

<p>Non-Executive Report of the:</p> <p>Pension Board</p> <p>Monday, 11 March 2024</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Julie Lorraine, Corporate Director, Resources</p>	<p>Classification: Unrestricted</p>
<p>Pensions Administration and LGPS Quarterly Update – December 2023</p>	

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

Reasons for urgency

The report was not published five clear days in advance of the meeting. Therefore, before this item can be considered at this meeting, the Chair of the Board would need to be satisfied that it is necessary to consider Quarterly Administration and LGPS Quarterly Update – December 2023 at this meeting, the Board may also take the view that it is important that there should not be an extended period without any member oversight.

Executive Summary

This report provides Board members with information on the administration and performance of the Scheme and update on key developments in the LGPS for the quarter to December 2023.

Recommendations:

The Pension Board is recommended to:

1. Note and comment on the contents of this report and appendix;
2. Note the insourcing of Tower Hamlet Homes; and
3. Note academy conversions in the pipeline.

1. REASONS FOR THE DECISIONS

- 1.1 The Board 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 31 December 2023.

Table 1A: Analysis of Membership at 31 December 2023

Membership	Active	Deferred	Undecided	Pensioner	Frozen
LGPS	7,934	8,425	102	7,292	2,355
% of Membership	30.39	32.27	0.39	27.93	9.02
Change from last quarter	10	-5	-65	63	-808

Table 1B: Change in Membership – Quarter to 31 December 2023

Membership	31 Dec 2023	30 Sep 2023	Change (%)
Active	7,934	7,924	0.13
Deferred	8,425	8,430	-0.06
Undecided	102	167	-38.92
Pensioner (incl. spouse & dependant members)	7,292	7,229	0.87
Frozen	2,355	3,163	-25.55
Total	26,108	26,913	-2.99

3.2 The table below shows the tasks completed and outstanding during the quarter to 31 December 2023.

Table1C: Analysis of Case types – Quarter to 31 December 2023

		Target days	Oct-23				Nov-23				Dec-23			
			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	Albair Workflow													
Voluntary	AHEARYA	25	9	36	25	8	8	7	10	5	5	6	8	1
Redundancy	AHRIDUNA	25	2	0	1	1	1	1	1	1	1	2	3	0
Medical	AHHRETA	25	0	1	1	0	0	2	2	0	0	3	2	1
late	AHLATERA	25	2	6	3	3	3	9	8	6	6	9	5	8
Flexible	AHFLDRA	25	0	1	0	1	1	0	0	1	1	1	0	2
Deferred into Payment	AHDBPARA	25	25	22	30	17	17	21	28	30	10	21	39	12
			38	46	30	30	30	40	49	26	21	40	37	24
Transfers														
Transfer In - Quotes	AHTVIQ	30	8	9	11	6	6	7	6	9	9	6	7	8
Transfer Out - Quotes	AHTVQO	30	7	2	5	4	4	5	7	2	2	5	2	5
Transfer In - Actual	IFAND3 & TVIN03		9	5	7	7	7	11	8	30	10	6	6	10
Transfer Out - Actual	IFACUT02 & TVOUT02		30	36	36	30	10	18	18	30	10	8	6	12
			36	30	37	27	27	41	37	36	31	23	39	35
Refunds														
Refund Calculations	AHRINDF	30	32	45	69	8	8	33	35	6	6	24	13	17
Refund Payments	AHRINDA	30	13	20	27	9	9	15	19	5	5	13	13	5
			45	65	96	17	17	48	54	11	11	37	26	22
Estimates														
Voluntary	AHBNST & AHEARLYQ	25	9	46	31	20	22	21	32	11	11	41	37	15
Redundancy	AHRIDUNQ	25	4	2	5	1	1	5	4	2	2	38	30	7
Medical	AHHRETO	25	3	1	3	1	1	3	3	1	1	3	1	3
late	AHLATERQ	25	2	36	11	5	5	10	11	4	4	4	4	4
Flexible	AHFLDRQ	25	4	3	6	1	1	6	5	2	2	6	7	1
Deferred into Payment	AHDBPARQ	25	8	25	21	12	12	18	25	5	5	5	5	5
			30	90	77	40	42	63	80	26	25	97	87	35
Deferred														
Deferred Calculations	AHDERLV	30	66	46	59	45	49	27	49	27	27	37	28	41
Opt Out														
Opt Out	OPTOPRT2	2	36	57	42	20	20	64	55	38	38	40	40	35
New Starters														
New Starters	AHNEWST	40	1	140	65	35	76	182	206	52	52	26	58	20
Notifications														
Notification Changes	AHNOMIN	30	6	7	9	4	4	9	9	4	4	1	4	1
Add new														
Address Changes	AHADRES	25	17	29	30	35	16	30	30	35	16	10	17	9
Bank Account														
Bank Account Change	BANKOICE	0	13	8	9	12	12	19	14	17	17	2	25	4
General Enquiry														
General Enquiry	AHMEMBER	30	111	130	167	77	77	132	157	52	52	113	114	51
Deaths														
Death Cases - General	AHDCATH	25	16	29	40	19	72	33	29	35	76	22	28	75
TOTAL			430	635	698	412	451	688	769	330	370	448	466	352

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.

Life Certificates 2024

- 3.4 Overseas pensioners and dependants are required to complete a Life Certificate each year to check their existence. The 2024 Life Certification process commenced in February. Those who do not return Life Certificates after 2 reminders will have their benefits suspended. The first reminders were sent on 1st March 2024.

Workflows

- 3.5 During the quarter to 31 December 2023, a total of 2302 workflows were produced.
- 3.6 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 (October – December 2023)

		Target Days	October % Within Target	November % Within Target	December % Within Target
Retirements	Altair Workflow				
Voluntary	AHEARLYA	15	35.71	40	87.5
Redundancy	AHREDUNA	15	100	0	100
Medical	AHIHRETA	15	100	100	100
Late	AHLATERA	15	66.67	87.5	100
Flexible	AHFLEXRA	15	-	-	-
Deferred into Payment	AHDBPAYA	15	43.33	71.43	63.16
Transfers					
Transfer In - Quotes	AHTVIQ	10	63.64	100	57.14
Transfer Out - Quotes	AHTVOQ	10	0	66.67	50
Transfer In - Actual	IFAIN03 & TVIN03	0			
Transfer Out - Actual	IFAOUT02 & TVOUT02	0			
Refunds					
Refund Calculations	AHRFNDF	10	24.24	81.82	76.92
Refund Payments	AHRFNDA	10	34.78	57.89	83.33
Estimates					
Voluntary	AHBENEST & AHEARLYQ	15	86.67	87.1	94.44
Redundancy	AHREDUNQ	15	25	100	96.97
Medical	AHIHRETQ	15	50	66.67	100

Late	AHLATERQ	15	72.73	63.64	50
Flexible	AHFLEXRQ	15	66.67	100	85.71
Deferred into Payment	AHDBPAYQ	15	90.48	92	80
Deferred					
Deferred Calculations	AHDEFLV	30	91.07	93.62	86.36
Opt Out					
Opt Out	OPTOPRT2	2	64.29	60	48.84
New Starters					
New Starters	AHNEWST	40	100	100	100
Nominations					
Nomination Changes	AHNOMIN	10	55.56	55.56	25
Address					
Address Changes	AHADDRES	15	72.41	90	87.5
Bank Account					
Bank Accoun Change	BANKCHGE	0	37.5	50	80
General Enquiry					
General Enquiry	AHMEMBER	10	64.02	69.23	85.59
Deaths					
Death Cases - General	AHDEATH	15	61.54	78.57	73.91
			61.14	74.42	78.80

EMPLOYER UPDATE

3.8 The table below shows the employers with active members in the Scheme on 31 December 2023.

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	East London Arts & Music
Greenwich Leisure Limited	Gateway (Bethnal Green & Vic)
Juniper Ventures Ltd	Letta Trust (Stebon and Bygrove Schools)
Mediquip	London Enterprise Academy
Olive Dining	Mulberry Academy
One Housing Group (formerly Island Homes)	Paradigm Trust (Culloden, Old Ford and Solebay Primary Schools)
Phoenix Trust – closed scheme	Sir William Burrough
Purgo Supplies Services Ltd	St. Pauls Way Community School
Tower Hamlets Community Housing Limited	Wapping High School
Taylor Shaw	
Vibrance (formerly Redbridge Community Housing Limited)	
Wettons Cleaning Limited	
Nourish Catering	

Data Quality

- 3.9 During the quarter efforts were made to improve the quality of pensions data because of queries raised by the external auditor. Work is continuing in this regard to ensure accurate data.

Employer Insourcing

- 3.10 The following insourcing arrangements is ongoing: Leisure services insourcing - Tower Hamlets Council Tower Homes (THH) - Tower Hamlets Council 1 November 2023.

Employer Admissions

- 3.11 Employer admissions in the pipeline include Nourish Catering Ltd in respect of contracts with Thomas Baxter and John Scarr schools and Chisenhale and Old Palace.

Employer Cessations

- 3.12 During the quarter, there was one employer cessation involving Tower Hamlet Homes which ceased on the 31/10/2023.

SCHEME and LEGISLATIVE UPDATE

McCloud legislative Update

- 3.13 The process of data collection from employers is ongoing and templates were issued to employers. About 30% of employers have provided data. Additional resources will be required for the McCloud exercise.

Member Self Service (MSS) Roll Out

- 3.14 The roll out of Member Self Service (MSS) continues. Take-up is low. Officers will be visiting schools over the next few months to register LGPS members.

OUTSTANDING WORK

- 3.14 In total there are currently 119 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.
- 3.15 Possible incoming transfer currently being processed – 261. 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 Pension Board 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 Board 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).
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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.

- <https://ri.lgpsboard.org/items>

Officer contact details for documents:

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