

## **PENSION BOARD 29 JANUARY 2020**

**Report title:** Lambeth Pension Administration – Quarterly Performance update to December 2019

**Wards:** All

**Portfolio:** Cabinet Member for Finance, Councillor Andrew Wilson

**Report Authorised by:** Fiona McDermott, Strategic Director Finance & Investment

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### **Report summary**

This report is part of the regular performance monitoring and reporting for the Pension Board as part of their responsibilities to ensure the effective administration of the Lambeth Local Government Pension Scheme (Lambeth LGPS) against agreed performance indicators, and member services. The report also provides administrative updates, developments and details of projects.

### **Finance summary**

There are no financial implications arising from the recommendations in this report.

### **Recommendations**

1. To note the Pension Administration Service Performance update covering the period October to December 2019.

## 1. CONTEXT

- 1.1 This report provides information on the performance of Lambeth Pensions in relation to all of its members (active, deferred or pensioner).

### Key performance indicators

- 1.2 Lambeth Pensions measures work processed using standard LGPS targets. The total number of pensions cases completed on the Altair system in the period October to December 2019 was 980. Cases are normally set to be completed within 5 or 10 working days depending on the nature of the case. Statistics on key cases can be found in Appendix 1.
- 1.3 In the period October to December 2019 a total of 28 redundancy estimates and 13 actual redundancy calculations were processed. This compares to 26 estimated and 30 actual calculations for the same period last year, i.e. October 2018 to December 2018.
- 1.4 A full review on the use of the Altair system and its associated administrative processes took place as part of the wider pension fund governance review. Lambeth Pensions has now identified areas where the system can be used more effectively to improve service efficiency. Aquila Heywood has provided training on document production and workflow.

### Pension Fund Valuation

- 1.5 An Employers Forum was held on 14 January 2020 to discuss the pension fund valuation, new employers' pension contribution rates, and other issues of relevance to employers.

### Governance Review

- 1.6 Work continues to implement the recommendations of the Governance Review that was undertaken by Aon Hewitt. The Pension Board are periodically updated on the actions taken to address these recommendations. The last report was presented to the Board on Wednesday 9 October 2019.

### Complaints

- 1.7 No complaints were received during the period covered in this report.

### Communications

- 1.8 There is a vacancy on the Pensions Committee for a member representative and ballot papers will be issued shortly.

### Membership data

- 1.9 The table below sets out the key changes in Lambeth LGPS's membership:

Membership type	Totals as at 1.10.19	Totals as at 31.12.19
Active	4979	4997
Deferred pensioner	8438	8388
Pensioner	6733	6777
Widow/dependant	1269	1272

### **Risk register**

- 1.10 The risks and associated mitigations are captured in the risk register and included as a separate agenda item at the Board Meeting.

### **Internal Dispute Resolution Procedure**

- 1.11 There have been no appeals under the Internal Dispute Resolution Procedure.

### **Authority Discretions**

- 1.12 There were no discretions exercised under the Council's Discretionary Policy in this period.

### **Audit Reports**

- 1.13 In November 2019 a report was received from Lambeth Internal Audit Team PwC in respect of the audit that was carried out in August 2019, the findings were:
- performance is largely consistent with the previous period
  - a query regarding control design for the reconciliation between Oracle Payroll and Altair, which has been resolved
  - a query regarding authorisation of pensions payroll BACS payments, which has been resolved

### **Pensions Contracts**

- 1.14 Since April 2017 Lambeth Pensions has offered Member Self-Service (MSS) to enable pension scheme members to access details about their LGPS pension membership. There are currently 2,111 registered users. Details of the type of member and the percentage of total members using MSS are shown below:

<b>Type of member</b>	<b>Number of MSS users</b>	<b>Percentage by type of member</b>
Active	910	18.21%
Deferred	551	6.57%
Pensioners	615	9.01%
Widow / dependant	35	2.75%

The number of activities on MSS is gradually increasing, and efforts are currently being made by the Pensions Team to encourage greater usage. A summary of activities that compares the periods October to December 2018 and 2019 is given in the table below:

<b>Activities</b>	<b>Oct 2018 to Dec 2018</b>	<b>Oct 2019 to Dec 2019</b>
Increase in new users	125	131
Number of log ins	708	905
Incorrect passwords	110	248
Usernames not recognised	281	434
Disabled accounts	21	60
People viewing documents	169	201

- 1.15 Lambeth has appointed ITM Ltd to undertake Guaranteed Minimum Pension (GMP) reconciliation, the project is to schedule and there are no concerns. Currently test calculations in respect of rectification are being carried out. Further details about the project can be found in Appendix 2.
- 1.16 ITM Ltd have completed mortality screening and address tracing in respect of frozen refund cases. In December 2019 they wrote to 1,208 people with frozen refunds, and this generated a significant number of telephone queries to Lambeth Pensions Team. To date a total of 76 refund calculations have been processed, and this number is expected to increase over the next few weeks.

## **2. PROPOSAL AND REASONS**

- 2.1 It is proposed that the Pensions Board note the performance of Lambeth Pensions as outlined in this report.

## **3. FINANCE**

- 3.1 There are no additional financial implications in relation to the items mentioned in this report.

## **4. LEGAL AND DEMOCRACY**

- 4.1 There are no legal implications arising directly from the contents of this report.
- 4.2 There are no additional comments from Democratic Services.

## **5. CONSULTATION AND CO-PRODUCTION**

- 5.1 Where possible Lambeth Pensions shares ideas and working practices with other pension funds.
- 5.2 Members of the Pension Committee and Pension Board have been consulted on the Governance Review.

## **6. RISK MANAGEMENT**

- 6.1 Action has been taken to mitigate any risks in relation to the items mentioned in this report. The Risk Register highlights the appropriate control measures to mitigate potential risks.

## **7. EQUALITIES IMPACT ASSESSMENT**

- 7.1 There are no equalities issues.

## **8. COMMUNITY SAFETY**

- 8.1 There are no community safety issues.

## **9. ORGANISATIONAL IMPLICATIONS**

- 9.1 There are no known organisational implications.

## 10. TIMETABLE FOR IMPLEMENTATION

10.1 None.

<b>Audit Trail</b>				
<b>Consultation</b>				
<b>Name/Position</b>	<b>Lambeth directorate/department or partner</b>	<b>Date Sent</b>	<b>Date Received</b>	<b>Comments in para:</b>
Councillor Andrew Wilson	Cabinet Member for Finance	10.01.20	10.01.20	
Fiona McDermott, Strategic Director of Finance and Investments	Finance & Investment	10.01.20	17.01.20	
Christina Thompson, Director of Finance and Property	Finance & Investment	10.01.20	13.01.20	
Hamant Bharadia, Assistant Director, Finance	Finance & Investment	10.01.20	14.01.20	
Andrew Pavlou, Legal Services	Legal and Governance	10.01.20	13.01.20	
David Rose, Democratic Services	Legal and Governance	10.01.20	15.01.20	

<b>Report History</b>	
<b>Original discussion with Cabinet Member</b>	NA
<b>Report deadline</b>	16.01.20
<b>Date final report sent</b>	17.01.20
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	NA
<b>Key decision report</b>	No
<b>Date first appeared on forward plan</b>	N/A
<b>Key decision reasons</b>	N/A
<b>Background information</b>	N/A
<b>Appendices</b>	<p>1. Summary of cases recorded on Altair Workflow for 19 September 2019 to 31 December 2019.</p> <p>2. Guaranteed Minimum Pension (GMP) reconciliation and rectification</p>