



## Pension Fund Board agenda supplement

Date: Wednesday 19 October 2022

Time: 10.00 am

Venue: MS Teams

Agenda Item	Time	Page No
<b>4 i-Connect/Pensions 'Online' Update</b> To be presented by Sam Price, Assistant Pensions Administration Manager, Buckinghamshire Council.		<b>3 - 6</b>
<b>5 Internal Administration Benchmarking</b> To be presented by Sam Price, Assistant Pensions Administration Manager, Buckinghamshire Council.		<b>7 - 16</b>
<b>7 Administration performance statistics</b> To be presented by Sam Price, Assistant Pensions Administration Manager, Buckinghamshire Council.		<b>17 - 24</b>
<b>10 Annual Benefit Statements - Administration Year End Update</b> To be presented by Sam Price, Assistant Pensions Administration Manager, Buckinghamshire Council.		<b>25 - 28</b>
<b>12 Annual Benefit Statements - Confidential Appendix</b> To be presented by Sam Price, Assistant Pensions Administration Manager, Buckinghamshire Council.		<b>29 - 30</b>

If you would like to attend a meeting, but need extra help to do so, for example because of a disability, please contact us as early as possible, so that we can try to put the right support in place.

For further information please contact: Katherine Farooqi on 01895 837205, email [democracy@buckinghamshire.gov.uk](mailto:democracy@buckinghamshire.gov.uk).

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## Report to Pension Fund Board

**Date:** 19 October 2022

**Title:** **i-Connect/Pensions 'online' Update**

**Author and/or contact officer:** Sam Price, Assistant Pensions Administration Manager

**Recommendation:** The Board is asked to **NOTE** the content of this report.

### Executive summary

- 1.1 This report is to provide the Board with an update on the roll-out of i-Connect to scheme employers and the 'my pension online' service for scheme members.

### Content of report

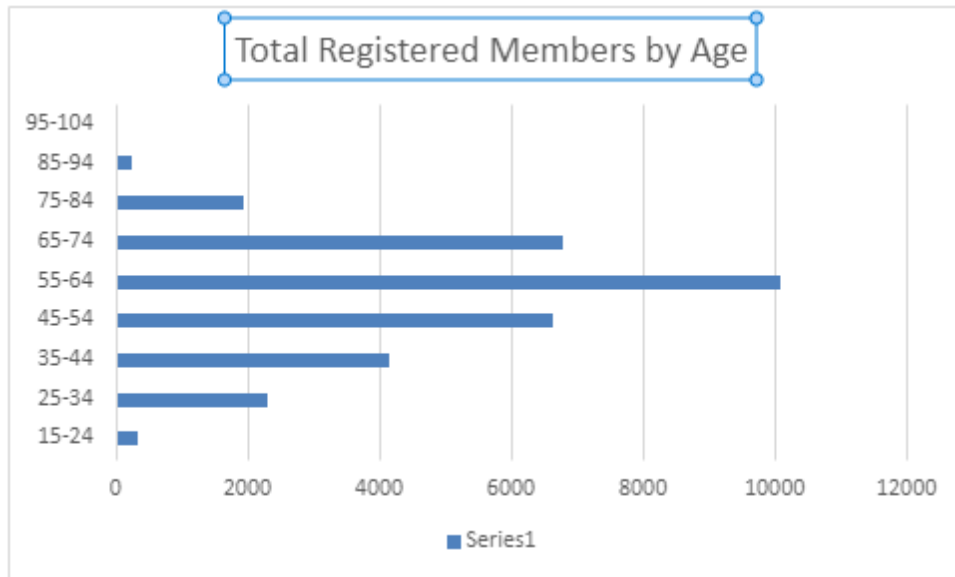
#### 1.2 'My Pension Online'

The online service continues to be standard practice for scheme members to receive communications from the administration team as well as using to update personal details & obtain pension estimates.

Overall, 38% of membership of the Buckinghamshire Pension Fund are fully registered to use this service, an increase of 6% since March 2022. A breakdown between membership status can be seen below.

Status	Not Registered	Partially Registered	Fully Registered
Active	50.66%	7.06%	42.28%
Deferred	63.76%	6.73%	29.51%
Pensioner	35.51%	11.60%	52.89%

In terms of the age range for registered scheme members, the highest number of registered members continues those closer to retirement age/recently retired. This also corresponds with the log-ins where the highest number of log ins are from those registered scheme members who are between age 55-64. The chart below shows the age distribution of registered scheme members.



Of the total LGPS membership, the table below provides a breakdown of the opt outs by membership status.

Status	Number of opt-outs
Active	344
Deferred	557
Pensioner	3996

We continue to report usage of the 'my pension online' facility on a monthly basis. This provides us with useful information regarding who is using the service and what for. On average, there are 8679 logs ins on a monthly basis over 2022/23 so far.

Through the 'my pension online' service, scheme members can run benefit calculations, update contact details & death grant nominations and view communications from the Benefit Administration team including benefit statements and retirement packs. The table below provides a breakdown of the number of actions taken by scheme members between 1 April 2022 & the end of September 2022.

Updated contact details	39,660
Death grant nominations	17,947
Benefit Calculation – Death	5,512
Benefit Calculation - Retirement	35,586
Benefit Calculation - Deferred	21,512
Documents viewed	23,421

## ***i-Connect***

This online submission facility allows employers to upload data directly onto the pensions software system and removes the current requirement for employers to submit data on a monthly/annual basis via spreadsheet. At the end of September 2022, 258 employers had been onboarded and were successfully submitting data on a monthly basis.

Onboarding of the fund's largest scheme employer with over 8,000 employees was complete in November 2021 and data is now being submitted successfully on a monthly basis. Since the last Board meeting, our last 'large' employer has been onboarded and is now submitting on a monthly basis. We are also at the testing stage with a large school's payroll provider with an aim for them to be onboarded over October. This will account for approximately 26 schools.

The team have now implemented monthly reconciliation of the data provided by the scheme employers via i-Connect so that queries can be made on a monthly basis and resolved. This should drastically reduce both the year-end procedure and then number of queries arising.

The document upload facility is now live and all employers on i-Connect should now be uploading documents rather than sending via email. This facility allows the documents to be uploaded directly to the member record and relevant workflow created. Its also a safer and quicker way for the employers to send information.

## Other options considered

1.3 N/A

## Legal and financial implications

1.4 N/A

1.5 N/A

## Consultation and communication

1.6 N/A

Next steps and review

Background papers

N/A

Your questions and views (for key decisions)

If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone [01296 382343] or email [democracy@buckinghamshire.gov.uk]



## Report to Pension Fund Board

**Date:** 19 October 2022

**Title:** Internal Administration Benchmarking

**Author and/or contact officer:** Sam Price, Assistant Pensions Administration Manager

**Recommendation:** The Board is asked to **NOTE** the content of this report.

### Executive summary

1.1 This report is to provide this Board with an annual comparison against measures including; staffing, scheme membership, costs & workload. These comparisons are year on year against the performance of the Buckinghamshire Pension Fund itself.

This report covers the 2021/2022 year along with the previous 2 years.

### Content of report

1.2 This report will cover the following sections

Section 1: [Staff Related Measures](#)

Section 2: [Scheme Membership](#)

Section 3: [Cost Measures](#)

Section 4: [Workload Measures](#)

## **Staff Related Measures**

This section covers measures relating to the analysis of staff numbers by team, salary, pensions work experience & sickness.

### Current team structure

The Pensions & Investments team structure was reviewed, and a new structure was in place from April 2019 with two functions: Pensions Administration & Investments.

The Pension Administration team is headed up by the Pensions Administration Manager & Assistant Pensions Administration Manager and then split into 4 sub-teams with one further stand-alone roles. Each of the four sub-teams are led by Senior Officers.

*Benefit Administration* – This team is responsible for the processing of all member benefits including responding to general queries, creating & maintaining member records and all calculations.

*Employer Liaison* – The Employer Liaison team are the first point of contact for all employer queries & training. The team is also responsible for checking accuracy of annual returns against member records in order to provide accurate benefit statements.

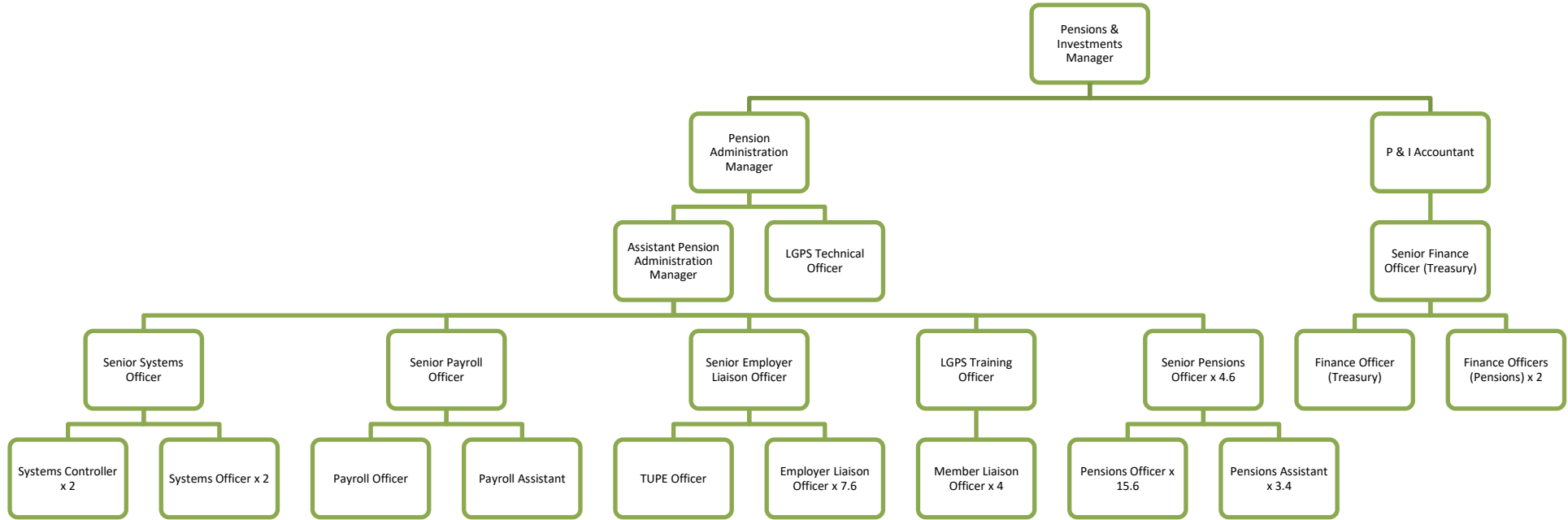
*Systems* – The systems team are responsible for the pensions software system including maintaining, updating and development. They are also heavily involved in the uploading of annual returns & triannual valuations.

*Payroll* – this sub-team is responsible for creating & processing payments including the monthly pensioner payroll & immediate payments. The payroll team also deal with any queries relating to pensions in payment as well as processing any changes.

*Stand-alone roles* – LGPS Technical Officer (formally Communications Officer)

The following page provides the current Pensions & Investment Team structure.





The following table gives a breakdown of staff FTE levels within each sub-team for the past three years'. The only change in staffing structure between 2019/20 & 2020/21 was the removal of the full time Projects Officer role & increase in FTE of the LGPS Technical Officer role (formally Communications Officer) from 0.86 FTE to full time.

In advance of the McCloud remedial action, which is expected to commence from October 2023, we added 1 Senior Pensions Officer post & 3 Pensions Officer posts to the structure and recruited to these posts over 2021/22. In addition to this, an additional 1 Pensions Officer post has been added to the structure in response to work levels. 1 further fixed term contract post was added to the structure in 2021/22 to cover maternity leave, this will be removed from the structure in 2022/23.

	2019/2020	2020/2021	2021/2022
<i>ADMIN</i>			
Management	2	2	2
Benefit Administration	23.6	23.6	29.6
Employer Liaison	7.6	7.6	7.6
Systems	5	5	5
Payroll	3	3	3
Stand-alone posts	1.86	1	1
<b>Total Admin</b>	<b>43.06</b>	<b>42.20</b>	<b>48.2</b>
<i>NON-LGPS ADMIN</i>	0.9	0.9	0.9
<b>Total</b>	<b>43.96</b>	<b>43.10</b>	<b>49.1</b>
Agency Staff			

The table below provides details of staffing changes over 2021/2022.

Vacant posts at 31 <sup>st</sup> March 2021	0
Total FTE posts in the structure at 31 <sup>st</sup> March 2021	43.10
New posts created during 2021/22	6
Posts removed during 2021/22	0
FTE changes to existing posts in the structure	0
<b>Total FTE posts in structure at 31<sup>st</sup> March 2022</b>	<b>49.10</b>
Vacant posts at 31 <sup>st</sup> March 2022	2

The following tables provide details of staffing in terms of salary, experience and sickness levels.

<b>Salary</b>	<b>2019/2020</b>	<b>2020/2021</b>	<b>2021/2022</b>
Less than £20,000	0	0	0
£20,000 - £25,000	21.8	22.8	16.2
£25,000 - £30,000	10.6	9.6	17.2
£30,000 - £40,000	9.46	8.6	13.6
£40,000 - £50,000	1	1	0
£50,000 - £70,000	1.1	1.1	2.1
More than £70,000	0	0	0
<b>Total</b>	<b>43.96</b>	<b>43.10</b>	<b>49.10</b>

As shown below, staff experience is on average between 1 and 5 years as a result of additional posts being added over the past few years and recruited to. This is also indicative of experience within Administering Authorities nationally. We are highly focused on staff training to increase knowledge and also ensuring staff are motivated in order to retain staff and increase staff experience in terms of the number of years within the team. It is hoped that over the next few years the average years' experience will increase.

<b>Experience</b>	<b>2019/2020</b>	<b>2020/2021</b>	<b>2021/2022</b>
Less 1 year	9	2	10.8
1 year – 5 years	18.8	23.8	18.4
5 years – 10 years	7	9	12.2
10 years – 15 years	5.06	3.4	2.4
More than 15 years	4.1	4.9	5.3
<b>Total</b>	<b>43.96</b>	<b>43.10</b>	<b>49.10</b>

Staff sickness levels had been a concern in previous years but have been improving over the past 3 years. The management team has continued to address any issues and manage staff sickness in line with the Buckinghamshire Council Health & Attendance policy. The result has been a decrease in the average short-term sickness which has been sustained over 2021/22.

<b>Average days per FTE</b>	<b>2019/2020</b>	<b>2020/2021</b>	<b>2021/2022</b>
Short-term sickness	5	2	2
Long-term sickness	5	6	5

## Scheme Membership

Three-year analysis of scheme membership

Type of Membership	2019/2020	2020/2021	2021/2022
Active	24,489	25,577	25,816
Deferred	29,936	30,881	32,192
Pensioners	17,920	18,509	19,309
Dependants	2,370	2,508	2,658
Frozen refunds*	4,330	4,690	5,241
Undecided leavers**	1,729	1,388	594
<b>Total</b>	<b>80,774</b>	<b>83,553</b>	<b>85,810</b>

\*Frozen refunds are where a member holds an entitlement to a refund, have been advised of this but a yet to claim payment

\*\*Undecided leaver is where we are aware that a member has left employment, but we are yet to receive the necessary information from the employer to calculate the deferred benefit.

The following table provides a staff to fund member ratio. The number of scheme members per FTE admin staff member reduced due to the additional posts added to the structure.

Type of Membership	2019/2020	2020/2021	2021/2022
Active	1:568	1:599	1:536
Deferred	1:836	1:866	1:789
Pensioners	1:471	1:493	1:455
<b>TOTAL</b>	<b>1:1875</b>	<b>1:1959</b>	<b>1:1780</b>

## Cost Measures

The table below provides an analysis of cost per member of administering the Local Government Pension Scheme. This is further broken down to show the costs of staff costs and Heywood (software provider) as these are the highest two costs.

Based on Administration costs (excluding investment & Oversight and Governance costs)

Type of Membership	2019/2020	2020/2021	2021/2022
<b>Total</b>	<b>£27.27</b>	<b>£26.64</b>	<b>£27.93</b>
Active	£8.27	£8.15	£8.40
Deferred	£12.15	£11.78	£12.38
Pensioners	£6.85	£6.70	£7.15

**Staffing costs** – These costs include all staff who administer the scheme including agency as well as non-admin staff from the Treasury team.

	2019/2020	2020/2021	2021/2022
<b>Total staffing costs</b>	<b>£1,496,946</b>	<b>£1,553,127</b>	<b>£1,658,010</b>
<b>Total cost per scheme member</b>	<b>£18.53</b>	<b>£18.59</b>	<b>£19.32</b>

**Heywood Costs** – Heywood costs include all costs incurred from Altair (pensions software system) including fees for maintenance, development & consultancy along with charge's for i-Connect.

	2019/2020	2020/2021	2021/2022
<b>Total pensions software system costs</b>	<b>£389,256</b>	<b>£408,237</b>	<b>£513,695</b>
<b>Total cost per scheme member</b>	<b>£4.82</b>	<b>£4.89</b>	<b>£5.99</b>

## Workload Measures

The Pension Administration team work from a workflow-based system with each piece of work being an individual workflow called a case. Cases are created on a daily basis as a result of a member request or being advised by an employer that a member is leaving/retiring. The team works through outstanding tasks on a daily basis in order to complete within the relevant turnaround times.

The following table provides an overview of all cases that were created & completed during 2021/22 in comparison to the previous two years.

	2019/2020	2020/2021	2021/2022
Cases outstanding at the beginning of the year	3,485	5,481	4,547
New cases created during the year	36,929	38,797	41,473
Cases complete in the year	34,933	39,731	43,625
Cases outstanding at the end of the year	5,481	4,547	2,395
Cases complete as a percentage of cases due	86%	90%	95%

From the information above, the number of cases created each year continues to increase year on year. The increase in cases complete will be as a result of continued successful liaison with scheme employers & also the benefits of i-Connect which allows the team to process cases quicker.

We also find it useful to keep track of the average number of cases per admin staff member. In previous years, this figure was quite high and had reduced over 2019/20 to what we feel is a more manageable level. This did increase over 2020/21 which was the basis for an additional Pensions Officer post which was added to the structure in 2021/22.

	2019/2020	2020/2021	2021/2022
Average cases per admin staff member	939	1,049	955

## **Other options considered**

1.3 N/A

## **Legal and financial implications**

1.4 N/A

1.5 N/A

## **Consultation and communication**

1.6 N/A

## **Next steps and review**

Board policies are reviewed annually.

## **Background papers**

N/A

## **Your questions and views (for key decisions)**

If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone [01296 382343] or email [democracy@buckinghamshire.gov.uk]

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## Report to Pension Fund Board

**Date:** 19 October 2022

**Title:** Administration Performance Statistics

**Author and/or contact officer:** Sam Price, Assistant Pensions Administration Manager

**Recommendation:** The Board is asked to **NOTE** the content of this report.

### Executive summary

- 1.1 The Buckinghamshire Pension Board is required to monitor the performance of the Pensions Administration team. The purpose of this report is to provide the Board with a review of the team's performance since the last Board meeting.

### Content of report

- 1.2 The following areas of performance have been covered in this report:

[Incoming Communications](#)

[Workload/Performance Measures](#)

[Data Improvement](#)

[Projects](#)

## Incoming Communications

We receive a high volume of communications into the Pensions Administration team from scheme members, employers & others. Sub-teams are very proactive in processing these within set timeframes to ensure that requests can be dealt with as quickly and efficiently as possible.

The following table provides an analysis of the incoming communications received between 1 July 2022 and 30 September 2022.

Type of incoming communication	Rec'd July-Sept 22	Rec'd April-June 22
Post	1,545	1,699
Pensions Inbox	6,081	5,518
Employers Inbox	389	647
Monthly Returns Inbox	89	85
'My Pension Online' registration/query Inbox	2,537	2,216
Document uploads via 'My Pension Online'	424	427
Telephone calls	3,234	3,559
<b>Total Communications</b>	<b>14,299</b>	<b>14,151</b>
<i>Ave. Daily Communications</i>	<i>220</i>	<i>236</i>

Each sub-team that is responsible for the areas of communication above have a set target for responding or dealing with the communication within. The table below provides details of the targets and performance against these targets within the quarter.

Type of incoming communication	Target	Achieved	Previous
Post	Same day*	100%	100%
Pensions Inbox	Same day*	100%	100%
Employers Inbox	10 working days	100%	100%
'My Pension Online' registration/query Inbox	Same day	100%	100%
Document uploads via 'My Pension Online'	1 working day	97.41%	100%
Telephone calls	Ave queue time < 40 sec	17 sec	18 sec
	Ave calls answered > 97%	99.11 %	98.6%

\*The same day target is for Pensions Assistants to process each individual item by uploading the document to the scheme members pension record and creating the relevant workflow/updating the existing workflow.

## Workload/Performance Measures

We have a priority target relating to the main areas where scheme members will be waiting payment of a benefit and we prioritise daily to ensure a quick turnaround. This target has been to achieve a minimum of 95% of priority tasks completed within relevant turnaround times and this is reported on quarterly. The table below shows the achieved percentages for each quarter of 22/23 so far.

Quarter 1 2022/23	97.17%
Quarter 2 2022/23	97.87%
Quarter 3 2022/23	TBC
Quarter 4 2022/23	TBC

These priority areas of work include retirements, deaths, AVC's at retirement & refunds. The tables below provides the Board with statistics relating to all areas of pension administration workloads based on in department turnaround times. This is based on stats 1 July 2022 and 30 September 2022.

### Benefit Administration – Priority areas

			Case Completion Statistics		
	Percentage achieved	<i>Previous percentage achieved</i>	Cases open at the beginning of the period	Total new cases created during the	Total cases completed during the
Retirements	<b>98%</b>	98%	305	888	<b>911</b>
Deaths	<b>94%</b>	98%	110	277	<b>257</b>
AVC's at Retirement	<b>100%</b>	91%	6	13	<b>10</b>
Refunds	<b>97%</b>	98%	150	887	<b>861</b>

## Benefit Administration – Cases for period July – September 2022

	Case Completion Statistics				
	Percentage achieved	<i>Previous percentage achieved</i>	Cases open at the beginning of the period	Total new cases created during the period	Total cases completed during the period
Opt outs	99%	97%	28	162	158
Additional Contributions	99%	100%	8	298	300
Estimates	98%	99%	12	263	268
General query	98%	99%	101	430	433
Financial Advisor query	100%	100%	17	131	134
My Pension Online' query	100%	100%	0	26	26
Divorce	95%	98%	5	61	60
Transfers	99%	97%	105	317	325
Interfund Transfers	95%	95%	184	940	873
Aggregation	89%	72%	415	1124	1217
Complaints	100%	90%	0	13	13
Deferred Benefits	95%	95%	486	1445	1210
Change	99%	100%	4	179	167
New starter creation	98%	99%	66	1311	1314

## Payroll – Cases for period July – September 2022

	Case Completion Statistics				
	Percentage achieved	<i>Previous percentage achieved</i>	Cases open at the beginning of the period	Total new cases created during the period	Total cases completed during the period
Payroll set-ups	100%	96%	19	994	1019
Payroll queries/adjustments	97%	94%	38	588	631

In addition to reporting & reviewing turnaround statistics, we are also now reviewing the total open cases on a monthly basis to identify overdue cases and look at how to reduce these. The table below provides details of all open cases as at the end of September 2022, split by area of work & also cases overdue.

	<b>Open cases</b>	<b>Percentage of cases overdue</b>	<b>Overdue cases external</b>
Retirements	280	37%	89%
Deaths	136	35%	98%
AVC's at Retirement	10	50%	80%
Refunds	176	49%	93%
Opt outs	64	83%	98%
Additional Contributions	12	58%	100%
Estimates	13	0%	N/A
General query	31	55%	94%
Financial Advisor query	13	8%	100%
My Pension Online' query	0	N/A	N/A
Divorce	7	0%	N/A
Transfers	53	42%	86%
Interfund Transfers	279	41%	93%
Aggregation	158	42%	89%
Complaints	0	N/A	N/A
Deferred Benefits	736	42%	88%
Change	15	93%	93%
New starter creation	29	79%	65%
Payroll set-ups	66	5%	100%
Year-end	24	100%	100%
Annual Allowance	27	4%	0%

Of the total overdue cases, 80% of these cases are classed as 'external' meaning we are unable to proceed as a result of either waiting on information from an employer, scheme member or a third party. On a monthly basis, the overdue cases in each work area are reviewed by a Senior Pensions Officer to see whether further action needs taken and how to progress these cases. Of the overdue cases, just 16% are overdue by 3 months or more with the oldest

## Projects

### Annual Allowance

The deadline for providing a pension saving statement to all scheme members who had exceeded the Annual Allowance in the 2021/22 scheme year was 6 October 2022. The Benefit Administration team have now issued all statements, with the majority being published to 'my pension online' in the second half of September 2022. Following a bulk calculation on all active scheme member records, 158 individual cases were manually reviewed & 129 statements issued to scheme members who had exceeded.

### Data Improvement

The team continues to work towards identifying and improving any data errors. The table below shows the increase in data scores since 2018. The main area requiring improvement is addresses held for deferred scheme members where we have a high number of 'gone away' addresses. We are currently working with a tracing company to trace & verify addresses for this group of scheme members.

	<b>Common data score</b>	<b>Scheme specific data score</b>
<b>October 2018</b>	<b>91%</b>	<b>86%</b>
<b>December 2019</b>	<b>93%</b>	<b>95.1%</b>
<b>September 2020</b>	<b>95.1%</b>	<b>96%</b>
<b>October 2021</b>	<b>95.3%</b>	<b>97.86%</b>
<b>October 2022</b>	<b>96.2%</b>	<b>98.94%</b>

## **Other options considered**

1.3 N/A

## **Legal and financial implications**

1.4 N/A

## **Consultation and communication**

1.5 N/A

## **Next steps and review**

N/A

## **Background papers**

N/A

## **Your questions and views (for key decisions)**

If you have any questions about the matters contained in this report, please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone [01296 382343] or email [democracy@buckinghamshire.gov.uk]

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## Report to Pension Fund Board

**Date:** 19 October 2022

**Title:** Annual Benefit Statements – Administration Year End Update

**Author and/or contact officer:** Sam Price, Assistant Pensions Administration Manager

**Recommendation:** The Board is asked to **NOTE** the content of this report.

### Executive summary

1.1 Regulation 89 of the Local Government Pension Scheme Regulations 2013 require an administering authority to issue an annual benefit statement no later than 5 months after the end of the Scheme year to which it relates (31 August). The purpose of this report is to inform the Board of the current position of the Buckinghamshire Council administering authority.

### Content of report

#### 1.2 **Outstanding queries relating to previous years returns**

There were no queries outstanding relating to previous returns.

#### **Employer Returns**

As advised at the previous board meeting, 98% of employers submitted the 2021/22 annual returns by 30 April 2022 deadline with the remaining returns received before the end of May 2022.

#### **Employers processed & queries raised**

Due to the valuation data submission deadline being 30 June 2022, this was the deadline this year for all returns to be processed & queries raised. This was achieved by the team.

Overall, a total of 1639 queries were raised and sent to employers. The relevant internal turnaround time to resolve these queries is 10 working days from when the

response from the employer is received with 99.75% of the queries having been resolved within this turnaround time.

### **Annual Benefit Statements**

Annual Benefit Statements began to be issued to scheme members via the online portal in mid-July 2022 and by the 31 August 2022 deadline, 99.80% of entitled scheme members were issued with a statement. This included those who had opted out of the online facility where a paper statement was sent in the post.

This left just 45 scheme members still to receive an Annual Benefit Statement, a further 21 of which were issued by mid-September 2022 bringing the percentage issued to 99.89%.

### **Outstanding queries**

There are just 24 outstanding queries relating to the 2021/22 annual returns. The Employer Liaison Team are continuing to chase for responses and work with employers in order to clear these queries. Charges for late/non-response have been issued to the 9 scheme employers who have outstanding queries. A breakdown of these employers is in the confidential appendix.

## **Other options considered**

1.3 N/A

## **Legal and financial implications**

1.4 It is a requirement of the LGPS Regulations 2013 that an administering authority issue a scheme member with an annual benefit statement no later than 5 months after the end of the scheme year to which it relates (31 August).

1.5 There are no financial implications.

## **Consultation and communication**

1.6 N/A

## **Next steps and review**

Board policies are reviewed annually.

## Background papers

N/A

## Your questions and views (for key decisions)

If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone [01296 382343] or email [democracy@buckinghamshire.gov.uk]

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