Somerset County Council
Pensions Committee

Review of Administration Performance

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Executive Portfolio Holder: Not applicable

*Division and Local
Member:*   Not applicable

1.   Background

1.1   Peninsula Pensions monitors performance against the [Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013](#), which set out the statutory requirements regarding the disclosure of pension information.

        Peninsula Pensions' will be reviewing the [Pension Administration Strategy](#) and targets included within it in the 2023 year, which includes the internal target for Peninsula Pensions and expected performance requirements from individual Fund employers. The information provided within this report is therefore based around the statutory targets as outlined above.

1.2   Performance targets are monitored on a monthly basis via a task management system and reporting tool within the pension database.

1.3   This report also encompasses an update on employer bodies covered by the Fund.

2.   Issues for consideration

2.1   The Committee note the report and actions being undertaken by officers to ensure compliance and best practice.

3.   Administration team performance

3.1   Total performance against the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 for the quarter ending 31st December 2022 was 90% (92% for High Priority procedures).

3.2   During the quarter, the team received 22 compliments.

3.3   Appendix 1 of the report provides a detailed breakdown of administration performance relating to the Somerset Pension Fund only for the quarter ending 31st December 2022 against the statutory Disclosure Regulations. It also includes a new graph which shows the monthly trend analysis on the percentage of high, medium, and low priority cases completed within timescales for the current financial year.

3.4   Appendix 2 of the report highlights the longer-term performance of Peninsula Pensions (Somerset Fund only) from 1st April 2022 to 31st December 2022. The bottom chart shows how many of the 'remaining' tasks outstanding to be actioned are awaiting information from another third party (member/employer) and therefore are on 'reply due'.

3.5   Appendix 3 of the report highlights the amount of work received over the previous 12 month rolling period, compared to the same period in the previous year. The chart currently is showing an increase in demand.

4.   Employer updates

4.1   New Admitted Bodies:

- None

Academies:

- Horrington Primary School an existing academy joined The Partnership Trust from 1st Dec 2022

Cessations

- MD Building Services left the scheme on 30 November 2022

5.   Background Papers / Other updates

5.1   The Pension Regulator annual returns completed November 2022.

         2022 data quality score included:
         Common data score: 95.5%
         Scheme-specific data score: 96.6%

         Pension Dashboard Paper – Appendix 4

         Employer Performance Paper – Appendix 5

Administration Performance – 1ˢᵗ October 2022 – 31ˢᵗ December 2022
(Somerset Pension Fund)

Performance Summary

	Total Cases	Performance (Disc Regs)
High Priority Procedures	**1491**	**92%**
Medium Priority Procedures	**2236**	**89%**
Low Priority Procedures	**909**	**89%**
TOTAL	**4636**	**90%**

High Priority Cases

	Total Cases	Performance (Disc Regs)
Changes	186	95%
Complaints (Member)	20	100%
Complaints (Employer)	0	-
Deaths	161	70%
Deferred (over 55)	189	88%
Payroll	323	98%
Refunds	62	97%
Retirements (Active)	231	97%
Retirements (Deferred)	319	94%
TOTAL	**1491**	**92%**

Medium Priority Cases

	Total Cases	Performance (Disc Regs)
Amalgamation of Records	471	62%
Deferred Benefit Calculations	482	76%
Divorce Calculations	34	97%
Employer Queries	95	69%
Estimates (Bulk)	0	-
Estimates (Employer)	13	100%
Estimates (Member)	13	100%
General	477	99%
HMRC	32	100%
Member Self-Service	619	100%
TOTAL	**2236**	**89%**

Low Priority Cases

	Total Cases	Performance (Disc Regs)
Estimates (Other)	24	96%
GMP Queries	2	100%
Interfund Transfers In	91	75%
Interfund Transfers Out	86	67%
Pension Top Ups	107	100%
Frozen Refunds	483	94%
New Starters	0	-
Pension Transfers In	47	94%
Pension Transfers Out	69	86%
TOTAL	**909**	**89%**
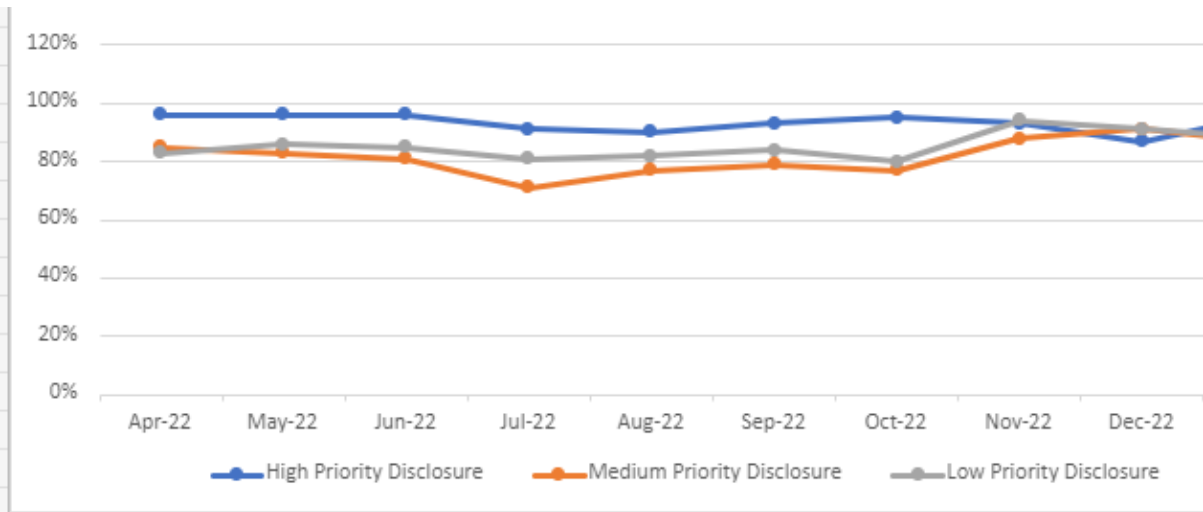
Administration Performance

1st April 2022 – 31st December 2022

Tracked work created, completed and remaining

Remaining work status
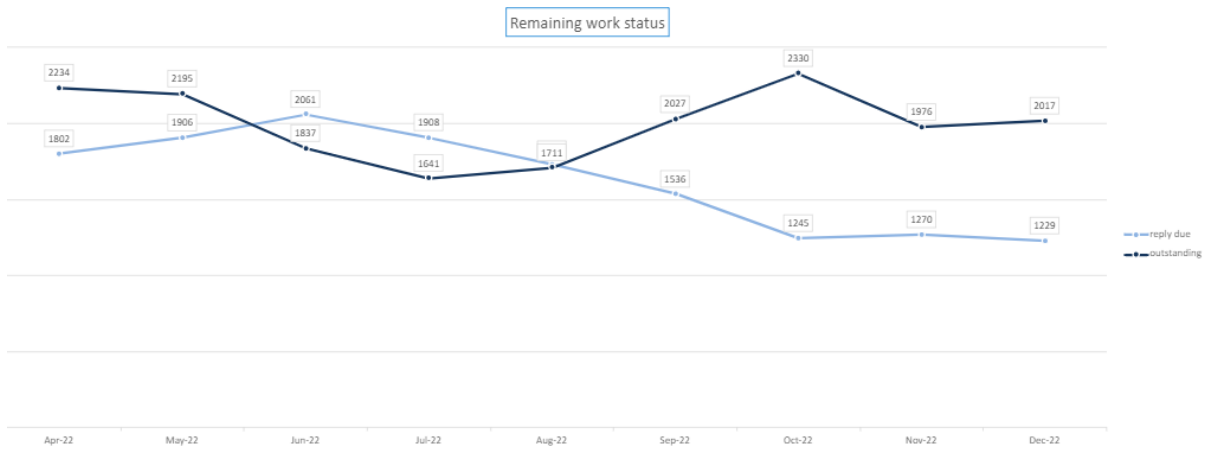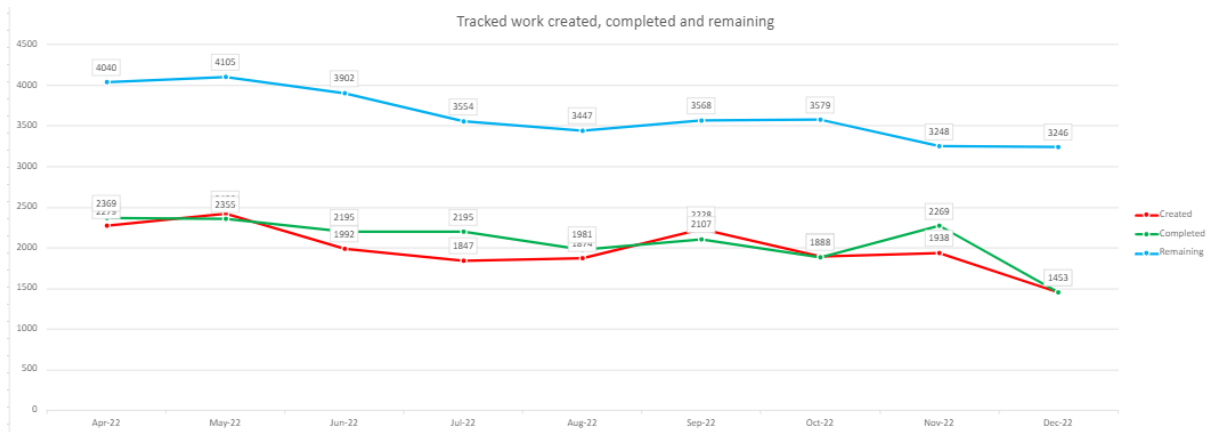
Work received 12 month rolling period 1st January 2022 – 31st December 2022 (against same period for previous financial year)

from	to	Work Created	Work Completed	Average Monthly Work Remaining
01/01/2021	31/12/2021	21790	21245	3697
01/01/2022	31/12/2022	25148	25659	3708

Work Created

	01/01/21 - 31/12/21	01/01/22 - 31/12/22
	21790	25148

Work Completed

	01/01/21 - 31/12/21	01/01/22 - 31/12/22
	21245	25659

PENSIONS DASHBOARD OVERVIEW PAPER

The Government committed to facilitating the pensions industry to develop the Pension Dashboard initiative and gave specific responsibilities to the [Money and Pension Service](#) which included:

- Bringing together a programme team to lead the implementation of pensions dashboards
- Appointing an industry steering group to set the strategic direction of the programme
- Beginning work to create and run a non-commercial pensions dashboard – the Money and Pension Service Dashboard.

What are Pensions Dashboards?

Pensions dashboards will enable individuals to access their pensions information online, securely, and all in one place, thereby supporting better planning for retirement and growing financial wellbeing. Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State Pension. The Money and Pension Services' vision is for everyone to make the most of their money and pensions. Part of this is individuals knowing what pensions they have and how much is saved in them.

Connecting to Dashboards

There will be significant work involved in successfully connecting to pensions dashboards. Dashboards aim to help members plan for retirement by:

- finding their various pensions and reconnecting them with any lost pension pots
- understanding the value of their pensions in terms of an estimated retirement income

There will need to be a digital interface in place to connect a scheme to pensions dashboards.

They will function like a giant switchboard. No central database will hold personal information. The Money and Pension Services' will develop and host its own pensions dashboard on the MoneyHelper website. Other organisations will also be able to develop and host their own dashboards, subject to approval and regulation.

Role and legal duties

There will be the following requirements for Scheme Managers/Administrators:

- connect to dashboards by a specific deadline – the connection deadline for Public Sector Pension Schemes (including the Local government Pension Scheme) is **30th September 2024**
- securely receive personal information on members, and search and match members via identity checks to their pensions ('find requests')
- securely provide members with information about their pension through the dashboard of their choosing upon request ('view requests')
- co-operate with The Money and Pension Services' when preparing to connect, maintain records and report certain information to The Pension Regulator and The Money and Pension Services'

Actions prior to connection:

1) Choose a digital interface – this could be provided by:

- using an interface built by your scheme's third-party administrator or software / IT supplier
- building your own interface if the scheme is administered in-house
- procure an interface provided by a third-party integrated service provider (ISP)

2) Start cleansing data and calculations in preparation for the provision of data on the dashboard (particularly relating to Deferred Benefit members)

3) Ensure adequate resources in place to support the dashboard connection

Peninsula Pensions have a team leading on this project and are in regular conversations with Heywood, the software suppliers, with regards to their module and experience being made available on both the 'data readiness' element of the project, and the key element, the provision of a secure interface, with them acting as the integrated service provider (ISP) between our pension administration database and the Pension Dashboards.

Useful links:
UK Pensions Dashboards Programme | Homepage
https://youtu.be/o27-R-EkmR8
Pensions dashboards: initial guidance | The Pensions Regulator

Employer Performance Reports update

Peninsula Pensions alongside the Pension Administration Strategy have produced reports to assess both performance of Employers and ourselves as Pension Administrators, around the provision of data and calculation of pension benefits relating to the Local Government Pension Scheme, initially relating to members that have ceased membership.

Across the Somerset Pension Fund, for the period January – December 2022, we have recorded a sample of 5440 members that have left the scheme, 93% of which provided the full required information from the individual Employers.   With regards to timescales involved with this sample however, the majority of notifications were received either shortly after the date of leaving, or up to a month or more *after* the date of leaving, thus diminishing the statutory timescales which Peninsula Pensions must adhere to within the Disclosure Regulations.

Peninsula Pensions wish to encourage employers to produce the information relating to members that have left the scheme, prior to the date they leave the scheme, in line with the Pension Administration Strategy. This will enable us to calculate pension benefits and arrange payments due in a timelier manner to ease transition of members from employment to retirement without delay.

As mentioned in the Administration Performance Report, Peninsula Pensions will be reviewing the Pension Administration Strategy and targets included within it in the new 2023 year, which will include the internal targets for Peninsula Pensions and expected performance requirements from individual Fund employers following consultation. The progression of the Employer Performance Reports has therefore been temporarily delayed pending both the review of the Strategy; and also, in order for the impact of the new process following the decommission of our Employer Self Service portal from 1 March 2023 to take effect. A new internal solution has been produced to replace the Employer's portal and focus sessions held with employers as the development occurred.

Peninsula Pensions are working with Audit colleagues to strengthen the new process and provide assurance around both the quality and timeliness of data provision from individual employers. The aim will be to have a database in place which stores the data that Employers provide, highlighting performance within the prescribed parameters. When completed, the summary dashboard from the database, and reports relating to the new internal administration targets agreed, will form part of the report delivered to the Pension Board in future.