

**Report to:** Pension Committee  
**Date of meeting:** 19 September 2023  
**By:** Chief Finance Officer  
**Title:** Pension Administration - updates  
**Purpose:** To provide an update to the Pension Committee on matters relating to Pensions Administration activities.

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## **RECOMMENDATION**

**The Committee is recommended to note the updates.**

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### **1. Background**

1.1 The in-house Pensions Administration Team (PAT) carries out the operational, day-to-day tasks on behalf of the members and employers of the East Sussex Pension Fund (the Fund, ESPF) and for the Administering Authority. They also lead on topical administration activities, projects and improvements that may have an impact on members of the Local Government Pension Scheme (LGPS).

### **2. Key Performance Indicators (KPI)**

2.1 The Performance Report, for the period July 2022 to June 2023 can be found at **Appendix 1**. The PAT saw performance numbers during quarter two 2023, average at 94.67% (volume completed 3,515) which were like the previous quarter (96.30% with a volume of 3,768).

The June 2023 performance was down to 90.42% which was caused by a combination of things:

- A knock-on result of the impact of completing the large volumes of BHCC 2021/22 member movements in the quarter.

- A backlog of transfers was also created by the GAD freeze due to the Actuarial Factors review.
- Some PAT resources had been redirected to focus on completing projects such as the historical Annual Allowance, Deferred member address tracing & mortality exercise, i-Connect onboarding plus the process reviews & robotics.

As a result, less important tasks such as aggregation & combining, refunds and deferred benefits were deprioritised, hence the lower performance achieved in these areas. The low death grants performance should be a one-off month were a few cases missed due to managerial holidays and delays for complex cases. A small number of late cases have an impact due to the low volumes of these tasks.

The July and August 23 performance will be formally reported at the next meeting but are both likely to be closer to 90% than the normal 95%. These were impacted by more projects:

- Focus on Annual Benefit Statements
- Data cleansing
- Printing and Postage services transfer to the postal hub
- Development of the next day transfer task

As at the start of September 23 the PAT team have 3,300 tasks allocated. In addition to this there are reply due tasks and post-dated tasks (up to March 24) resulting in 6,000 tasks to be processed. The two main areas of backlog are:

- BHCC member movements for 2022/23 that were provided via the March 23 i-Connect file on 18 August 2023.
- Aggregations/combining's, of which there are 486 quotations and 135 actual set-up's ready to be processed.

As a result, we expect the performance to be lower for a few more months.

2.2 The Fund have a gold standard service provision for the Pensions Helpdesk and the results are included in **Appendix 2**. The Helpdesk is currently supported by Surrey County Council, however this service will not be supported after March 2024, so the ESPF Pensions Helpdesk service will be brought in-house on 1 April 2024. A project is underway to ensure a smooth transfer for this service, with staff TUPE transferring to ESCC, where applicable.

### **3. Pension Administration Staffing Update**

3.1 The new Projects Manager started on 26 June 2023. The vacant Project Officer post has been filled by an internal candidate. The Fund is currently advertising for two new Pension Administration Apprentices. One of the existing Apprentices has passed his exams and has been made permanent. One Pensions Administrator left in August 2023.

### **4. Projects update**

#### 4.1 Annual Benefits Statements – 2023

The majority of employers (125) are using i-Connect which provides data of the Annual Benefit Statement (ABS) production, with only 16 completing manual end of year returns. All employer data has been submitted and validated. Some resulting queries remain outstanding with the employers. A summary of the result of the number of ABS issued as at the statutory deadline are included in **Appendix 3**.

#### 4.2 Process Reviews

The PAT have now completed a number of process reviews of the major activities carried out by the team to ensure the Fund is providing best practice service and has clearly documented robust processes, with a few ongoing. The reviews included revisions to member letters. The project has been closely linked to the Robotics projects, where the first robot is now complete and being used to coordinate the deferred to normal retirement quotations and associated letters ready for checking with seven further proposals for automation with the robotics team.

#### 4.3 Pensions Dashboards

Pension Dashboards are digital services (websites, apps or other tools) which individuals will be able to use to see all their pension information in one place, including their State Pension.

The Pensions Dashboard Programme (PDP) has been set up by Money and Pensions Service (MaPS) who are responsible for developing the dashboard ecosystem which enables individuals to view their pension data online. MaPS will host its own dashboard on the MoneyHelper website and other organisations will host their own dashboards, subject to approval and regulation by the Financial Conduct Authority (FCA).

Pension Funds scheme-specific staging dates have been removed and all schemes now have to connect by October 2026, but further guidance is expected. The date dashboards will be launched to the public (known as the “Dashboards Available Point”) will be advised by DWP.

Heywood are preparing a Dashboard data cleansing report for the Fund and this is expected in September 2023.

#### 4.4 Printing & Postage services

With effect from 1 September 2023 elements of the printing and postage service for the Fund will be transferred to the East Sussex Digital Postal Hub. The function will allow letters and documents to be placed in a central hub for processing, then the Post Hub will automatically print, envelope and frank in the post room and send via Royal Mail the same or next day. This will reduce costs, increase efficiency, and facilitate new working styles.

The service requires the documents to be placed in a window envelope rather than a printed envelope so the exact positioning of the address on all existing documents have to be manually reviewed. Officers are also using the project as an opportunity to update the bank of 500+ letter templates to incorporate the Fund branding, include electronic signatures and checked for compliance with accessibility requirements and plain English.

PAT are on target to get the high volume use letters completed in August and further work will continue post go live. Solutions are being considered for sizing of the margins to support the need for bar coding.

#### 4.5 Guaranteed Minimum Pension – Reconciliation & Rectification

The data was provided to Mercers to recommence the project in May 23 and their project plan suggests it should be completed by February 2024.

Due to a change in the Mercer business ownership officers have been asked to complete a deed of novation. This is being considered by Procurement and Legal.

## 5 **Conclusion and reasons for recommendation**

5.1 The Pension Committee is asked to note the report.

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