

## Croydon Council

<b>REPORT TO:</b>	<b>Pension Committee 19 September 2023</b>
<b>SUBJECT:</b>	<b>Croydon Pensions Administration Team Key Performance Indicators for the Period from May 2023 to July 2023</b>
<b>LEAD OFFICER:</b>	<b>Matthew Hallett - Acting Head of Pensions and Treasury</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON:</b> Sound Financial Management: The Pension Committee is responsible for the effective administration of the Local Government Pension Scheme. These Key Performance indicators provide a measure of how well that administration functions.	
<b>FINANCIAL IMPACT</b> Poor administration may ultimately lead to incorrect calculation or payment of benefits or indeed financial penalties.	

### 1. **RECOMMENDATION**

The Committee is asked to:

- 1.1 Note the Key Performance Indicators and the performance against these indicators set out in Appendix A to this report.

### 2. **EXECUTIVE SUMMARY**

- 2.1 This report sets out Key Performance Indicators for the administration of the Local Government Pension Scheme for the three-month period up to the end of July 2023.

### 3. **DETAIL**

- 3.1 Good governance suggests that the performance of the administration of the Local Government Pension Scheme should be monitored. This report has been developed using the guidance published by CIPFA (Administration in the LGPS: A Guide for Pension Authorities) and is reporting to the committee on the LGPS administration performance for the period May 2023 to July 2023. The indicators cover legal deadlines; team performance targets, case levels, take up of the member self-service and the indicators and performance against these are detailed more fully in Appendix A to this report.
- 3.2 The team continue to perform well on life event cases such as deaths and retirements. Average days to process are well below our targeted KPIs in most categories.
- 3.3 The Technical Team have focused on End of Year processes throughout the

summer and have successfully updated member records with pay and contribution details provided by employers.

- 3.4 Details of potential starters and leavers not previously known to us have been identified and the team are working with employers to gather information required to process these leavers.
- 3.5 One employer has so far failed to provide the EOY information and we are working with them to resolve this situation.
- 3.6 We have carried out extensive testing over the spring and summer on the bulk leaver calculation within the pension software system. The bulk calculation process targets CARE only deferred benefits and frozen refunds. The testing has identified areas where we can use the bulk calculation functionality and free up the team's resources to focus on more complex cases.
- 3.7 In August we successfully carried out the first bulk calculations and have cleared in excess of 500 leaver calculations.
- 3.8 The next phase of the project will be to incorporate this into our monthly processes and develop effective KPI monitoring.
- 3.9 Currently the bulk calculations cannot be used on final salary cases or frozen refund where there is an option to transfer out of the scheme. The team are prioritizing these cases during fortnightly Blitz Days throughout the summer.
- 3.10 The anticipated upgrade to the member self-service (MSS) tool will be a larger project than previously anticipated and we are in the initial stages of working with Heywoods to plan this. It is likely this will now be in 2024 instead of the later part of 2023.
- 3.11 In the meantime, we are focusing on easing the member registration process as this has been recognized as a barrier to some members accessing MSS. We will also use the new Insights reporting tools to access at an employer level MSS uptake and tailor MSS promotion by employer.
- 3.12 We have been working with the Fraud Team to increase mortality screening via the Nation Fraud Initiative from a biennial basis to monthly reports.
- 3.13 Where we are not informed of a death, overpayment of pension benefits is likely to occur. Although the number of cases has dropped since we became part of Tell Us Once those cases picked up via the NFI reports every two years do cause a substantial amount of work. We anticipate moving to monthly reporting will have a significant impact on the number of pensions overpaid and our ability to recover overpayments.
- 3.14 The first report was received in June 2023 and has already provided positive results.
- 3.15 We are continuing to work with the Fraud Team to develop an effective process to be used long term to maximize the benefits of the NFI reports.
- 3.16 We are required to produce Annual Benefit Statements (ABS) for active and deferred members by the 31 August 2023. The ABS were produced on the 24 August 2023 and were made available on the Member Self-Service portal.

#### **4. CONSULTATION**

- 4.1 Officers have previously consulted with both the Pension Committee and Local  
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Pension Board in the template for the key performance indicator report which forms the basis of Appendix A

## **5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

5.1 There are no financial or risk assessment considerations arising from this report.

**Approved by:** Allister Bannin on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

## **6. LEGAL CONSIDERATIONS**

6.1. Burges Salmon LLP ( a legal advisor appointed to the Pension Fund) comments that there are no direct legal implications arising from the recommendations within this report.

## **7. HUMAN RESOURCES IMPACT**

7.1 There are no direct workforce impacts arising from this report but the pension scheme is an important staff benefit for recruitment and retention.

Should any impacts arise these will be managed under the Council's policies and procedures.

**Approved by:** Gillian Bevan, Head of Human Resources on behalf of Dean Shoemith, Chief People Officer 11.9.23

## **8. EQUALITIES IMPACT**

8.1 The Council has a statutory duty to comply with the provisions set out in Sec 149 of the Equality Act 2010. The Council must therefore have due regard to:

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.2 There are no equality implications arising from this report

**Approved by:** Naseer Ahmad for Equality Programme Manager, (08/09/2023)

## **9. ENVIRONMENTAL IMPACT**

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9.1 There are no environmental impacts arising from this report.

**10. CRIME AND DISORDER REDUCTION IMPACT**

10.1 There are no crime and disorder impacts arising from this report.

**11. DATA PROTECTION IMPLICATIONS**

11.1 Will the subject of the report involve the processing of 'personal data'?

No.

Has a data protection impact assessment (DPIA) been completed?

No. This report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

**Approved by:** Allister Bannin on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

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**CONTACT OFFICER:**

Matthew Hallett - Acting Head of Pensions and Treasury

**BACKGROUND DOCUMENTS:**

None.

**APPENDIX**

**Appendix A:** Croydon Pensions Admin Team Performance Report, May 2023 to July 2023.