

Non-Executive Report of the: Pensions Committee Monday, 11 November 2024	 TOWER HAMLETS
Report of: Julie Lorraine, Corporate Director, Resources	Classification: Open (Unrestricted)
Pensions Administration Report – September 2024	

Originating Officer(s)	Paul Audu, Head of Pensions and Treasury (Interim)
Wards affected	All

Executive Summary

This report provides Committee members with information on the administration and performance of the Scheme for the quarter to September 2024.

Recommendations:

The Pensions Committee is recommended to:

1. Note the contents of this report;
2. Note the employer admissions in the pipeline;
3. Note the Scheme and legislative update; and
4. Note the progress on the data cleanse project to improve the quality of the pensions data.

1. REASONS FOR THE DECISIONS

- 1.1 The Committee receives this report on a quarterly basis in the discharge of its duty.

2. ALTERNATIVE OPTIONS

- 2.1 There are no alternative options to this report.

3. DETAILS OF THE REPORT

ADMINISTRATION UPDATE

- 3.1 The administration of the Scheme is carried out in-house by the pensions team. It involves maintenance of accurate Scheme records to enable Scheme benefits to be calculated correctly, effective processing of members joining and

leaving the Scheme, and employer-related issues including new employer admissions and cessations. The table below shows the Scheme membership at 30 September 2024.

Table 1A: Analysis of Membership at 30 September 2024

Membership	Active	Deferred	Undecided	Pensioner	Frozen
LGPS	7,896	8,462	344	7,468	2,515
% of Membership	29.59	31.71	1.29	27.99	9.42
Change from last quarter	118	6	74	53	20

Table 1B: Change in Membership – Quarter to 30 September 2024

Membership	30 Sep 2024	30 Jun 2024	Change (%)
Active	7,896	7,778	1.5
Deferred	8,462	8,456	0.1
Undecided	344	270	27.4
Pensioner (incl. spouse & dependant members)	7,468	7,415	0.7
Frozen	2,515	2,495	0.8
Total	26,685	26,414	1.0

- 3.2 The table below shows the tasks completed and outstanding during the quarter to 30 September 2024.

Table1C: Analysis of Case types – Quarter to 30 September 2024

	Altair Workflow	Jul-24				Aug-24				Sep-24			
		Cases at Start	New Cases	Cases Processed	Cases Outstanding	Cases at Start	New Cases	Cases Processed	Cases Outstanding	Cases at Start	New Cases	Cases Processed	Cases Outstanding
Retirements													
Voluntary	AHEARLYA	5	16	10	11	11	19	15	15	15	10	16	9
Redundancy	AHREDUNA	3	12	9	6	6	2	2	6	6	1	4	3
Medical	AHIRETA	0	0	0	0	0	1	0	1	1	0	1	0
Late	AHLATERA	2	6	5	3	3	7	6	4	4	5	4	5
Flexible	AHFLEXRA	2	1	3	0	0	1	1	0	0	3	2	1
Deferred into Payment	AHDBPAYA	14	11	18	7	7	16	11	12	12	21	15	18
		26	46	45	27	27	46	35	38	38	40	42	36
Transfers													
Transfer In - Quotes	AHTVIQ	11	12	9	14	14	3	6	11	11	9	7	13
Transfer Out - Quotes	AHTVOQ	6	11	8	9	9	3	5	7	7	7	6	8
Transfer In - Actual	IFAINO3 & TVIN03	13	11	4	20	20	9	8	21	21	16	11	23
Transfer Out - Actual	IFAGUT02 & TVOUT02	16	27	9	34	34	16	29	21	21	16	19	18
		46	61	30	77	77	31	48	60	60	48	43	62
Refunds													
Refund Calculations	AHRFNDP	15	55	54	16	16	42	33	25	25	61	50	36
Refund Payments	AHRFNDA	12	22	18	16	16	9	10	15	15	12	17	10
		27	77	72	32	32	51	43	40	40	73	67	46
Estimates													
Voluntary	AHBENEST & AHEARLYQ	22	44	35	31	31	41	39	33	33	47	47	33
Redundancy	AHREDUNQ	2	4	6	0	0	3	1	2	2	3	4	1
Medical	AHIRETQ	4	1	3	2	2	2	1	3	3	1	1	3
Late	AHLATERQ	7	6	8	5	5	8	6	7	7	5	6	6
Flexible	AHFLEXRQ	3	3	5	1	1	0	0	1	1	7	3	5
Deferred into Payment	AHDBPAYQ	7	9	13	3	3	61	27	37	37	31	51	17
		45	67	70	42	42	115	74	83	83	94	112	65
Deferred													
Deferred Calculations	AHDEFLV	60	58	72	46	46	42	27	61	61	74	55	80
Opt Out													
Opt Out	OPTOPRT2	23	40	39	24	24	16	14	26	26	28	28	26
New Starters													
New Starters	AHNEWST	14	61	69	6	6	145	92	59	59	39	65	33
Nominations													
Nomination Changes	AHNOMIN	5	9	10	4	4	7	3	8	8	9	7	10
Address													
Address Changes	AHADDRES	24	36	44	16	16	19	18	17	17	28	24	21
Bank Account													
Bank Account Change	BANKCHGE	6	6	5	7	7	4	3	8	8	6	6	8
General Enquiry													
General Enquiry	AHMEMBER	107	173	157	123	123	114	136	101	101	261	214	148
Deaths													
Death Cases - General	AHDEATH	20	39	40	19	19	45	36	28	28	32	42	18

3.3 The above table excludes tasks received via the pension team inbox and telephone queries. Currently, most queries are actioned immediately without logging them to avoid further delay to existing backlog. However, some queries such as refunds, opt outs, death notifications, leavers and retirement quotes are logged as tasks and allocated to members of the pensions team to action.

Workflows

3.4 During the quarter to 30 September 2024, a total of 2427 workflows were produced.

3.5 The table below shows the performance relative to the CIPFA benchmark. Some tasks such as transfers in, transfers out, processing of deaths and retirements are contingent upon initial responses from third parties, other pension funds, lawyers or scheme members.

Table 3A: Performance against CIPFA suggested timelines (June – September 2024)

			July	August	September
	Altair Workflow	Target Days	% Within Target	% Within Target	% Within Target
Retirements					
Voluntary	AHEARLYA	15	77.78	75	37.5
Redundancy	AHREDUNA	15	88.89	0	0
Medical	AHIHRETA	15	-	-	0
Late	AHLATERA	15	80	80	75
Flexible	AHFLEXRA	15	66.67	100	100
Deferred into Payment	AHDBPAYA	15	52.94	54.55	53.33
Transfers					
Transfer In - Quotes	AHTVIQ	10	62.5	50	66.67
Transfer Out - Quotes	AHTVOQ	10	62.5	33.33	60
Transfer In - Actual	IFAINO3 & TVIN03	0			
Transfer Out - Actual	IFAOUT02 & TVOUT02	0			
Refunds					
Refund Calculations	AHRFNDF	10	67.31	84.85	68.75
Refund Payments	AHRFNDA	10	75	66.67	56.25
Estimates					
Voluntary	AHBENEST & AHEARLYQ	15	88.24	71.05	89.13
Redundancy	AHREDUNQ	15	80	100	75
Medical	AHIHRETQ	15	33.33	100	0
Late	AHLATERQ	15	62.5	50	33.33
Flexible	AHFLEXRQ	15	60	-	100
Deferred into Payment	AHDBPAYQ	15	84.62	100	45.1
Deferred					
Deferred Calculations	AHDEFLV	30	77.78	76.92	90.74
Opt Out					
Opt Out	OPTOPRT2	2	53.85	38.46	37.04
New Starters					
New Starters	AHNEWST	40	97.01	100	91.23
Nominations					
Nomination Changes	AHNOMIN	10	60	66.67	42.86
Address					
Address Changes	AHADDRES	15	68.18	50	70.83
Bank Account					
Bank Accoun Change	BANKCHGE	0	80	66.67	50
General Enquiry					
General Enquiry	AHMEMBER	10	67.33	60.45	77.46
Deaths					
Death Cases - General	AHDEATH	15	60	77.78	42.86

EMPLOYER UPDATE

3.6 The table below shows the employers with active members in the Scheme on 30 September 2024.

Administering Authority	Scheduled Bodies
London Borough of Tower Hamlets	Attwood Academy (Ian Mikardo School)
	Boleyn Multi-Academy Trust
Admitted Bodies	Bishop Challoner
Age UK East London	Canary Wharf College

Atlantic Cleaning Services	
Compass Contract Services Limited	Cyril Jackson Academy
East End Homes	
Juniper Cleaning St Saviours	Letta Trust (Stebon and Bygrove Schools)
Mediquip	London Enterprise Academy
Olive Dining	Mulberry Academy
	Paradigm Trust (Culloden, Old Ford and Solebay Primary Schools)
	Sir William Burrough
Purgo Supplies Services Ltd	St. Pauls Way Community School
Tower Hamlets Community Housing Limited	Wapping High School
Vibrance (formerly Redbridge Community Housing Limited)	Stepney Green (Mulberry Trust)
Wettons Cleaning Limited	Taylor Shaw (Stepney Green)
Nourish Catering	Phoenix Trust (Open Scheme)
Ridgecrest	Phoenix Trust – Closed Scheme
East London Arts & Music	Canon Barnett Academy
Swan Housing Association	

Data Quality

3.7 Officers are continuing to work with ITM on the data cleanse project. The current actions include:

- GMP Reconciliation
 - ITM are carrying out sample file reviews for the following two categories. A list of member names/ references have been provided so that the LBTH team can extract the relevant image files.
 - Dependant Linking
 - GMP Value Reconciliation
- Data Audit
 - Electronic address tracing
 - Review of Issues Log to determine the items to be resolved by ITM.
- Payroll Reconciliation
 - ITM provided the LBTH team with a list of cases categorised as 'Accept Admin' or 'Accept Payroll' to be reviewed before ITM finalise the payroll reconciliation.
- GMP and Payroll Rectification Project
 - Officers and ITM have agreed to commence this project in November. It is anticipated that the project will take about 3 months to complete.

Officers and ITM anticipate completion of the entire project by the end of February 2025.

Employer Insourcing

3.8 There were no employer insourcing during the period.

Employer Admissions

- 3.9 Employer admissions in the pipeline include Mulberry London Dock Academy, Caterlink and Atlas FM Payroll Ltd.

Employer Cessations

- 3.10 There were no employer cessations during the quarter.

SCHEME and LEGISLATIVE UPDATE

Pensions Dashboards

- 3.11 Officers are preparing for pensions dashboards. Tower Hamlets Pension Fund's 'connect by' date is 31st October 2025. This means that the Fund has less than one year until the Fund is expected to go live on Pensions Dashboards. The Fund's preferred route to connection is to use a third-party (Heywood) solution. Officers are in the process of initiating discussions with Heywood to develop a plan and agree a collaborative approach to help the Fund to comply with the regulatory requirement.

Transition of 'Member Self Service' (MSS) to 'Engage'

- 3.12 The Member Self Service (MSS) is being phased out by Heywood. Officers are working with Heywood on the proposed introduction of 'Engage' to replace MSS and transfer of MSS users to 'Engage' from January 2025.

OUTSTANDING WORK

- 3.13 In total there are currently 357 cases classified as 'Undecided Leavers' i.e. members that have left employment or opted out of the pension scheme and have yet to be processed as refunds, deferred beneficiaries, pensioners of transfers out.
- 3.14 Possible incoming transfer currently being processed – 242. In these cases, we are either waiting for a response from the transferring scheme, waiting for a response from the member, or waiting for payment of the transfer.

4. EQUALITIES IMPLICATIONS

- 4.1 There are no specific equalities implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 There are no specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 There are no direct financial implications arising from the contents of this report.

7. COMMENTS OF LEGAL SERVICES

7.1 The Pensions Committee is required to consider pension matters and ensure that the Council meets its statutory duties in respect of the fund. It is appropriate having regard to these matters for the Committee to receive information from the Pensions Administration team about the performance of the administration function of the pension fund.

7.2 When carrying out its functions as the administering authority of its pension fund, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector duty).

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- NONE

Local Government Act, 1972 Section 100D (As amended)

List of "Background Papers" used in the preparation of this report.

- NONE

Officer contact details for documents:

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