

LONDON BOROUGH OF CROYDON

REPORT:	Pension Board
DATE OF DECISION	25 July 2024
REPORT TITLE:	Croydon Pensions Administration Team Key Performance Indicators for the Period March 2024 to May 2024
CORPORATE DIRECTOR / DIRECTOR:	Jane West – Corporate Director of Resources (Section 151 Officer)
LEAD OFFICER:	Matthew Hallett – Head of Pensions and Treasury
CONTAINS EXEMPT INFORMATION? <i>(* See guidance)</i>	NO
WARDS AFFECTED:	'N/A'

1. SUMMARY OF REPORT

- 1.1 The report sets out the Key Performance Indicators, measured against the legal requirements and the Fund's own targets for the administration of the Local Government Pension Scheme for the three-month period up to the end of May 2024.

2. RECOMMENDATIONS

- 2.1 The Board is asked to note the Key Performance Indicators and the performance against these indicators set out in Appendix A to this report.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure good governance of the scheme the Pension Board should be informed of the performance of the administration of the Local Government Pension Scheme and monitor performance against legal deadlines and team performance targets. This report has been developed using guidance published by CIPFA (Administration in the LGPS: A Guide for Pension Authorities).

4. BACKGROUND AND DETAILS

- 4.1 This report covers the period March 2024 to May 2024 and covers legal deadlines and team performance targets, outstanding case levels and take up of the member self-

service portal. The indicators and performance against these are detailed in Appendix A of this report.

- 4.2** The team have generally met targets for most indicators during this period with only a few cases missing legal and team targets for each category.
- 4.3** We have seen an improvement in the number of leaver calculations meeting KPI targets following changes in processes and resourcing. We have implemented many of the initiatives we introduced at the start of the year while others are still to be fully completed. Further details of the progress we have made can be found in Appendix B - Action Plan for Leavers 2024.
- 4.4** Part of the Action Plan was to focus on employer engagement but this has been pushed back to the autumn due to resourcing issues. Following recent changes in legislation, such as the removal of the LTA, our priority has been to review and update our member letters to ensure they reflect current legislation. We want to ensure the employer engagement piece of work is adequately resourced and care is taken to ensure all changes to documentation and processes have been fully reviewed and are workable.
- 4.5** System updates for the bulk calculation facilities were introduced during this period. After extensive testing we have refined processes to incorporate these updates. We processed in excess of 550 bulk leaver calculations during the period. These leavers are not included in the KPI reports at this time. The team have been able to focus on more complex leaver calculations (primarily final salary) which are not able to be run as part of the bulk process.
- 4.6** The End of Year process is underway and we have seen a good response from employers. The Technical Team are working on updating member records with pay and contribution details. Queries will be issued to employers as required and chased up promptly to ensure EOY processes can be completed and Annual Benefit Statements issued.
- 4.7** Pension Increase for 2024 was 6.7% or less for those who had left within the previous year. Pension Increase was applied to deferred members, pensioners and dependant pensioners from the 08 April 2024.
- 4.8** Pensioner newsletters were issued to all pensioner and dependant members of the scheme in April 2024 to inform them of the 2024 pension increase amount.
- 4.9** The project to upgrade from the current Member Self-Service to Engage has commenced. Initial work on the technical side is currently being undertaken by our software provider. We expect to start user testing in September following publication of the annual benefit statements. This is to allow adequate resource for testing and member communications.
- 4.10** New guidance 'Preparing the Pension Fund Annual Report – Guidance for Local Government Pension Scheme Funds April 2024' has been issued by the DLUHC. There has been a significant increase in the number of KPIs that should be included in the annual report.
- 4.11** The new KPI reporting requirements will require us to implement new processes and adapt existing processes. This will require resources from the technical team and senior

members of the administration team to develop or adapt existing processes, update process notes and provide staff training. We can also expect an increase in the administrative burden on the team to comply with the KPI reporting once the new processes are in place.

- 4.12 An overview of the new KPI requirements and the expected impact on the team is contained in Appendix C – Resourcing and Implementation of new KPI requirements.
- 4.13 Our software provider has confirmed the next upgrade to the Insights reporting tool, scheduled for 18 July 2024, will focus primarily on the new KPI requirements. This will allow us to adapt many of our current KPI reporting to meet the new requirements. Training will be provided via webinars and we also have the remaining Insights implementation training budget to use if more complex changes are required.
- 4.14 Funds should endeavour to meet the new requirements for the 2023/24 Annual Report however given the number of changes needed it is unlikely we will meet the new requirements and an explanation will need to be included in the Annual Report for 2023/24.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 N/A

6. CONSULTATION

- 6.1 Officers have previously consulted with both the Pension Committee and Pension Board on the template for the key performance indicators report which forms the basis of Appendix A.

7. IMPLICATIONS

- 7.1 Any implications resulting from the recommendations of this report are considered by the Pension Committee, which is the decision making body for Pension Fund matters.

8. APPENDICES

- 8.1 Appendix A: Croydon Pensions Administration Team Performance Report, March 2024 to May 2024.
- 8.2 Appendix B: Action Plan for Leavers 2024 – update review July 2024
- 8.3 Appendix C: Resourcing and Implementation of new Key Performance Indicator requirements

9. BACKGROUND DOCUMENTS

- 9.1 There are no background documents to this report.