

**Report to:** Pension Board  
**Date of meeting:** 7 November 2024  
**By:** Chief Finance Officer  
**Title:** Pension Administration updates  
**Purpose:** To provide an update to the Pension Board on matters relating to Pensions Administration activities.

## RECOMMENDATION

The Board is recommended to note the updates and make any comments for feedback to the Pension Committee.

### 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 Reports for the months of July, August and September 2024 can be found at Appendices 1 to 3. The report now includes all tasks performed by the PAT and is reported directly from the Altair Insights system. A summary is included in the table below:

Month	o/s at start	Post received	Post completed	Completed in SLA	% within SLA	Outside SLA	Total o/s at end	Open tasks at end
Apr 24	2,100	1,790	1,828	1,422	77.8%	406	2,042	580
May 24	1,846	2,021	1,755	1,472	83.9%	283	2,082	556
Jun 24	1,905	1,857	1,763	1,531	86.8%	232	1,975	345
Q2, 24		5,668	5,346	4,425	82.8%	921		
Jul 24	1,810	2,612	1,984	1,743	87.9%	241	2,404	882
Aug 24	2,215	3,024	2,326	1,991	85.6%	335	2,891	1,253
Sep 24	2,059	2,040	1,761	1,458	82.8%	303	2,904	1,252
Q3, 24		7,676	6,071	5,192	85.5%	879		

The volume numbers of tasks received are extraordinarily high compared to the historical position and are unsustainable:

Year	Q1 post received	Q2 post received	Q3 post received	Q4 post received
2024	4,651	5,668	7,676	
2023	3,768	3,515	3,854	4,274
2022	2,358	2,257	2,464	2,550

It is difficult to give a definitive reason for the increase in tasks but includes:

- The change of approach to monthly data collection allows us to receive member leaving data much quicker and we are finding that late pay (e.g. overtime/holiday pay) is resulting in recalculation.
- Most of the i-Connect employer receive late annual pay awards and these are resulting in thousands of recalculations for all types of leavers.
- BHCC data has been received in bulk for the last two years.
- The move to digitalization resulted in thousands of pensioners wanting to retain paper communications.
- The switch to the upgraded Member Self Service portal has in July resulted in thousands of support calls and password resets.

The fully resourced PAT, now supplemented by a small number of robots, are working tirelessly to try to keep up with a growing backlog. The lumpy nature of some of the points above has seen large numbers of tasks added to the workloads over a short period resulting in our inability to maintain high service performance levels.

To aid visibility of the work being undertaken by the PAT team Appendix 4 provides a high-level view of performance achieved (as presented to Board/Committee) over a number of years.

2.2 The Fund aims to achieve a gold standard service provision for the Pensions Helpdesk and the results are included in Appendix 5. From April 2024 the Helpdesk has been delivered by an in-house team within PAT. Due to the transition into an in-house team the reportable information relating to service delivery has reduced. The roll out of the telephony upgrade is awaited.

### **3. Projects update**

#### **3.1 McCloud remedy**

The data collection aspect for the 140 active employers is complete and the data has been uploaded into the Altair test system for final validation before being moved into the live system. The only exception is BHCC, for whom all data queries have been received and are being reviewed before imported to Altair. The data for the 37 non-active employers is being collated on a single spreadsheet for the Heywood validation tool to test in November, this has been delayed by four small employers. The Fund has a semi-manual process to be able to calculate McCloud non-club transfer values but no solution yet for club transfers. Heywood are working closely with the users CLASS Group to prioritize the McCloud functionality, which could take up to two years to fully implement.

#### **3.2 Member Self Service (MSS)**

MSS is a portal used by members to help keep track of their ESPF pension. Members can view ABS, update personal info, update nomination forms, and use a range of benefit projectors. The portal was replaced in July 2024 with a version with improved functionality and increased security. Whilst all members have received a letter or email requesting them to register for the new portal the take up was lower than expected. The Fund will look to create a campaign to increase the number of registered members throughout 2025.

#### **3.3 Pensions Dashboards**

Officers continue to focus on getting the data ready using a Heywood Altair Insights dashboard report to identify gaps. Heywood are our Integrated Service Provider and a project plan has been created, with a two phase approach penciled in:

Phase 1 – starting in November 2024 for 10 weeks to build and test.

Phase 2 – starting in August 2025 for 5 weeks to implement and onboard.

Onboarding date – all schemes must onboard by 31 October 2026 but the LGPS formal staging date is 31 October 2025. It is not yet known when the pension dashboards will go live to the public.

### 3.4 Overseas Mortality checks

Officers undertake monthly mortality checks via a third party (ITM) for UK based pensioners which alerts the PAT to any unnotified deaths so that they can be processed in a timely manner to avoid overpayments.

ESPF is also obliged to participate in the National Fraud Initiative (NFI) mortality checks which are undertaken biannually for all pensioners.

Officers undertake regular paper exercise for our circa 600 overseas pensioners to check their wellbeing and the most recent exercise commenced in June 2024, with about two-thirds contacted by email and the remainder by post. Overseas pensioners are required to complete a form, appropriately witnessed and returned within a few months.

In late August 2024, chasers were issued to the outstanding 78 members which advised if the completed form is not returned by end of September their pensions will be suspended. In October 2024 the team suspended six pensions in payment.

### 3.5 Annual Allowance (AA) for 2023/24

Officers identified 300+ potential cases in scope in August 2024. Given the AA limit increased from £40k to £60k fewer number of members were expected to be impacted. Further investigation showed 270 members could be descope from the data collection stage. On 16 August 2024 employers were contacted relating to 2 members to collect some additional salary data by early September.

All the necessary calculations were completed, and letters issued by 30 September (ahead of the statutory deadline of 6 October 2024) with ten cases over AA and only one where tax was due.

### 3.6 Postal Hub

Much of the PAT printing and postage services were switched from CFH Docmail Ltd to in-house on 1 September 2023. Officers are pleased to announce the remainder of the printing and postage (mainly pensioner payroll related – payslips and P60's) have now migrated from 1 September 2024.

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

5.1 The Pension Board is asked to note the report and make any comments for feedback to the Pension Committee.

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