

# **Pensions Fund Committee**

## **17 September 2024**

### **Pensions Administration**

#### **For Review and Consultation**

**Local Councillor(s):** All

**Executive Director:** A Dunn, Executive Director, Corporate Development

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**Report Status:** Public

#### **Brief Summary:**

This report is the quarterly update for the Pension Fund Committee on all operational and administration matters relating to the Fund. It contains updates on the following:

- Key Performance Indicators
- McCloud Update
- Annual Benefit Statements 2024
- Data Quality Report 2024
- Employer Movements
- Government Changes
- Changes to IDRPs processes

#### **Recommendation:**

It is recommended that the Committee note and comment on the contents of the report.

#### **Reason for Recommendation:**

To update the Committee on aspects of Pensions Administration.

## **1 Background**

1.1 This report is the quarterly update for the Pension Fund Committee on all operational and administration matters relating to the Fund.

## **2 Key Performance Indicators**

2.1 The key performance indicators are attached at Appendix 1. These are for the period 1 May 2024 to 31 July 2024. The previous quarter is included for reference.

## **3 McCloud Update**

3.1 Meetings have been held with Civica, our software provider, to discuss the continuing delays in the delivery of the system changes required to meet the new LGPS regulations published in October 2023. The Chair of the Local Pensions Board, and the Corporate Director Finance and Commercial attended these meetings.

3.2 Despite concerns raised by Dorset and other funds, Civica have been unable to bring forward the delivery times for the remaining developments.

3.3 The delay means that key software will be delivered in two stages into our test environment in October 2024 and January 2025. This will create a surge in work around testing, rectification and addressing the non-compliant cases that have occurred since 1 October 2023.

3.4 [Statutory Guidance](#) issued by DLUCH (now MHCLG) in June 2024 states that all rectification work and retrospective amendments are to be completed by the end of the implementation phase, which is 31 August 2025. The timescales for software delivery set out by Civica could result in funds not being able to meet this statutory deadline. It also means that the vast majority of work for the fund comes in a Valuation year, and a year in which connection to the Pensions Dashboard is required. Additionally, for us in Dorset, a further consequence is that our payroll implementation project timescales may need to be postponed. We will be looking in more detail at what we can and cannot do and revising our work plans accordingly.

## **4 Annual Benefit Illustrations 2024**

4.1 I am pleased to confirm that the annual benefit illustrations for both active and deferred members have been issued.

4.2 23,572 deferred benefit illustrations were issued on 7 July 2024, plus 28 councillor statements. The deferred benefit statement is attached at Appendix 2.

4.3 23,207 active benefit illustrations were issued on 28 August 2024. The active benefit statement is attached as Appendix 3.

4.4 An online version of the annual statements has been available to view on the member portal since 19 July.

4.5 Also issued to active members was the annual newsletter, Appendix 4. This contained essential updates and key messages for members.

4.6 Both the statements and newsletter are well received by members. The issuing of these statements is a particularly important statutory requirement

for the fund. It serves several important functions that benefit the fund, members and employers. In the current financial climate, it provides valuable information to members. Benefits include:

- Awareness of scheme benefits to members
- A reminder of any death grant nominations made
- A check of the pay data provided by the employer used to calculate pension accrual in the last year
- A check that essential data requirements, such as address and marital status, are up to date and correct
- A reminder of pensions tax impacts for high earners
- The Fund's data is up to date and correct, meeting requirements set out by the Pension's Regulator, and contributing to the high quality of data held.
- Highlight important changes to the LGPS and/or associated regulations
- Deliver key messages and important reminders.

## **5 Data Quality Report 2024**

5.1 Each year, the quality of our data is reviewed and measured in accordance with guidance set out by the Pensions Regulator. This serves two main purposes. Firstly, it feeds into the future year's data improvement plan, and secondly it provides the Data Quality scores for the Dorset County Pension Fund which must be reported to The Pensions Regulator each year and recorded in the Fund's Annual Report.

5.1.1 **Common Data** – this is the reporting of items applicable to all pension schemes, for example a correct address, date commenced, name, national insurance number etc. The overall score of tests passed for common data held was 99.65%, the score for the previous year was 99.17%.

5.1.2 **Scheme Specific Data**, (also known as 'Conditional' data) is the data specific to the LGPS. This includes items such as the presence of CARE data, member benefits and GMP data where it applies. The overall score for scheme specific data was 95.30%, a slight increase on the previous year's score of 94.77%.

5.2 This illustrates the excellent standard of data for the fund and reflects the continued hard work of the team to ensure records are accurate and current. We rely on employers providing regular and accurate data, and we put a significant resource into supporting employers and ensuring accuracy of monthly and annual data submissions.

5.3 Significant amounts of data cleansing have been completed this year for our records to be ready for the McCloud regulation changes.

5.4 The Data Quality Report for 2024 is attached at Appendix 5.

## **6 Employer Movements**

6.1 Below is an update of recent employer movements within the fund.

<b>Employer Movements</b>	
<b>Name</b>	
1610 Limited	Ceased 06/05/2024
Synergy Housing	Employer withdrew from the LGPS with agreement from its members wef 01/04/2024
Weymouth College and Kingston Maurward College merged	Merged wef from 01/08/2024, now known as Weymouth and Kingston Maurward College

## **7 Government Changes**

- 7.1 On 6 July 2024, [Jim McMahon MP](#) was appointed Minister of State at MHCLG. The role includes ministerial responsibility for local government, including the LGPS.
- 7.2 On 20 July 2025, the government announced a [pensions review](#) as part of its mission to boost growth. The review will be jointly led by HM Treasury and the Department for Work and Pensions. The review will work closely with Jim McMahon and will look at investment potential of LGPS funds, pooling and the benefits of further consolidation.
- 7.3 On 9 July 2024, [Emma Reynolds MP](#) was appointed Parliamentary Secretary across both HM Treasury and the Department for Work and Pensions. Emma has ministerial responsibility for pensions.

## **8 Changes to the Internal Dispute Resolution Procedure (IDRP) for the DCPF**

- 8.1 The Internal Dispute Resolution Procedure (IDRP) is covered under the [LGPS Regulations \(74-80\)](#). This is the formal complaints procedure for the LGPS. All complaints are addressed informally by the administration team initially, however members, or their representatives, can raise a formal complaint under the IDRP process if they wish to do so. The IDRP process has two distinct stages.
- 8.2 Stage 1 is dealt with by a person nominated by a scheme employer (for complaint against the employer) or by a person nominated by the administering authority where the complaint is relevant to the Fund's administration.
- 8.3 If the applicant is not satisfied with the decision outcome at stage 1, they may proceed to Stage 2 of the appeals process. Stage 2 appeals are all dealt with by a person, or persons appointed by the administering authority. Previously this has been the Director of Legal and Democratic Services. The fund now wishes to change this to a panel, headed by the Fund Administrator, (Section

- 151 Officer) which additionally includes the Service Manager for Pensions (or their nominated representative) and the Monitoring Officer or their nominee.
- 8.4 The new process is outlined in the attached policy, Appendix 6, and approval for this is sought. This change will result in a more efficient process and more resilient decision making.

**9 Financial Implications**

N/A

**10 Climate Implications**

None

**11 Well-being and Health Implications**

None

**12 Other Implications**

N/A

**13 Risk Assessment**

- 13.1 **HAVING CONSIDERED:** the risks associated with this decision; the level of risk has been identified as:

Current Risk: N/A

Residual Risk: N/A

**16. Equalities Impact Assessment**

N/A

**17. Appendices**

Appendix 1 – KPIs (1 August 2023 to 31 October 2023)

**18. Background Papers**

[LGPS Regulations 2013](#)

[The Local Government Pension Scheme \(Amendment\) \(No. 3\) Regulations 2023 \(legislation.gov.uk\)](#)