as they would have received had the scheme not been reformed to a Career Average Revalued Earnings scheme from 1 April 2014.

Like all LGPS Pension Funds we are currently analysing the membership whilst working closely with both our actuary, Barnett Waddingham, and pension software provider, heywood Limited, to identify those members impacted by this judgement leading to a recalculation of deferred and in payment scheme member benefits.

2.2 Data Quality – The Pensions Regulator (tPR)

Since April 2018 tPR has placed a particular focus on all public sector pension schemes with the expectation for Scheme Managers (Administering Authority) to measure data at least once a year and whilst enforcement action will not be taken on the basis of scores alone, tPR may, if they have concerns that legal requirements or certain standards are not being met, engage with Scheme Managers and take action where Scheme Managers fail to demonstrate that they are taking appropriate steps to improve their records.

There are two types of data that tPR monitor, Common Data and Scheme Specific Data (formerly known as Conditional Data). Common Data is a subset of member and beneficiary data as set out in regulations whereas scheme-specific data refers to the rest of the data a public service scheme needs to run a scheme i.e. the remaining member and transaction fields.

Officers are pleased to inform Members the results of Year 4 of this project that relate to both types of data were recently received from *heywood* Limited, the software provider to the Pension Fund.

Tests were carried out across 93,038 scheme member records (an increase of 1,985 on 2020). A summary of the results and comparison to Year 1, 2 and 3 is set out in the table below:

Common Data

Data Items	Total Items October 2018	Member Records nil Failure	Total Items October 2019	Member Records nil Failure	Total Items October 2020	Member Records nil Failure	Total Items October 2021	Member Records nil Failure
Conditions Tested	701,192	-	724,640	-	728,424	-	744,304	-
Conditions Passed	693,139	-	717,455	-	726,424	-	742,600	-
Conditions Failed	8,056	-	7,185	-	1,786	-	1,704	-
Pass Percentage	98.85%	91.3%	99.0% +0.15%	92.4% +1.1%	99.8% +0.8%	98.9% +6.5%	99.8% 0.0%	98.9% 0.0%

Scheme Specific Data

Data Items	Total Items October 2018	Member Records nil Failure	Total Items October 2019	Member Records nil Failure	Total Items October 2020	Member Records nil Failure	Total Items October 2021	Member Records nil Failure
Conditions Tested	825,702	-	848,269	-	859,868	-	876,145	-
Conditions Passed	805,339	-	835,619	-	842,874	-	859,023	-
Conditions Failed	20,011	-	12,650	-	16,994	-	17,122	-
Pass Percentage	97.6%	86.1%	98.51% +0.91%	91.3% +5.2%	98.02% (0.49%)	94.5% +3.2%	98.05% +0.03	95.0% +0.5%

2.3 Pensions Dashboard Programme

A national pensions dashboard has been on the horizon for some time, but now the Pension Schemes Act 2021 has received Royal Assent it is anticipated the Department for Work and Pensions (DWP) to consult on detailed dashboards regulations and with regulators to begin supporting both private and public sector pension providers and pension schemes to comply with their dashboards compulsion duties. It is anticipated the Pensions Dashboards Programme (PDP) will publish further detailed instructions on how a scheme administrator must operate with the dashboards ecosystem.

Officers recognise it is important not to wait for all this consultation and guidance. Almost every aspect of administering a pension scheme is easier to achieve if data is actively managed and incorporates both Common and Scheme Specific data activities, an area Officers have successfully improved over the last three years.

Officers acknowledge Pensions Dashboards, if done well, could be a game changer in getting individuals to better engage with their pensions, and a better efficiency of pension scheme management. Officers understand the Pensions Dashboard will go live during 2023 and Officers will provide further details to Members in due course.

2.4 Overseas Pension Payments

Officers will begin working together during 2022 with the Pension Fund's current overseas payment provider, Western Union (WU), to check the live status of 180 pensioner and dependant scheme members ("the payee") who receive their monthly pension payment to an account in the country and currency of their residence.

The Pension Fund currently pays £782,105 worth of annual pension payments to overseas accounts using the services of WU. In an effort to detect and prevent any fraudulent payments this project will require the payee to present themselves in person at their nearest local WU Bureau Station, as confirmed to them by WU, together with a form of photographic identification. The cost of this work will be £4,500 (inc. VAT), a small expense to obtain assurance the right payments are being made to the right person.

The project described will run alongside a nil cost exercise, checking the live status of 196 payees who reside overseas but choose to have their monthly pension paid to a UK account. The Pension Fund currently pays a further £822,472 worth of annual pension to this type of payee.

Officers understand the monthly pension payment is a key part of the payee's quality of life and will therefore always take careful and considered action before suspending the monthly pension payments of those payees who do not provide photographic identification. The project will include a letter sent to all payees in the first instance, accompanied by a FAQ document, bringing to the payee's attention the work the Pension Fund is undertaking and when, the reasons why and the stages of the process.