

<p>Non-Executive Report of the:</p> <p><b>Pensions Committee</b></p> <p><b>Monday, 30 September 2024</b></p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Julie Lorraine, Corporate Director, Resources</p>	<p><b>Classification:</b> Open (Unrestricted)</p>
<p><b>Pensions Administration Report – June 2024</b></p>	

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

### **Executive Summary**

This report provides Committee members with information on the administration and performance of the Scheme for the quarter to June 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 late despatch of Annual Benefit Statements due to a technical hitch; and
4. Note the progress and ongoing effort 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 June 2024.

Table 1A: Analysis of Membership at 30 June 2024

<b>Membership</b>	<b>Active</b>	<b>Deferred</b>	<b>Undecided</b>	<b>Pensioner</b>	<b>Frozen</b>
LGPS	7,778	8,456	270	7,415	2,495
% of Membership	29.45	32.01	1.02	28.07	9.45
Change from last quarter	90	-2	63	196	13

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

<b>Membership</b>	<b>30 Jun 2024</b>	<b>31 Mar 2024</b>	<b>Change (%)</b>
Active	7,778	7,688	1.2
Deferred	8,456	8,458	0.0
Undecided	270	207	30.4
Pensioner (incl. spouse & dependant members)	7,415	7,219	2.7
Frozen	2,495	2,482	0.5
<b>Total</b>	<b>26,414</b>	<b>26,054</b>	<b>1.4</b>

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

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

	Altair Workflow	Apr-24				May-24				Jun-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
<b>Retirements</b>	<b>Altair Workflow</b>												
Voluntary	AHEARLYA	3	3	5	1	7	1	2	6	6	6	7	8
Redundancy	AHREDUNA	1	6	2	5	5	23	14	14	14	4	15	3
Medical	AHIRETA	0	2	2	0	0	2	1	1	1	0	1	0
Late	AHLATERA	2	5	5	2	2	5	4	3	3	2	3	2
Flexible	AHFLEXRA	1	2	3	0	2	2	0	2	2	2	2	2
Deferred into Payment	AHOBPAYA	12	20	16	16	16	27	23	20	20	12	18	14
		19	38	33	24	24	66	44	46	46	27	47	26
<b>Transfers</b>													
Transfer In - Quotes	AHTVIQ	18	11	7	22	22	11	18	15	15	7	11	11
Transfer Out - Quotes	AHTVCIQ	3	10	7	6	6	7	6	7	7	4	5	6
Transfer In - Actual	IFAIN03 & TVIN03	22	16	24	14	14	12	11	15	15	4	6	13
Transfer Out - Actual	IFACOUT02 & TVDOUT02	22	9	5	26	26	21	28	19	19	16	19	16
		65	46	43	68	68	51	63	56	56	31	41	46
<b>Refunds</b>													
Refund Calculations	AHRFNDF	15	27	26	16	16	38	35	18	18	118	121	15
Refund Payments	AHRFNDA	12	21	18	15	15	20	21	14	14	10	12	12
		27	48	44	31	31	58	56	33	32	128	133	27
<b>Estimates</b>													
Voluntary	AHBENEST & AHEARLY	24	28	28	24	24	28	28	24	24	26	28	22
Redundancy	AHREDUNQ	5	30	28	7	7	23	26	4	4	1	3	2
Medical	AHIRETQ	2	4	1	5	5	5	6	4	4	1	1	4
Late	AHLATERQ	3	2	2	3	3	8	6	5	5	5	3	7
Flexible	AHFLEXRQ	0	2	0	2	2	3	3	2	2	4	3	3
Deferred into Payment	AHOBPAYQ	28	17	33	12	12	17	21	8	8	14	15	7
		62	83	92	53	53	84	90	47	47	51	53	45
<b>Deferred</b>													
Deferred Calculations	AHDEFLV	22	26	18	30	30	51	25	56	56	33	29	60
<b>Opt Out</b>													
Opt Out	OPTOPRT2	17	15	15	17	17	39	28	27	27	31	35	23
<b>New Starters</b>													
New Starters	AHNEWST	9	72	79	2	2	119	71	50	50	57	93	14
<b>Nominations</b>													
Nomination Changes	AHNDMIN	9	8	7	10	10	12	15	7	7	9	11	5
<b>Address</b>													
Address Changes	AHADRES	15	38	30	23	23	26	26	23	23	30	29	24
<b>Bank Account</b>													
Bank Account Change	BANKCHGE	5	4	5	4	4	4	4	4	4	5	3	6
<b>General Enquiry</b>													
General Enquiry	AHMEMBER	66	250	190	126	126	183	176	133	133	124	150	107
<b>Deaths</b>													
Death Cases - General	AHDEATH	21	54	65	10	10	32	28	14	14	29	23	20

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.

### Annual Benefit Statements 2024

3.4 Annual Benefit Statements were issued a couple of days after the 31 August deadline due to technical issues with the ABS template for active members that took Heywoods longer than anticipated to rectify. A total of 15,105 statements were issued including 6,997 active, 8,026 Deferred (UK) and 82 Deferred (Overseas).

### Workflows

3.5 During the quarter to 30 June 2024, a total of 2390 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 (April – June 2024)

			April	May	June
Retirements	Altair Workflow	Target Days	% Within Target	% Within Target	% Within Target
Voluntary	AHEARLYA	15	50	50	62.5
Redundancy	AHREDUNA	15	100	85.71	66.67
Medical	AHIHRETA	15	100	100	0
Late	AHLATERA	15	80	75	33.33
Flexible	AHFLEXRA	15	66.67	-	100
Deferred into Payment	AHDBPAYA	15	50	52.17	44.44
<b>Transfers</b>					
Transfer In - Quotes	AHTVIQ	10	14.29	44.44	36.36
Transfer Out - Quotes	AHTVOQ	10	57.14	50	20
Transfer In - Actual	IFAIN03 & TVIN03	0			
Transfer Out - Actual	IFAOUT02 & TVOUT02	0			
<b>Refunds</b>					
Refund Calculations	AHRFNDF	10	52	81.25	91.67
Refund Payments	AHRFNDA	10	44.44	57.14	66.67
<b>Estimates</b>					
Voluntary	AHBENEST & AHEARLYQ	15	80.77	53.57	66.67
Redundancy	AHREDUNQ	15	96.43	95.83	0
Medical	AHIHRETQ	15	100	100	0
Late	AHLATERQ	15	0	66.67	50
Flexible	AHFLEXRQ	15	-	100	75
Deferred into Payment	AHDBPAYQ	15	68.75	76.19	66.67
<b>Deferred</b>					
Deferred Calculations	AHDEFLV	30	55.56	88	82.14
<b>Opt Out</b>					
Opt Out	OPTOPRT2	2	26.67	59.26	57.14
<b>New Starters</b>					
New Starters	AHNEWST	40	98.77	100	100
<b>Nominations</b>					

Nomination Changes	AHNOMIN	10	71.43	53.33	63.64
<b>Address</b>					
Address Changes	AHADDRES	15	80	76	82.76
<b>Bank Account</b>					
Bank Account Change	BANKCHGE	0	40	50	66.67
<b>General Enquiry</b>					
General Enquiry	AHMEMBER	10	77.37	76.51	58.87
<b>Deaths</b>					
Death Cases - General	AHDEATH	15	98.44	89.29	69.57

## EMPLOYER UPDATE

3.8 The table below shows the employers with active members in the Scheme on 30 June 2024.

Administering Authority	Scheduled Bodies
London Borough of Tower Hamlets	Attwood Academy (Ian Mikardo School)
	Boleyn Multi-Academy Trust
<b>Admitted Bodies</b>	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**

- 3.9 During the quarter officers developed plans to improve the quality of pensions data. Ahead of procuring specialist support, the Pensions team:
- amended most of the dependant's records (Status 6) which were showing the short-term pension being paid on the pensions administration system, Altair. This has now been amended to the long-term pension, to ensure that this matches Resourcelink, the payroll system.
  - produced reports to establish the difference between the two systems – Altair and Resourcelink.
  - worked on some of the GMP cases, ahead of procuring a pensions data specialist.
  - checked all new pensioners annual figures on Altair and Resource link to ensure that the annual values match. Slight differences between the two systems were due to rounding on the different systems.
  - checked all existing records for consistency before and after all calculations.
  - ensured that the pensions increase was checked on Altair to ascertain that the different components are correct.
  - investigated the none GMP cases and then recalculated the straightforward cases.
  - Encouraged scheme members to register for member self-service (MSS), to enable them to check their records.
  - worked with Zellis (provider of the Resource link system) to produce a new iConnect report. Zellis are improving the information provided by the employer, which in turn improves iConnect.
  - compared the Bacs report to iConnect, routinely, to ensure that the amounts are correct, and the two systems matched. All cases are checked on both systems, the monthly payroll is checked, and a member of the treasury team also checks the payroll independently.

### **Employer Insourcing**

- 3.10 There were no employer insourcing during the period.

### **Employer Admissions**

- 3.11 Employer admissions in the pipeline include Caterlink and Atlas FM Payroll Ltd.

### **Employer Cessations**

- 3.12 There were no employer cessations during the quarter.

## **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 297 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 – 271. 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).
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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.**

- NONE

### **Officer contact details for documents:**

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