



Report to:	Pension Committee	Date:	18 December 2017
Report title:	Pension Administration Update		
Report from:	Gerald Almeroth, Strategic Director - Resources		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor Sunita Gordon		
Author(s)/Contact Number(s):	Sarah Spence, Sutton & Kingston Shared Pension Service Project Manager, 020 8770 6033		
Corporate Plan Priorities:	<ul style="list-style-type: none"> • A Smart Council 		
Open/Exempt:	Open		
Signed:		Date:	06 December 2017

1. Summary

- 1.1 This report provides an update on the main work streams impacting pension administration for the period of September 2017 to November 2017.

2. Recommendations

The Pension Committee is recommended to:

- 2.1 Consider and note the report.

3. Background

- 3.1 Sutton and Kingston formed a shared service with effect from 1 April 2016 for the administration of each respective Council's Local Government Pension Scheme (LGPS). The shared service also administers the LGPS on behalf of Sutton Housing Partnership, Carshalton College, Kingston College, Kingston University, London Grid for Learning and other employers including academy schools and contractors. This means that the shared service is now administering the LGPS on behalf of over 100 scheme employers across both Sutton and Kingston.

- 3.2 The strategy for the shared service will focus on:

- maximising use of the administration system (including self serve modules);
- increasing knowledge and resources of system administration;
- upskilling officers;
- monitoring outstanding work; and

- the harmonisation of functions within the team and its interactions with other support services, such as finance.

In addition, there is an annual action plan to allow monitoring of all projects, annual tasks and ongoing tasks that the pension administration team is responsible for. The following projects and annual tasks are highlighted to give the board a flavour of work the team are completing alongside the day to day administration of the fund.

4. Update

Roll out of Pensions Online

- 4.1 Pensions Online enables members to update their personal details, change their nomination details, view their service history, view annual benefit statements and attach associated documents such as marriage certificates.
- 4.2 Pensions Online has been made available to all active members within Sutton Council and Kingston Council since August 2017. In October 2017, it was further rolled out to all Sutton Council scheme employers. Internal communication was sent to all key Sutton Council scheme employer contacts to share with staff in the respective organisations. The user guide has been adapted from experience of dealing with registration queries from the initial roll out to try and empower members to deal with queries themselves, for example highlighting how to reset a password.
- 4.3 The site will be rolled out to all active members of Kingston Council scheme employers the week commencing 27 November. The remaining membership that do not yet have access are deferred members and a letter will be sent to them in January 2018 explaining how to register on the site.

Provision of Sutton Council workload figures including member statistics

- 4.4 The table in Appendix A details the current number of Sutton Council members with processes due at the end of October 2017 compared with previous months. It does not include those members where we are waiting for further information, payment from previous funds, or waiting for members to return completed forms/make a decision. The introduction of performance statistics to this report is as a result of a recommendation from the Governance Review. Work that is older than four months from the time of running the report (31 July 2017) has been categorised as 'backlog' as it will all be older than 120 days. The majority of cases included in 'backlog' are interfund transfers and refunds (P2) and deferments (P3).
- 4.5 In addition to the day to day processing of cases, further demand continues to enter the system as a result of local authority services sharing, continued conversion of LEA schools to academies, an increased trend in local authorities and academies commissioning from the external market and national initiatives.
- 4.6 Alongside managing the additional demand, strategies to reduce open cases include:



- Retirements, deaths, refunds and transfers require the case to be authorised by another officer and so the process will stay in the system until it is authorised by another officer. A large proportion of cases are shown in the system as they are awaiting authorisation. Pension assistants are receiving additional training from pension officers to gain experience and knowledge to begin to authorise their own refund quotes and deferrals to improve the flow of cases out of the system;
- A temporary resource has been commissioned to work on completing P3 cases;
- Further days are planned to concentrate on cases that are in the backlog; and
- Investigation taking place to review current resources.

4.7 Statistics are shared with the team during the daily stand up which allows resources to be directed effectively and enables staff to have an overview of the caseloads in both funds.

Monitoring of Complaints

4.8 One stage 1 complaint was received between September and November in response to a delay in a transfer of membership and was subsequently satisfactorily resolved. A previous stage 1 complaint was escalated to stage 2 as the member felt their stage 1 had not been adequately dealt with. The stage 2 complaint was resolved and learning has been sought from the case to ensure stage 1 cases are responded to robustly. Both cases were related to Sutton Council members.

4.9 Complaints that are to do with the calculation of benefits are managed under the Internal Dispute Resolution Procedure (IDRP) rather than the corporate complaints procedure. Such issues are reviewed and wherever possible are brought to a satisfactory resolution. During this period, one case was dealt with via stage 1 of the IDRP and was linked to the incorrect calculation of additional pension contributions during a flexible retirement. Lessons from this case have been learnt and shared amongst the team.

TUPE Transfers (potential Contractor/other Admission Agreements)

4.10 45 Sutton Council staff were transferred to Encompass on 1 July 2016 and 80 further staff were transferred to Cognus (formerly known as Sutton Education Services) on 1 November 2016. An actuarial assessment has been completed for both to set the employer contribution rate. Close liaison with legal is taking place to complete the admission agreements between both Local Authority Trading Companies and Sutton Council.

4.11 A threeway admission agreement has been executed between St Philomena's School, Compass Catering Service and Sutton Council. An actuarial assessment has been completed to set the employer contribution rate. A subsequent cleaning contract has also been let by the school and staff have been transferred to Ridgecrest Cleaning. Data has been sent to the actuaries to set the employer contribution rate and another threeway admission agreement will need to be completed. A Sutton academy school is due to re tender its current cleaning contract in April 2018 and the actuaries have been sent data to assess the contribution rate, which will be included in the tender documents.

- 4.12 Cygnet has consulted with staff and given formal notice that it is ceasing its membership in the Sutton Council pension fund. All member cases have been deferred and data sent to the actuary to complete a final cessation calculation.
- 4.13 Parking staff in Kingston Council are transferring to NSL Services on 24 July 2017. Data has been sent to the actuaries to complete an opening assessment as well as a cessation cost due to the low number of active members.

Academies

- 4.14 Below is a table of converting LEA schools and their respective conversion date:

School	Conversion date
Rushy Meadow Primary	1 September 2017
All Saints Primary	1 September 2017
Cheam Common Infants	1 January 2018
Manor Park Primary	1 January 2018
Limes College (unconfirmed)	1 January 2018
Amy Johnson Primary (unconfirmed)	To be confirmed

- 4.15 For each conversion, data of staff that have transferred to the academy is sent to the actuaries to set the employer contribution rate. The membership data is also transferred in the admin system (UPM) to the new employer location.
- 4.16 In addition to the above transfers, The Link Primary and The Link Secondary joined the Orchard Hill Academy Trust as of 1 July 2017.

Area Reviews - College Mergers

- 4.17 Three colleges - Carshalton College (Sutton Council fund), Kingston College and KSEP (Kingston Council fund), and South Thames College (Local Pensions Fund Authority fund) - proposed to merge on 31 July 2017. Following an assessment completed by the actuaries, the colleges have agreed that the London Pension Fund Authority (LPFA) will be the pension administrator. A direction order was made to DCLG in April 2017 and following a consultation, Kingston College (including Carshalton College and KSEP) was granted admitted status to the LPFA with effect from 1 August 2017.
- 4.18 Recharge agreements between the LPFA and Kingston Council and Sutton Council allow for the continued administration of membership in the colleges before the data and images can be transferred to LPFA software system (at their costs). The agreement proposes a cut off date of



28 February 2018. The costs of recharges for all retirement lump sums, refunds, etc. will be invoiced to the LPFA during this period.

- 4.19 Hillcroft College (Kingston Council fund) merged with Richmond College (Wandsworth Council shared pension service) and a direction order granted it admitted status on 1 September 2017. Due to the small numbers of members, member data and images are being migrated manually. Pensioners were migrated successfully and will be paid by the Wandsworth Council shared pension service in November 2017.

Bulk Transfers

- 4.20 Barnett Waddingham are dealing with subsequent transfers:

Service	Transfer date	Boroughs	Update
Highways and Transportation	1 November 2015	Sutton Kingston	All Sutton Council members now deferred and data sent to actuaries for assessment of bulk transfer to Kingston Council fund.
Human Resources	1 May 2016	Sutton Kingston	
Human Resources (end of shared service)	1 May 2016	Sutton Merton	All Sutton Council members deferred benefits finalised and data sent to actuaries for assessment of bulk transfer to Merton Council Pension fund.
Finance	1 April 2017	Sutton Kingston	Deferred member benefits being finalised and data to be compiled for actuarial assessment of bulk transfer to Sutton Council fund.
Customer Contact	1 August 2017	Sutton Kingston	Member data yet to be compiled for actuarial assessment of bulk transfer to Sutton Council fund.
Waste	1 October 2015	Kingston Croydon	All records have been deferred and data compiled for the actuaries to allow assessment of bulk transfer to Croydon Council fund.
Waste	1 April 2017	Sutton Croydon	Over 100 membership records have been deferred and there are 25 left to complete and authorise. Membership record data has been sent to Croydon Council (the administering authority). Final membership prints to be sent once this has completed. Close liaison has taken place where TUPE staff.
Parks	1 February 2017	Sutton Croydon	



Achieving for Children (Windsor & Maidenhead)	1 August 2017	Berkshire Kingston	Windsor and Maidenhead Council has become a third party owner of Achieving for Children (AfC). Staff from Windsor and Maidenhead have TUPE transferred to AfC on 1 August 2017 and discussions are being finalised to migrate data from Berkshire pension system to Kingston.
---	---------------	--------------------	---

Accounting Reports (accounting year end 31 August 2017)

4.21 Data was supplied for all academies to allow the actuaries to complete the required standard reports and, where requested, bespoke FRS102 reports. All were supplied back to the academies with sufficient time to be included within their end of year accounting exercises. In addition, a request from Cognus was responded to within a very tight timescales to produce an FRS102 report year ending 31 March 2017.

5. Impacts and Implications

Financial

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

Legal

5.2 There are no legal implications arising in this report.

6. Appendices and Background Documents

Appendix letter	Title
A	Table to show Sutton membership workload as at 31 October 2017

Background documents
None

Consultation with other officers		
Finance	No	N/A
Legal	No	N/A
Equality Impact Assessment required?	No	N/A



This page is intentionally left blank