

**SURREY COUNTY COUNCIL**

**SURREY LOCAL PENSION BOARD**



**DATE: 17 MAY 2024**

**LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE,  
CORPORATE AND COMMERCIAL**

**SUBJECT: ADMINISTRATION PERFORMANCE REPORT AND UPDATE  
1 JANUARY TO 31 MARCH 2024**

**SUMMARY OF ISSUE:**

The Board has previously requested to be kept updated on progress relating to a number of key administration projects and planned improvements which may have an impact on members of the pension fund and the purpose of this report is to provide an update on the current status and progress against any specific target dates.

**RECOMMENDATIONS:**

The Board is asked to **note** the content of this report and **make recommendations** to the Pension Fund Committee if appropriate or if any further action is required.

**REASON FOR RECOMMENDATIONS:**

The Public Sector Pensions Act 2013 requires Local Pension Boards to assist the Scheme Manager in securing compliance with the Local Government Pension Scheme (LGPS) Regulations and requirements imposed by the Pensions Regulator. This report provides the Board with insight into the activities of the Surrey pension function and furthers the successful collaboration of the Committee and Board in managing risk and compliance and promoting effective governance.

**DETAILS:**

**Background**

1. Surrey County Council (the Council) is the Administering Authority for the Local Government Pension Scheme (LGPS) on behalf of the employers participating in the LGPS through the Surrey Pension Fund (the Fund). The LGPS is governed by statutory regulation.
2. The Surrey Pension Team carries out the operational, day-to-day tasks on behalf of the members and employers of the Fund and for the Council. It also leads on topical administration activities, projects and improvements that may have an impact on members of the LGPS.

## Key Activity Summary

### Performance

3. The performance levels in this period have achieved an overall score of 88%, which is the same level as the previous quarter.
4. On the whole casework is meeting the baseline target, with the performance in processing transfers remaining consistent. The processing of retirement cases has stabilised in this quarter and letters of notification are generally being issued within 24 hours of Surrey Pensions being informed of a member's death.
5. There are still areas where improvements are required with death benefits and ill health retirement cases falling below the expected standards. These are being investigated and will formulate part of the process improvement plans.
6. **Annexe 1** provides an update on performance for this quarter, along with commentary explaining our performance and any challenges faced in meeting our SLAs. In addition, a comparative quarterly performance trend analysis has been provided in **Annexe 2**. The estimated days of effort in the last column for this quarter continues to remain low, a bi-product of the legacy case reduction.
7. Additional information has also been supplied within **Annexe 3** that presents a summary of the most common categories of cases being terminated.

### Complaints

8. During this period there were 6 complaints received. Details of these complaints can be found at **Annexe 4**.

### Internal Dispute Resolution Procedure (IDRP) and Pension Ombudsman Cases

#### 9. **Stage 1 appeals determined:**

One appeal was determined in this period.

A member held four periods of consecutive LGPS membership administered by Surrey Pensions Team and experienced delays in receiving information about the options available for combining the membership. The appeal was upheld.

#### 10. **Stage 2 appeals determined:**

A member experienced a delay in receiving an estimate of their pension benefits after being awarded a Tier 1 ill health pension. This was as a result of the pension team not being provided with information in a timely manner by the employer. The appeal was upheld and compensation offered.

#### **Pension Ombudsman appeals**

No new Pensions Ombudsman appeals were received in this period.

### Update on Log of Breaches (potential breaches)

11. There are no breaches to report this period.

### Customer Relationship Team (CRT)

12. In quarter three, the CRT managed a total of 9,764 inquiries. At the initial point of contact, an average of 87% of all enquiries were successfully resolved. The queries managed by the CRT during this period are grouped into the following categories:

Communication Channel	Volume
Call backs	79
Telephone	4729
Email	4956
<b>Total</b>	<b>9, 764</b>

13. A breakdown of the top 5 queries for the quarter can be found at **Annexe 5**.

### Guaranteed Minimum Pension (GMP)

14. After a decision was taken to postpone the delivery of this work prior to pension increase, allowing the opportunity to better understand the issues that have arisen, it was agreed further investigations were needed to ascertain the next course of action.

15. At this stage the investigations have not yet been concluded. The project continues to gather this information that will allow a view to be taken on the main cause of this delay. The officers working on this project have prioritised pension increase and McCloud implementation in recent weeks.

16. It is expected the investigations will conclude in May once the project group has been able to review the findings and determine next steps.

### McCloud

17. The administration software has now been upgraded in the test environment to the latest version, which ensures the regulatory changes are fully implemented where necessary.

18. The testing of this software will be carried out in May and June, with a view to this being moved into the live environment and fully operational from the end of June.

19. Work continues on cleansing the data supplied by employers, with the expected final data due to be issued by ITM at the end of April. This will allow data to be either uploaded to the database and/or returned to employers to provide additional information.

20. With the system set up correctly and the data held within the system, it will allow any remediation work to be carried out over the next year in time for issuing the ABS with the McCloud data included.

### **Monthly Employer Returns (iConnect) rollout**

21. As of the 31<sup>st</sup> March 2024, 72 employers (21%) have been onboarded, which represents 54% of the active membership.
22. There are a further 114 employers expected to be onboarded as part of the year end process, taking the number to 186 (54%), and they will submit the March 2024 iConnect file in place of the traditional annual file. This will represent 70% of the total active membership.
23. It is planned within Q1 of the 2024/25 tax year a further 104 employers will be live on iConnect, with Surrey Police being one of the first from April 2024.

### **Legacy Case Reduction**

24. As at the 1<sup>st</sup> April 2024 the legacy reduction progress stands at 63% complete, with 7802 cases completed and circa' 4500 remaining. The progress levels are as following:
  - a. Deferred cases - 88%.
  - b. Refunds (generated by legacy case work) - 99%
  - c. Transfer In case - 18%
  - d. Transfer Out cases - 48%
  - e. Aggregations - 14%
25. With the decision taken to carry out all legacy work in house, focussed training has been carried out on specific case types, with clear guidance notes being developed as part of this. The proposed order of work for phase 2 is as follows:
  - a. Transfer in quotes
  - b. Transfer out quotes
  - c. Outstanding and incoming transfer in/out actuals
  - d. Private transfer in/out quotes
  - e. Post 14 concurrent cases
  - f. Pre 14 concurrent case

### **Pension Administration System / Process Developments**

26. As part of the digital transformation planning, this area is currently under review to further align these improvements with the wider vision and mission.

**CONSULTATION:**

27. The Chair of the Local Pension Board has been consulted on this report.

**RISK MANAGEMENT AND IMPLICATIONS:**

28. Any relevant risk related implications have been considered and are contained within the report.

**FINANCIAL AND VALUE FOR MONEY IMPLICATIONS**

29. Any relevant financial and value for money implications have been considered and are contained within the report.

**DIRECTOR OF FINANCE, CORPORATE AND COMMERCIAL**

30. The Director of Corporate Finance and Commercial is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed.

**LEGAL IMPLICATIONS – MONITORING OFFICER**

31. There are no legal implications or legislative requirements.

**EQUALITIES AND DIVERSITY**

32. There are no equality or diversity issues.

**OTHER IMPLICATIONS**

33. There are no other implications.

**WHAT HAPPENS NEXT**

34. The following next steps are planned:

- a) Further updates will be provided to the Board at its next meeting.

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**Contact Officers:**

Tom Lewis – Head of Service Delivery

**Consulted:**

Local Pension Board Chair

**Annexes:**

Annexe 1 – Performance Summary  
Annexe 2 – Performance Trend Analysis  
Annexe 3 – Terminated Case Summary  
Annexe 4 – Complaints Summary  
Annexe 5 – CRT Top 5 Query Summary

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