



# SURREY LOCAL PENSION BOARD REPORT

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**SURREY COUNTY COUNCIL**

**SURREY LOCAL PENSION BOARD**

**DATE: 26 JULY 2024**

**LEAD OFFICER: ANNA D’ALESSANDRO, INTERIM EXECUTIVE DIRECTOR,  
FINANCE AND CORPORATE SERVICES**

**SUBJECT: SERVICE DELIVERY OVERVIEW**

## **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:**

It is recommended that the Local Pension Board:

1. Note the content of this report.
2. Make any recommendations to the Pension Fund Committee if 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 85%, a reduction of 3% on the previous quarter.
4. The team continued to exceed the expected target for cases such as transfers, refunds, deferred benefits and issuing the acknowledgement of members who have passed away however, the performance levels for areas such as retirements, survivor benefits, and the payment of death grants has not met the expected standards.
5. The Immediate Benefits Team has been impacted by varying factors such as staff absence and team vacancies however, it is recognised that as a service we must be able to cope with impacts like this and increase our resilience levels.
6. Having assessed performance over the past 12 months, a decision has been taken to re-organise the Immediate and Future Benefit Teams and blend the two teams. There will now be two Benefit Teams made up of staff carrying out work that was previously split into immediate and future benefit case work, rather than it being segregated.
7. Whilst the staff on the whole will continue to carry out their existing roles, the newly blended teams will now see staff trained in a wider range of case types and offer the ability to flex our resource to meet the business needs. This broader knowledge and enhanced skill set across the teams will also provide an increased resilience level to deal with factors such as absences, without such a significant impact on performance.
8. In addition to this, our Trainee Team will continue to provide a flexible workforce and proactively support the priority work, which will not only increase the Services ability to meet customer expectations, but it will enhance the development of our staff and build their knowledge in line with development plans.
9. **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**.
10. Additional information has also been supplied within **Annexe 3** that presents a summary of the most common categories of cases being terminated.

### Complaints

11. During this period there were 7 complaints received. Details of these complaints can be found at **Annexe 4**.

## **Internal Dispute Resolution Procedure (IDRP) and Pensions Ombudsman Cases**

12. Stage one appeals determined: No appeals in this period.

13. Stage two appeals determined: No appeals in this period.

## **Pensions Ombudsman Appeals**

14. Four appeals have been raised during this period:

- a) The Adjudicators Opinion was received following a member appealing the tier of ill health awarded. The employer is to obtain a further report from an Independent Registered Medical Practitioner, addressing the tests for each tier, together with addressing any contrary medical opinions with reasons and clarify if there are any untried treatments or current treatments. The employer is to award compensation for significant stress and inconvenience caused.
- b) An appeal originally submitted to the Pensions Ombudsman in 2021, where a member complained they should not have been allowed to transfer out their LGPS benefits and in-house AVCs in 2013 and wished for their benefits to be re-instated, was allocated for investigation in May 2024. The member has now withdrawn their complaint as they are now actively working with the Fraud Compensation Fund to seek compensation.
- c) The Pensions Ombudsman requested further information to assist with their investigation of a complaint originally submitted in 2022, for a member who received an inaccurate estimate of pension benefits, which informed their decision to take early retirement. Surrey Pensions awarded the member compensation at stages 1 and 2 of the IDRP. The level of compensation is being disputed for the distress and inconvenience experienced and the member is also seeking compensation for financial loss.
- d) A member whose pension was brought into pay on the grounds of ill health from deferred status, is disputing that the employer should have awarded a tier 1 ill health benefit from the date they originally left employment in 2013.

15. Non-financial injustice redress is assessed in line with the Pensions Ombudsman guidance. Further information about this can be found by clicking on this [link](#).

## **Breaches Log Update**

16. There are no breaches to report this quarter.

## **Customer Relationship Team (CRT) Update**

17. During this period the CRT managed a total of 10,346 enquiries. At the initial point of contact an average of 82% of these were successfully resolved.
18. The queries managed by the CRT during this period are grouped into the following categories:

<b>Communication Channel</b>	<b>Volume</b>
Call backs	94
Telephone	5,560
Email	4,692
<b>Total</b>	<b>10,346</b>

19. There has been an increase of approximately 600 customer interactions in this period, which is not unexpected at this time of year with annual benefit season upon us.

### **Guaranteed Minimum Pension (GMP)**

20. After a detailed review from officers working on this project to date and with an eye on moving this work forward, it has been agreed to re-plan and scope this work with our current provider.
21. Re-engagement has begun with Aptia over the proposed work to be carried out for this project. A review of the previous data has been carried out by members of our team, which has provided increased clarity over the case types that are in scope, where exclusions should be made and, where any agreed assumptions are necessary.
22. The next key actions will be for Aptia to provide a revised set of reporting requirements, to ensure the correct level of member detail is provided to carry out the analysis and rectification. There is also the pressing need to devise a new plan that will ensure this work can be correctly resourced and delivered within an agreed time frame.
23. The project team in place to do this are currently in conversation with Aptia to agree this and we expect this work to recommence in July.

### **McCloud**

24. The system configuration work continues to progress, with work being carried out on the bulk interface tools and the running of calculation tests after the latest upgrades. With further guidance having been issued by DLUCH, GAD and the LGA, further scenario testing is ongoing to ensure the functionality remains compliant.

25. The data evaluation work is ongoing, preparing the employer returns in readiness for it to be uploaded to the database. Member service break data has now been fully cleansed, with the team moving onto the member service history.
26. Once the data has been moved into the live database and testing is finalised, a series of reports will be run to identify those members who will require remediation work. Detailed plans will be drawn up for this shortly, ensuring we understand the resource requirements and time scales to deliver this by the March 2025 deadline.

### **Annual Benefit Statements**

27. The end of year work has been progressing well this quarter. As of 30 June 2024, 46,014 deferred benefit statements have been issued, representing 99.95% of the total amount expected to be issued.
28. The production and issuance of active benefit statements is expected to start the week commencing 15 July 2024, once the final checks and tests have been completed.

### **Monthly Employer Returns (iConnect) Roll Out**

29. As of 30 June, 2024, 181 out of 343 (52%) employers have been onboarded to iConnect, which represents circa 26,000 (72%) of the active membership.
30. The next major enrolment will be for those employers who use EduPay as their payroll administrator, which will see a further 42 employers onboarded.
31. The roll out is on track to have 100% of employers onboarded by the end of the 2024/25 financial year, which will support the future end of year and annual benefit statement production.

### **Legacy Case Reduction**

32. Please see **Annexe 5** for detailed report.

### **CONSULTATION:**

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

### **RISK MANAGEMENT AND IMPLICATIONS:**

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

### **FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:**

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

**INTERIM EXECUTIVE DIRECTOR OF FINANCE & CORPORATE COMMENTARY:**

36. The Interim Executive Director of Finance and Corporate Services is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed.

**LEGAL IMPLICATIONS – MONITORING OFFICER:**

37. There are no legal implications or legislative requirements.

**EQUALITIES AND DIVERSITY:**

38. There are no equality or diversity issues.

**OTHER IMPLICATIONS:**

39. There are no other implications.

**NEXT STEPS:**

40. The following steps are planned:

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

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**Contact Officer:**

Tom Lewis – Head of Service Delivery

**Annexes:**

1. Quarterly Performance Summary Annexe 1
2. Quarterly Performance Trend Analysis Annexe 2
3. Terminated Case Summary Annexe 3
4. Complaints Summary Annexe 4
5. Legacy Project Review Annexe 5