

Report Title:	<b>Administration Report</b>
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 – 4 July 2022
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 January 2022 to 31 March 2022. 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.

The committee are asked to 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.

### **1. DETAILS OF RECOMMENDATION(S)**

**RECOMMENDATION:** That Committee notes the report and;

- i) Notes all areas of governance and administration as reported; and**
- ii) Notes all key performance indicators**

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

- 2.1. The Royal County of 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. No direct financial implications arising from this report.

#### **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 January 2022 to 31 March 2022

#### **11. BACKGROUND DOCUMENTS**

11.1. This report is supported by 0 background documents.

## 12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
<b>Mandatory: Statutory Officers (or deputy)</b>			
Adele Taylor	Executive Director of Resources/S151 Officer	06/05/2022	
Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer	06/05/2022	22/06/2022
<b>Deputies:</b>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	06/05/2022	23/06/2022
Elaine Browne	Head of Law (Deputy Monitoring Officer)	06/05/2022	
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)	06/05/2022	12/05/2022
<b>Other consultees:</b>			
Cllr Julian Sharpe	Chairman – Berkshire Pension Fund Committee	06/05/2022	

## 13. 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



**THE ROYAL COUNTY OF  
BERKSHIRE  
PENSION FUND**

**ADMINISTRATION REPORT**

**QUARTER 1 – 2022**

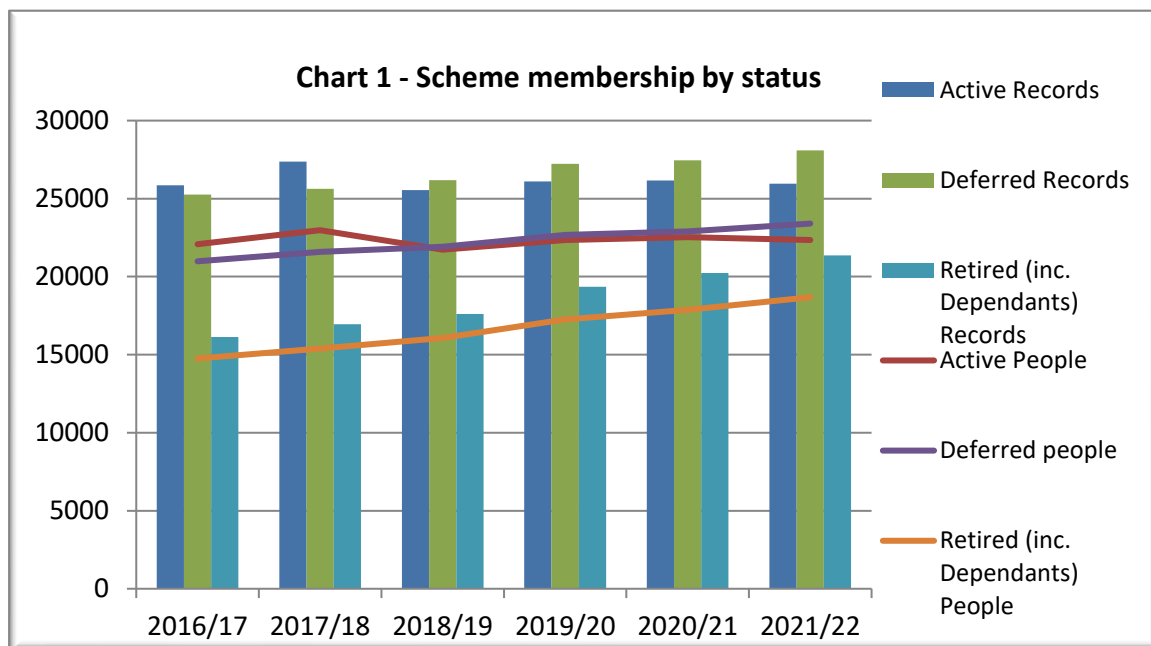
**1 January 2022 to 31 March 2022**

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# 1. ADMINISTRATION

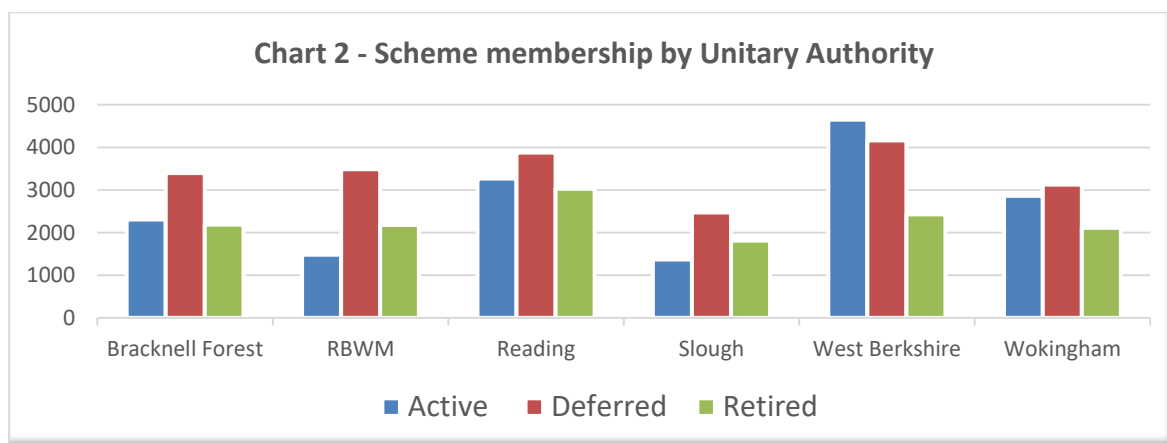
## 1.1 Scheme Membership



### TOTAL MEMBERSHIP

Active Records	25,959	Active People	22,342
Deferred Records	28,087	Deferred People	23,402
Retired Records	21,356	Retired People	18,680
<b>TOTAL</b>	<b>75,402</b>	<b>TOTAL</b>	<b>64,424</b>

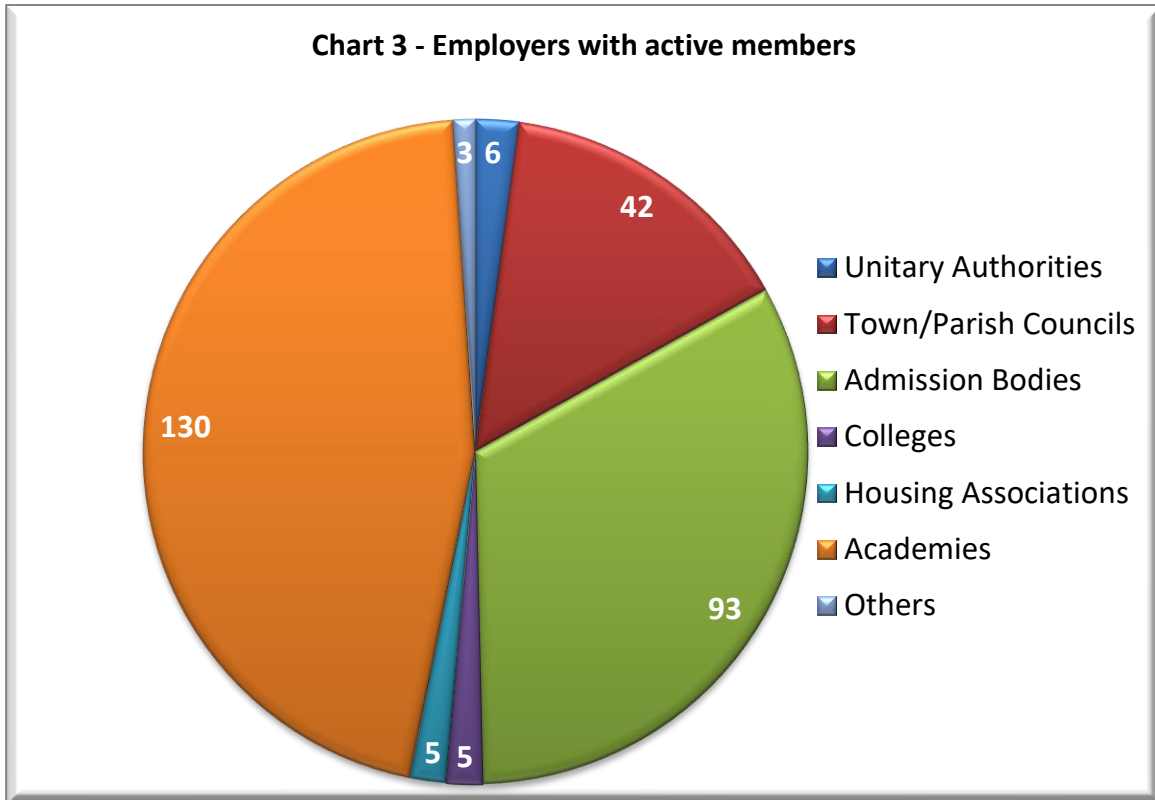
## 1.2 Membership by Employer



### Membership movements in this Quarter (and previous Quarter)

	Bracknell	RBWM	Reading	Slough	W Berks	Wokingham
Active	<b>-38</b> -20	<b>19</b> -38	<b>-44</b> 45	<b>24</b> -40	<b>73</b> -2	<b>-54</b> 34
Deferred	<b>-7</b> +4	<b>10</b> -2	<b>26</b> +9	<b>+13</b> -4	<b>+24</b> +71	<b>+5</b> 24
Retired	<b>+43</b> +25	<b>+15</b> +17	<b>+40</b> +37	<b>+13</b> +38	<b>+23</b> +44	<b>+34</b> +35

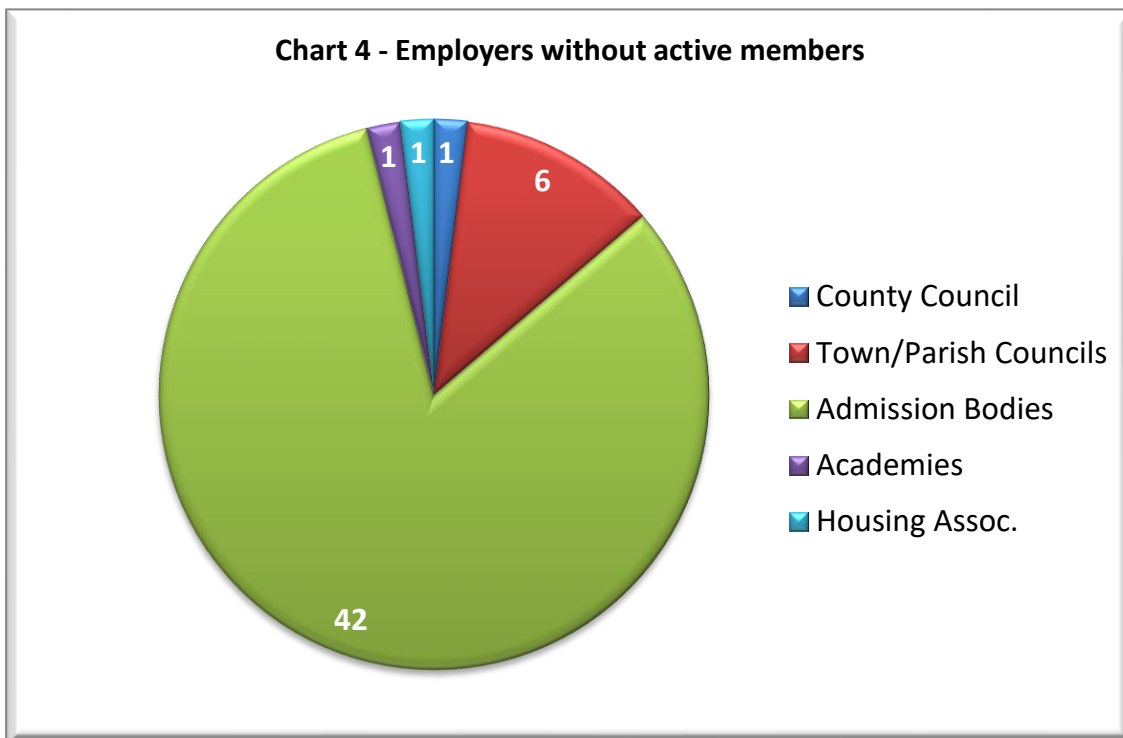
1.3 Scheme Employers



New employers since last report:

**Admission Bodies:** Impact Food Group (Arbib Academy Trust), Turn It Ion Limited (Maiden Erlegh Trust)

**Academies:** None



**Exiting employers:** None

#### 1.4 Scheme Employer Key Performance Indicators

**Table 1A – i-Connect users Quarter 1 (1 January 2022 to 31 March 2022)**

<b>Employer</b>	<b>Starters</b>	<b>Leavers</b>	<b>Changes</b>	<b>Total</b>	<b>Submission Received Within Specification</b>
<b>Bracknell Forest Cncl</b>	199	171	602	972	100%
<b>RBWM</b>	125	73	381	579	66.67%
<b>Reading BC</b>	246	139	680	1,065	100%
<b>Slough BC</b>	61	85	221	367	100%
<b>West Berks Council</b>	340	269	1,214	1,823	100%
<b>Wokingham BC</b>	113	128	849	1,090	100%
<b>Academy/ School</b>	346	169	2,683	3,198	86.57%
<b>Others</b>	97	81	326	504	86.00%

**NOTES:** Table 1A above shows all transactions through i-Connect Software for the first quarter of 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 “my pension 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.

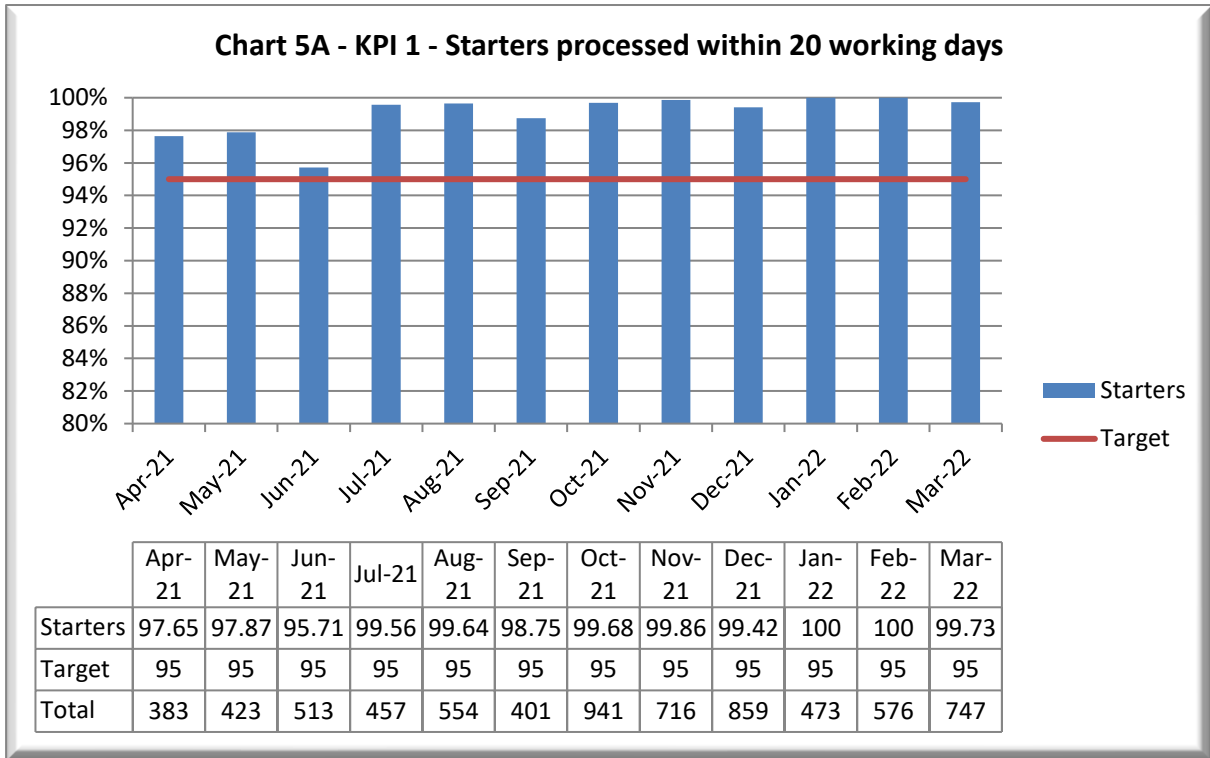
Since the 1 January 2022 Officers are pleased to report the following scheme employers have on boarded i-connect Software with scheme member data received monthly:

- Glyn Learning Foundation
- The Circle Trust

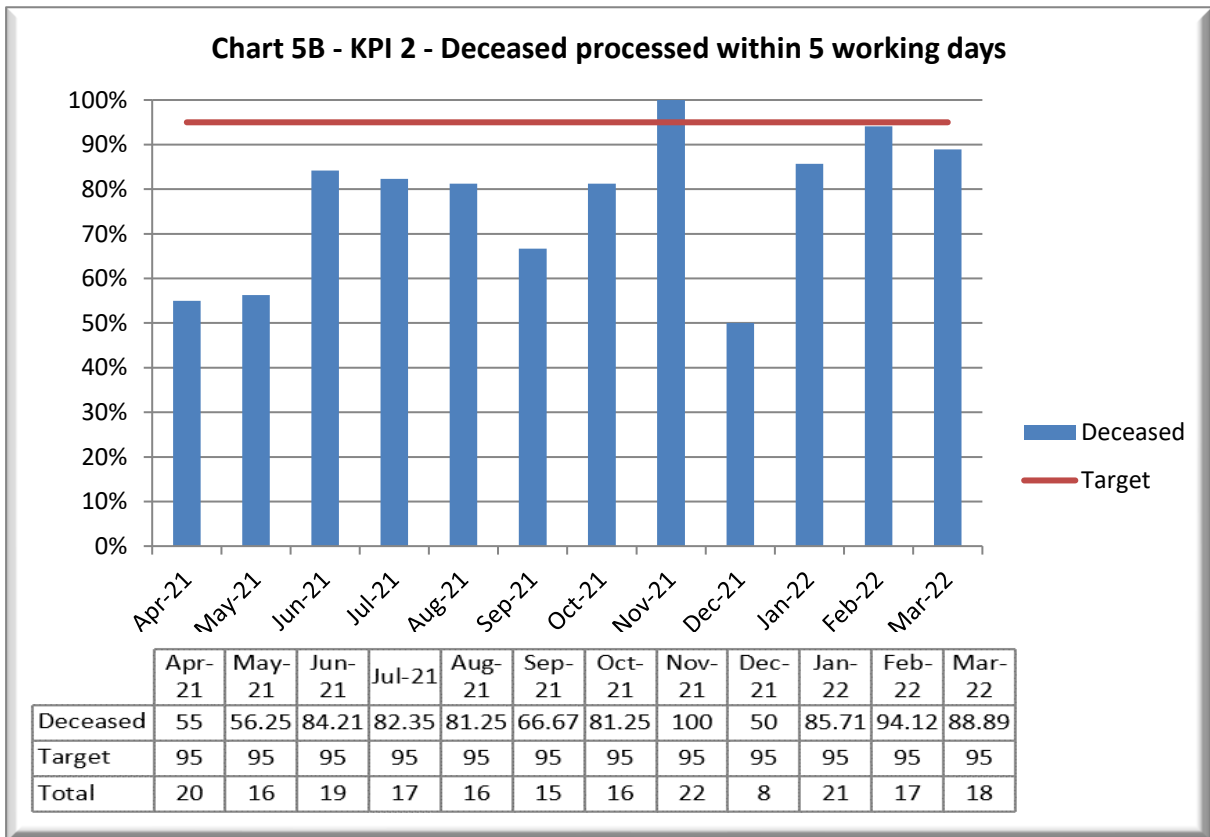
133 scheme employers are yet to on board i-Connect Software and the Pension Fund remains committed to continuing to work with these scheme employers to help them to onboard, where it is possible for them to do so. Scheme employers with fewer than 10 scheme members (77 employers) have the option of using an on-line portal version of i-Connect Software rather than submitting via “.csv”.



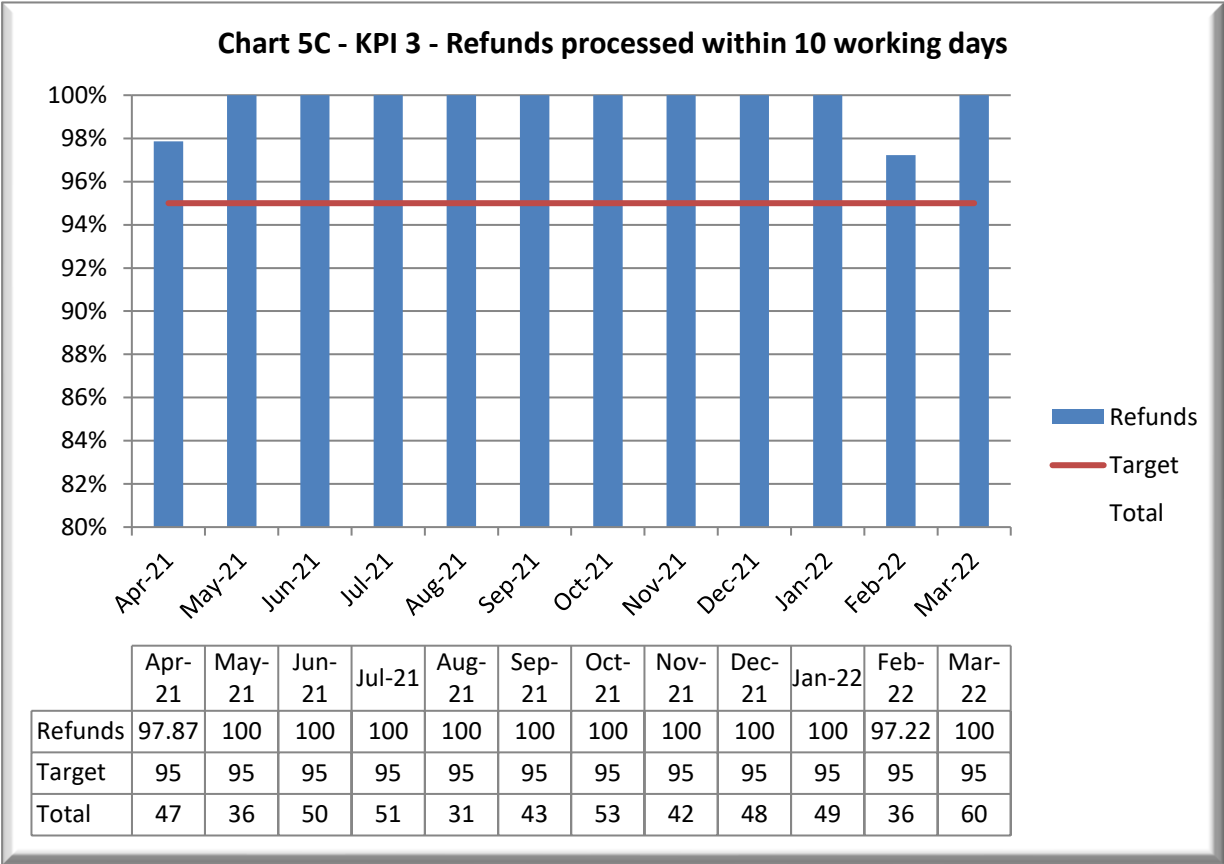
1.5 Key Performance Indicators



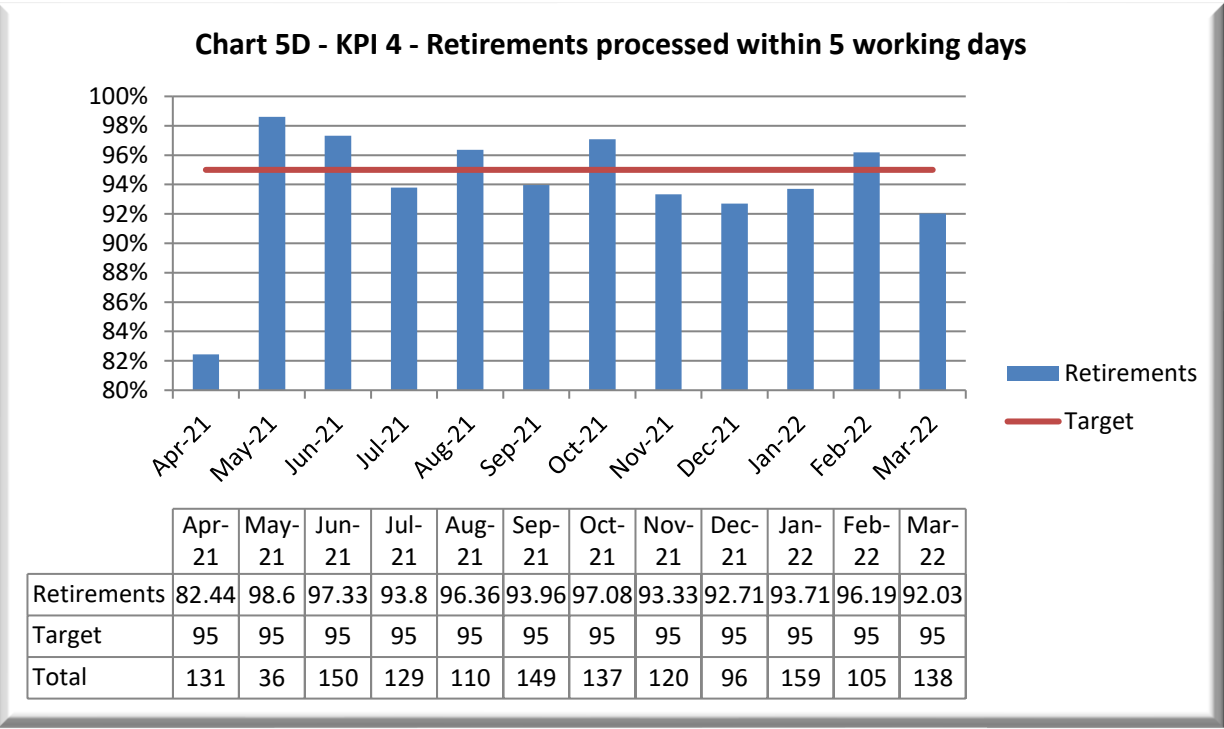
**CIPFA Benchmark:** Two months from date of joining the scheme or if earlier within one month of receiving jobholder information.



**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.



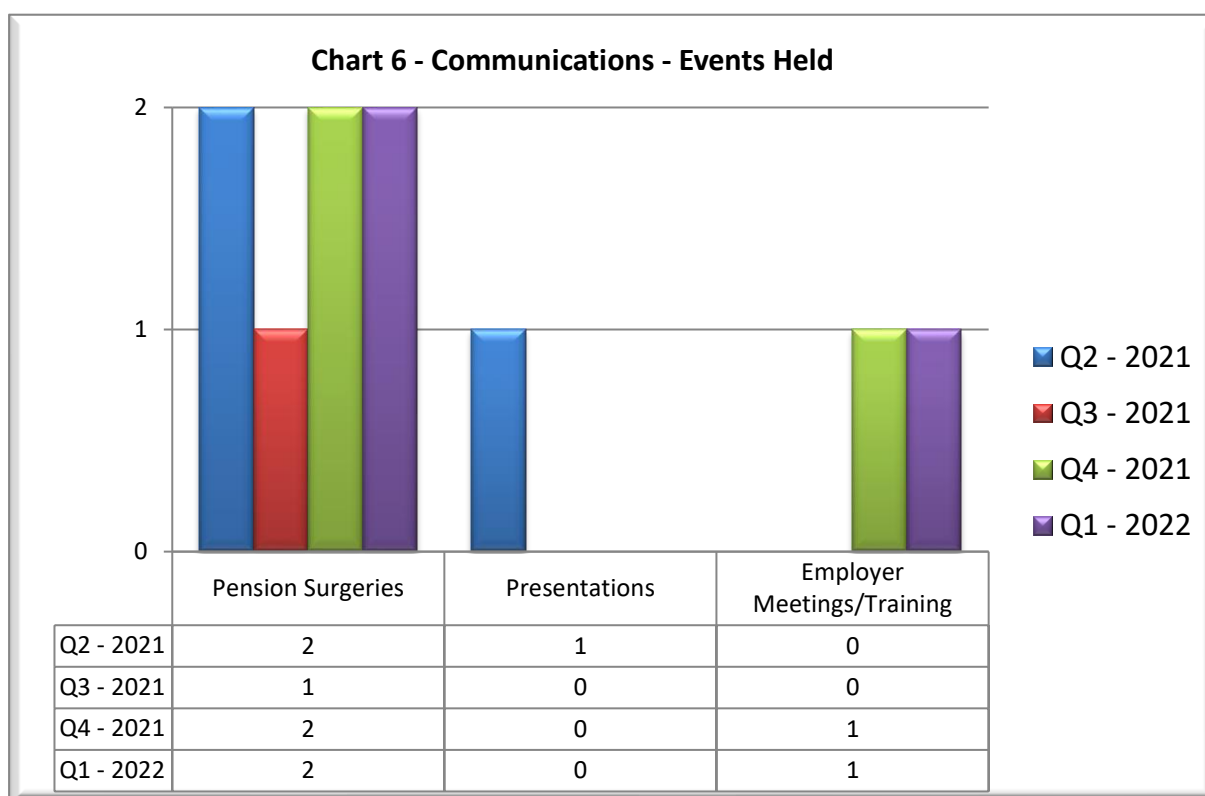
**CIPFA Benchmark:** To be confirmed.



**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
14/01/2022	Email	<p>I wish you to know that I have had outstanding service this morning from one of your Pension Administrators, [NAME]. When I called this morning, I was very anxious and worried about a pension issue. Within moments her calm and courteous manner reduced my concerns. She consulted with another colleague and returned my call with the information required within a very acceptable timeframe. She was able to explain, what to me is a complicated issue, with clarity.</p> <p>It is very unusual these days to receive a service from someone with these qualities. [NAME] was respectful and knowledgeable without making me feel out of my depth.</p>

		I hope that you will find a way to acknowledge [NAME] talent.
24/03/2022	Letter	I would just like to take this opportunity to thank you personally for all your help and patience on every phone call I have made to you. Nothing was ever too much trouble and if you had to go off to find something out for me you always came back to me in a timely manner. I really appreciated it. Kind Regards.
29/03/2022	Email	I have received the Death Grant, so a big thank you to you and your team for the compassion and understanding during this difficult time for me and the professional communication in dealing with necessary legal procedures.
06/04/2022	Email	I would like to compliment one of your staff by the name of [NAME]. I called this morning regarding the above. I am a real novice when it comes to dealing with paperwork. [NAME] was amazing, she went through all of the forms with me step by step. Please tell her I am so grateful for her help and support she certainly needs recognition.

## 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.

Following a recent Southern Area Pension Officer Group (SAPOG) meeting attended by Officers of Berkshire Pension Fund, Buckinghamshire Pension Fund (BPF), East Sussex Pension Fund, Hampshire Pension Fund (HPF), Isle of Wight Pension Fund, Oxfordshire Pension Fund, Surrey Pension Fund, West Sussex Pension Fund it was been identified only BPF and HPF have begun collecting historical hour and week data from their respective scheme employers and contracted third party payroll providers.

It has so far proven to be very challenging for BPF and HPF to collect the historical data needed dating back to 1 April 2014 due to a) a lack of scheme employer engagement, b) it only being necessary to retain data for a period of seven financial years and c) scheme employers changing contracted third-party payroll providers.

Since 2019 all SAPOG Pension Funds have kept in touch with their scheme employers about this judgement. The Local Government Association did inform SAPOG that Regulations will be laid before Parliament during July or August 2022 and come into force from 1 October 2023.

In preparation of the extensive work that will be involved to bring scheme member records up to date including the re-calculation of early leaver, pensioner, dependant and transfer out events that have occurred since 1 April 2014, Pension Funds are planning to increase the size of their administration teams with BPF and HPF having done so already by four and three Pension Officers respectively with the need for potential further resource as the project progresses.

## 2.2 *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) will begin to consult on detailed dashboards regulations and work 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.

## 2.3 *Overseas Pension Payments*

During March 2022 officers worked together with the Pension Fund's current overseas payment provider, Western Union (WU), resulting in the issue of a "Pre-Existence Letter" to 168 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 in the region of £782,000 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 together with a form of photographic identification.

The "Pre-existence Letter" set out to the payee the reasons for the project being undertaken and to make them aware a further letter will follow during week commencing Monday, 18 April 2022 and confirming the nearest local WU Bureau Station to their address.

The project described will run alongside a nil cost exercise, checking the live status of payees who reside overseas but choose to have their monthly pension paid to a UK account. The Pension Fund currently pays approximately £822,500 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.

## 2.4 *Year End 2022*

Officers are pleased to report all year end processes remain on target to be completed by no later than the statutory deadline of 31 August 2022. Details in respect of Active Contributors, Deferred Pensioners and In Payment Pensioner and Dependant scheme members is shown below:

- **Active Scheme Members**

During week commencing 7 February 2022 officers contacted, by e-mail, 108 scheme employers not yet onboarded to use i-connect Software. The e-mail attached "Scheme Employer Guidance Notes" setting out how an accompanying "Year End File Template" needed to be completed and returned to the Pension Fund by no later than 30 April 2022. This deadline was met by 92 scheme employers with the remaining 16 scheme employers still outstanding.

For those scheme employers onboarded to use i-connect Software, officers began the Year End process immediately following receipt of March 2022 i-connect file submission.

Annual Benefit Statements (ABS) began to be made available as soon as each scheme employers' Year End reconciliation was complete, with the first ABS being made available through the 'my pension ONLINE' facility on 11 April 2022. To date all active scheme members belonging to 99 of 200 scheme employers have access to their ABS, Officers have until no later than the statutory deadline of 31 August 2022 to make all ABS available to all active scheme members.

- **Deferred Pensioner Scheme Members**

Deferred benefits are subject to increase under the Pensions (Increase) Act 1971, which provides that pensions may be increased periodically to take account of rises in the cost of living. Since 2010 the rate of Pension Increase awarded every April has been measured in line with the Consumer Price Index (CPI). Prior to this the rate awarded every April was measured in line with the Retail Price Index (RPI).

The CPI increase, of up to 3.1%, awarded on 11 April 2022, was applied by officers to all deferred pensioner scheme member records together with all Annual Benefit Statements made available through the 'my pension ONLINE' facility on the same date.

- **In Payment Pensioner and Dependant Scheme Members**

As referred to directly above, the value of in payment pensioner and dependant benefits are also subject to increase under the Pensions (Increase) Act 1971.

As early as January 2022 officers began to test applying a CPI increase from 11 April 2022 to avoid a repeat of the unforeseen problems experienced during the application of 2021 CPI increase. All testing proved successful with officers able to apply the actual CPI increase, of up to 3.1%, to all in payment pensioner and dependant scheme member records quickly and efficiently in time for April 2022 pension payment.