



LOCAL PENSION BOARD

4 MARCH 2019

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

**PENSION FUND ADMINISTRATION REPORT – OCTOBER TO DECEMBER 2019
QUARTER**

Purpose of the Report

1. The purpose of this report is to inform the Board of relevant issues in the administration of Fund benefits, including the performance of the Pensions Section against its Performance Indicators.

Background

2. The Pensions Section is responsible for the administration of Local Government Pension Scheme benefits of the Leicestershire Pension Fund's 90,000 members.

Performance Indicators

3. Attached as an appendix to this report are the performance indicators for the Pensions Section, which form part of the Section's Service Plan and have been agreed by the Director of Corporate Resources. These indicators are split into two broad categories – how quickly processes are carried out and how customers feel they have been kept informed and treated by staff.

Performance of Pensions Section

4. The results for the October to December 2018 quarter are detailed within the Appendix A. Customer satisfaction remains good and overall performance figures remain positive in the quarter with all Key Performance Indicator (KPI) results near or above target.

Administration

5. General Workloads

The tables show the position in five key work areas, October to December.

October 2018

Area	Cases completed in the period	Remaining cases at the end of the period	KPI Maximum - cases at the end of the period
Preserved benefits	54	992	900
Aggregations	321	451	1000
Interfunds in	33	171	200
Retirements	788	1095	500
Deaths	64	84	100

November 2018

Area	Cases completed in the period	Remaining cases at the end of the period	KPI Maximum - cases at the end of the period
Preserved benefits	7	1195	800
Aggregations	100	518	650
Interfunds in	20	184	200
Retirements	744	794	500
Deaths	64	99	100

December 2018

Area	Cases completed in the period	Remaining cases at the end of the period	KPI Maximum - cases at the end of the period
Preserved benefits	8	1351	750
Aggregations	118	621	450
Interfunds in	52	160	200
Retirements	892	827	600
Deaths	51	86	100

The main points to note are;

The increase in retirements throughout the three months is a reflection on the pre 2014 preserved members aged between 55 and 60 who took the option to claim early payment of their pension. The member suffers an actuarial reduction to their benefit and there is no cost to the former employer.

Preserved benefits have increased while resource is directed on retirements. Resource has been redirected back to preserved benefits since January 2019.

GMP reconciliation

The work on the national GMP reconciliation exercise continues.

The greatest change in the quarter is the completion of active cases.
The position as at 31 January 2019 is detailed in the table below;

Membership Type (Phase 1)	Cases with Pensions	Cases completed	Cases with HMRC	Stalemate Cases**
Pensioner and Preserved	0	51,158*	14	58
The change since the last quarter	Down 405	Up 391	Up 14	Up 31

Membership Type (Phase 2)	Cases with Pensions	Cases completed	Cases with HMRC	Stalemate Cases**
New Pensioners	3,875	4,580	815	0
The change since the last quarter	Down 806	Up 535	Up 271	0
Active	7,590	24,007	409	57
The change since the last quarter	Down 2,961	Up 3,327	Down 366	Up 57

*Includes non-contracted out records.

**After investigation by the Fund and HMRC the case cannot be resolved.

Governance ItemsInternal Dispute Resolution Procedure (IDRP)

If a scheme member has a complaint that cannot be resolved informally, they can take this through the formal complaints process, the internal dispute resolution procedure (IDRP). There are two stages to IDRP, and if the complaint remains unresolved the scheme member can pursue it with the Pension Ombudsman who will ultimately determine the decision.

In the period October to December 2018 there were two IDRP stage 2 appeals.

- In one case, the Ombudsman has found in favour of the Pension Fund and rejected the member's appeal.
- In the second case, the Specified Person is considering the employers decision made at Stage 1.

This is a standard report item.

Breaches

Material breaches are reported to The Pensions Regulator and recorded by the Pensions Manager on the Leicestershire Fund breaches log.

Discretions

Fund employers have been written to reminding them of the need to complete their Fund discretions. The Pension Section has requested the information on various occasions. The Pension Section will not remind employers again and therefore the risk lies with these employers. The Funds larger employers that have not returned any discretions are as follows;

Leicestershire Fire Authority
 Harborough District Council
 Life Academy Trust
 Oadby and Wigston Borough Council
 Rawlins College
 South Leicestershire College
 Success Academy Trust
 Tudor Grange Academy Trust

Breaches is a standard report item.

Outstanding TUPE transfers

The table below details the outstanding TUPE transfers as at 31 January 2019. It should be noted all pension issues should be resolved before the staff transfer and employers are regularly reminded of this, so these situations should not happen.

Outsourcing Employer	Receiving Employer	Date of Transfer	Number of staff transferred	Current Position	Staff written to
Tudor Grange	Computer Systems in Education Ltd (CSE)	1/9/17	1 Member	All legal documents out for signing. All parties actively resolving the case.	Yes
Mercenfeld Academy	MCS Cleaning and Maintenance Ltd (MCS)	4/1/18	0 Members, 2 Non-members	All legal documents out for signing. All parties actively resolving the case. No active members transferred	No
Rushey	Caterlink	1/8/18	26	All legal	No

Mead			Members, 14 Non-members	documents signed by Caterlink and the bank. Rushey Mead failed to inform Pensions of revised contractual changes resulting in all legal documents needing to be reissued. All parties actively resolving the case.	
Tudor Grange	Bellrock (facilities management)	1/8/18	5 Members	All legal documents out for signing. All parties actively resolving the case.	No
Tudor Grange	Ridgecrest (cleaning)	1/8/18	12 Members, 11 Non-members	Legal documents are not out for signature. Bond outstanding and being challenged by Ridgecrest. Contractual issues remain between Ridgecrest and Tudor Grange delaying resolution of the case.	Yes
Melton BC	AXIS (third stage TUPE following the termination of GPurchase – construction)	1/10/18	2 Members	AXIS has requested a number of changes to the admission agreement and bond which the Fund has rejected. AXIS has sent the bond to their bank for their approval.	Yes

The employees affected in the cases where legal documents are still not agreed have all been written to, making them aware of the outstanding pension issues. A copy of an example letter is attached as Appendix B

Funding Strategy Statement – Consultation

The consultation closed on the 31 January 2019. No comments were received from any of the Fund employers.

The final version of the Funding Strategy Statement was approved by the Pensions Committee on the 15 February 2019 with an implementation date of the 1 April 2019. The final version is attached.

Implementation of monthly posting

The Pension Section continues a phased implementation of monthly postings as part of the Leicestershire Fund's data improvement plan.

The position as at the 12 February 2019 is attached in Appendix D, 29 Fund employers are providing monthly postings every month, covering 12,500 active scheme contributors.

Recommendation

6. It is recommended that the Board notes the report.

Equality and Human Rights Implications

None specific

Appendix

Appendix A - Quarterly Results – October to December 2018

Appendix B – Example letter to affected staff (outstanding admission agreements)

Appendix C – Final Funding Strategy Statement – February 2019

Appendix D – Monthly posting position as at 12 February 2019.

Officers to Contact

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APPENDIX A

Quarter - October 2018 to December 2018									
Business Process Perspective	Target	This Quarter		Previous quarter	Customer Perspective - Feedback	Target	This Quarter		Previous Quarter
Retirement Benefits notified to members within 10 working days of paperwork received	92%	99%	▲	99%	Establish members understanding of info provided - rated at least mainly ok or clear	95%	97%	▲	100%
Pension payments made within 10 working days of receiving election	95%	93%	▶	98%	Experience of dealing with Section - rated at least good or excellent	95%	94%	▶	89%
Death benefits/payments sent to dependant within 10 working days of notification	90%	87%	▶	92%	Establish members thoughts on the amount of info provided - rated as about right	92%	96%	▲	94%
					Establish the way members are treated - rated as polite or extremely polite	97%	100%	▲	100%
Good or better than target	▲				Email response - understandable	95%	94%	▶	94%
Close to target	▶				Email response - content detail	92%	93%	▲	92%
Below target	▼				Email response - timeliness	92%	95%	▲	97%

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