

<b>Report for:</b> <b>ACTION/INFORMATION</b>
<b>Item Number:</b>

<b>Contains Confidential or Exempt Information</b>	Yes
<b>Title</b>	Pensions Administration – Monitoring and Contract Arrangements Update
<b>Responsible Officer(s)</b>	Mark Nelson MNelson@ealing.gov.uk
<b>Author(s)</b>	Jenny Connett jennconn@ealing.gov.uk
<b>Portfolio(s)</b>	Clr Callum Anderson – Chair of the Pension Fund Panel
<b>For Consideration, By</b>	Pensions Fund Panel
<b>Date to be considered</b>	21 March 2024
<b>Implementation Date if Not Called In</b>	None
<b>Affected Wards</b>	None
<b>Keywords/Index</b>	Pension administration, Monitoring, LPPA

**Purpose of Report:**  
This report:

1. Updates the panel on the performance of the external contractor, Local Pensions Partnership Administration (LPPA), who are responsible for the pension administration contract.
2. Seeks approval for an increase in the annual cost of the pension administration contract.

## 1. Recommendations

- The Panel is recommended to note the performance of the LPPA. Appendix 1 sets out the LPPA’s Quarterly Administration report covering the period 1/10/2023 – 31/12/2023.
- The Panel is recommended to accept the 2024/25 pensions administration budget proposed by the LPPA as detailed in confidential Appendix 2.

## 2. Summary of Current Position

- Performance Figures: Appendix 1 – LPPA Quarterly Administration Report Q3 - 1/10/2023 – 31/12/2023.

The report shows the quarterly overall SLA performance was 97.6% (meeting the 95% target).

All payment cases completed by the LPPA are checked by Ealing staff to ensure that payments are correct, and that all documentation is correctly stored on the pensions administration system.

- The LPPA have provided a proposed budget for 2024/25 in confidential Appendix 2.  
The increased budget is due to the following:
  1. An increase in the overall membership of the fund, by 4.2%.
  2. Inflationary increases (including supplier and staffing and salary costs).
  3. Additional work required due to McCloud and the Pensions Dashboard.
  4. Reduced smoothed cost carried forward from the 2023/24. This represents a true up cost from 23/24 which it was agreed would be spread over a 3-year period.
  5. True up from the 2022/23 budget.
  6. The Efficiency and Service Improvement programme.
  7. Further investment in cyber security.
- The Pensions AGM was held on 21 February, 322 people applied for a one-to-one appointment, 120 appointments took place on the day, with 202 email responses to questions that were sent in. Most people were interested in their options for retirement.
- We have started the submission of monthly reports to the LPPA from 1 April 2023 and will be up to date by the end of April 2024.
- Annual Benefit Statements - the LPPA have 5 outstanding annual benefit statements that they are able to produce from 2023, which they are continuing to work on.

### **3. Outstanding Issues**

The pensioners reconciliation project is ongoing. This will reconcile the pensions that are in payment on i Trent with the pensions administration system UPM.

Where overpayments of pensions were identified, the correct pension payments are now in place going forward.

The remaining issues are in connection with possible under payments of pension. Most of these cases are due to pension increases not being up to date on the pensions administration system, with the correct payments being made on the payroll. This is a future project that the LPPA will be looking at this year.

We are currently carrying out a reconciliation of new pensions coming into payment from 1/4/2020 to 31/10/2023.

### **4. Financial**

The cost of the contract is fully met from the Pension Fund revenue budget.

### **5. Legal**

None

## **6. Value for Money**

Statistics on the Local Government Pension Scheme, show that Ealing Councils overall administration costs, (which include the LPPA's costs), are just above the average when compared to other London Boroughs.

## **7. Staffing / Workforce and Accommodation Implications**

Monitoring performance by the LPPA and managing the contract, is dealt with by 5 FTE Ealing employees, who make up the Pensions Monitoring Team. This team also deals with the administration of the Teacher's Pension Scheme.

## **8. Property and Assets**

None

## **9. Any Other Implications**

None