Report to:	Pension Committee
Date of meeting:	27 February 2025
By:	Chief Finance Officer
Title:	Pension Administration - updates
Purpose:	To provide an update to the Pension Committee on matters relating to Pensions Administration activities.

RECOMMENDATION

The Committee is recommended to note the report.

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 October, November and December 2024 can be found at Appendix 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**		
Oct 24	2,549	2,347	2,518	2,015	80.0%	503	2,341	707
Nov 24	2,090	2,015	1,963	1,596	81.3%	367	2,080	423
Dec 24	1,919	1,541	1,522	1,360	89.4%	162	1,892	398
Q4, 24		**5,903**	**6,003**	**4,971**	**82.8%**	**1,032**		

The volume numbers of tasks received being reported are very high compared to the historical position:

2022 = 9,629	2023 = 15,411	2024 = 23,898

The main reasons for the increase in tasks include a move from reporting on just KPIs to reporting on all PAT tasks. In addition, fully utilising the i-Connect system results in many more recalculations (both due to late payments of pay [overtime/holiday] and late pay awards) plus the BHCC bulk data files.

We are pleased to report the Admin Working Group met on 02/12/24 and went through the October 24 Admin Performance in detail. Full explanations were provided about the longest number of days taken cases and where the average number of days were high. The attendees were appropriately reassured the data was accurate and being reported correctly and most importantly that the PAT were working tirelessly and effectively to clear the backlog and improve the reported team performance. The impact of uneven spikes in post received (like following the issue of ABS) were much better understood.

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 several years.

2.2   The Fund aims to achieve a gold standard service provision for the Pensions Helpdesk and the results for October to December 24 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 expected in May 25.

3.   Pension Administration Staffing Update

3.1   An Employer Engagement Manager will be commencing maternity leave this month; the role will be covered by an internal appointment. In addition, we had a resignation from an Administrator and role has been advertised.

4.   Projects update

4.1   McCloud remedy
The data collection aspect for the 140 active employers is complete and the data has been uploaded into the Altair test system. The final data validation has revealed a number of new issues and errors, and these are being investigated. Once resolved the data will be moved into the live system. The BHCC data has now also been imported to the Altair test system.
The data for the 37 non-active employers has been through the Heywood validation tool and is back with officers to manage and resolve the queries found.
Officers have implemented a semi-manual process to be able to calculate both McCloud Club and non-Club transfer values. Heywood are working closely with the users CLASS Group to prioritize the McCloud functionality, which could take up to two years to fully implement.

4.2   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 – completed in January 2025 saw the ISP data console built and data transfer tested. Additional testing of the "find" data methodology will happen during February when some additional functionality will be added.
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.

4.3   i-Connect onboarding
Officers had targeted the last 10 employers (who had historically had data issues or where there had been less engagement) to be onboarded by 31 March 2025. All have had their initial meetings and discussions about our specifications and requirements. They need to work with their payroll software providers to create the initial tests files for our review:

Employer	No. of active members	Test File received	Project RAG Status
Aquinas Trust	42	29/10/24	
Bexhill College	95	25/07/24	
Beacon Academy	82		
Uplands	37		
SABDEN	117	20/12/24	
Vardean College	98	05/11/24	
UoBAT	476	17/01/25	
Uni of Brighton	1,363	06/12/24	
Hailsham Academy	86	13/01/25	
DCAT	382		EOY Return

4.4   BHCC i-Connect data collection
Officers are pleased to advise that the bulk i-Connect data file for the period June to December 2024 was successfully uploaded on 9 January 2025 with a small number of omitted members. The file produced an equally small number of errors and suppressions as well as creating 1,056 i-Starter tasks and 1,091 i-Leaver tasks. The PAT will look to process the member movements over the next few months.
The BHCC payroll team expect to be in a position to load the January 2025 i-Connect data file in early February 2025, effectively making the employer up-to-date and live. BHCC have also provided a revised recovery plan to the Pensions Regulator.

4.5   Robotics (automation) & Digital Assistant
Officers are involved in an ongoing project to integrate robotics with our pension administration tasks to carry out straight-forward repetitive actions. In November 2024 a robot called Drusillas went live. This robot processes the refund of member pension contributions. The checking stage of each case continues to be authorized by a pensions Officer.
The Digital Assistant is a Chatbot designed to sit on the ESPF website and answer FAQ. The project is well underway, and Officers are working with an external provider ICS.AI who have created a draft set of 298 questions and answers. These will be reviewed in February 2025 and then the Digital Assistant can be integrated on some key pages of the website.

4.6   Pension Administration Software contract
A paper on the PAS tender was presented to the Pensions Committee on 21 November 2024 advising Officers had evaluated the LGPS Framework bids and were happy with the quality of the submissions. Officers recommended that Heywood Limited would continue to provide a robust and comprehensive service to the Fund and further system enhancements should be taken on as part of a new contract.
The Pensions Committee authorized the Chief Finance Officer to complete the appropriate due diligence to award the contract. The award was made on 23 January 2025 subject to finalizing terms and conditions of the necessary contract.
The contract will commence on 28 April 2026 for a five year term, with an option to extend up to 26 April 2034.

5   Conclusion and reasons for recommendation.

5.1   The Pension Committee is asked to note the report.

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