FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

PENSIONS AND INVESTMENTS COMMITTEE

20 October 2021
Report of the Director of Finance & ICT

Half-Year Pension Administration Performance Report
1 April 2021 to 30 September 2021

1.   Purpose of the Report

To notify the Pensions and Investments Committee (the Committee) of the administration activity undertaken by the Pension Administration Team (the Team) of Derbyshire Pension Fund (the Fund), and the performance levels achieved, in the first half of 2021/2022.

2.   Half-year report

This report relates to the first half of 2021/2022 covering the period 1 April 2021 to 30 September 2021 and provides a summary of the Fund's performance in key areas of pension administration activity.

Maintaining efficient administration is important towards retaining the confidence and trust of scheme members and employers. The impact of poor administration can be reputational but may also include additional expenditure through the payment of inaccurate pension benefits, interest on late payments and delays in collecting contributions from employers. This report aims to provide the Committee with assurance that such risks are being managed adequately.

3. The Administration Team

The Administration Team's core role is to ensure that pension benefits are paid to members accurately and in a timely manner, and to provide clear information on pension options to members to help their planning for retirement.

The pension administration function covers a range of activities including: -

- calculation, processing and payment of members' and survivors' pension benefits
- employer services, including data and contribution collection functions
- maintenance and development of the pension administration system (Altair), the Fund's website and the online member self-service provision (My Pension Online)
- implementation and communication of regulatory and procedural changes
- engaging with members and employers to answer queries, provide relevant accessible information and develop understanding of the LGPS

4. Covid-19 impact

The Government's lockdown measures in response to the Covid-19 pandemic presented several challenges for the Fund's administration during 2020/21, particularly with the majority of the team working remotely from home throughout the year.

Working from home for most of the team has continued through the first half of 2021/22 and the Fund's robust procedures and business continuity plans have ensured that service provision has been maintained across the range of administration activities. A detailed Covid-19 Business Continuity Plan which was initially developed in April 2020 has provided a base for the maintenance and continuation of services.

The provision of services has continued to develop around remote working arrangements including the implementation of soft phone technology which has enabled calls to the Pensions Helpline to be taken through Microsoft Teams functionality on each team member's laptop.

A small team has remained office-based in order to maintain functions such as printing, packaging and posting letters and pension documents. Issuing formal documentation to members by post has remained the core method of communication. The implementation of the member self-service provision, "My Pension Online" which launched in June 2021 will enable development of electronic communications in more areas of the Fund's administration.

5. Workload data

A summary of the Fund's administrative activity during the period 1 April 2021 to 30 September 2021 is summarised in the following sections.

5.1 Membership numbers

Membership	31 March 2020	30 Sept 2020	31 March 2021	30 Sept 2021
Actives	38,061	37,274	37,996	37,390
Deferred	28,255	30,083	30,807	31,052
Pensioners	30,904	31,484	31,930	32,618
Work in Progress	8,408	6,426	5,992	6,248
Totals	**105,628**	**105,267**	**106,725**	**107,308**

The membership figures shown reflect the total number of separate pension records. This includes scheme members with more than one pension record. The actual number of individual members as at 30 September 2021 was 89,966 who between them have 107,308 membership records.

- **Active** members are those who are in employment and continuing to contribute to the scheme
- **Deferred** members are those who have ended their active participation as contributing members, but have yet to access their pension benefits
- **Pensioner members** are those who are already in receipt of pension benefits

The '**Work in Progress**' total of memberships includes:
- cases where active memberships have ended, and work is currently being undertaken to reassign them to deferred or pensioner membership

- recent and frozen refunds where active memberships have ended after a short period which is insufficient to qualify for a pension, and work is ongoing to contact members and arrange payment of a refund of contributions

- aggregation cases where a member's pension records for different jobs may be combined, but the work to complete the aggregating of records has yet to be completed

5.2 Pensioner deaths
The Fund contributed monthly data until June 2021 towards the LGPS Scheme Advisory Board's (the Board) analysis of pensioner member deaths during the Covid-19 pandemic to help understand its impact on the LGPS.

The Board commissioned reports by Aon and Barnett Waddingham to analyse LGPS mortality during the pandemic. The latest reports which reviewed pensioner deaths to 31 March 2021 identified that there had been excess mortality for both male and female pensioners across all age bands, however, suggested that it was possible to conclude that deaths had occurred earlier than expected and had effectively been brought forward in time with the likely outcome that the short term future may see lower levels of mortality, balancing out the increased mortality during 2020/21. Although early deaths lead to a reduction in liabilities for pension funds, it was felt that the impact on overall scheme funding was negligible (approx. 0.2% reduction) in the context of the total liabilities that require to be funded.

During 2020/21 there were a total of 920 deaths of pensioner members in Derbyshire Pension Fund which represented a 22% increase on 2019/20 (753). At the time of preparing this report, pensioner deaths since April 2021 are 294.

Administration following a pensioner's death includes several processes including:
- reviewing eligibility for a death grant payment and survivor benefits
- gathering data of eligible beneficiaries for death grant and survivor benefits
- verifying their eligibility
- calculating ongoing benefits
- preparing a separate pension record

5.3 Achievement against standards
The following table shows cases in selected key areas of work which were actioned in the period 1 April 2021 to 30 September 2021 and the amount completed within legislative timescales included in *The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013*.

Case type	Total number of cases	Target for completion (months)	Target achieved	Target missed	Target achieved %	2019/2020 Target achieved %
Retirement Benefits paid	1,048	1	1,036	12	98.9%	1,783 (97.1%)
Death cases	505	2	492	13	97.4%	1,214 (93.7%)
Transfer Out quotes	327	3	310	17	94.8%	462 (84.2%)
Transfer Out paid	43	3	42	1	97.7%	78 (97.4%)

Transfer in	65	3	58	7	89.2%	165 (79.4%)
Estimate requests	553	2	551	2	99.6%	741 (99.1%)
Refunds paid	889	2	690	199	77.6%	1,852 (95.5%)

The following provides a brief description of the cases included in the figures shown in the table. A completed case reflects the completion of data gathering, calculation, documentation, processing, and payment (where applicable).

Retirement Benefits Paid –member retirements (voluntary, redundancy or business efficiency, ill-health, flexible and deferred).

Death cases – deaths of all members (active, deferred, pensioner and survivor beneficiaries).

Transfer Out quotes – provision of transfer values to deferred members who have applied for the value of the benefits with a view to transferring to a different pension arrangement.

Transfer Out paid – completion of transfers where deferred members wish to proceed with their transfer to a different pension arrangement.

Transfer In – completion of transfers where new active members decided to transfer membership from other LGPS funds or a different pension scheme which is part of the Public Sector Transfer Club. The Fund currently only accepts transfers in from other "Club" schemes.

Estimate requests – provision of:
- written estimates of pension benefits for members considering accessing their pension benefits at a future date and
- shortfall costs for employers considering redundancies or business efficiencies

Refunds paid – completion of refund payments to members whose active membership ended before they qualified for pension benefits.

5.4 Quantity of work – incoming and completed

The administrative priorities for the Fund during the first half of 2021/22 have continued to be the key services noted earlier in this report which had been identified by The Pensions Regulator as those which should take precedence during the pandemic. However, the Fund's work in providing services to

scheme members in other areas has continued mostly at normal levels experienced before the pandemic.

These services, including transfers into and out of the Fund, refund actions, retirement quotes and aggregations, are included in the figures below which represent the total number of new work received in the half year and overall actions completed in the same period. For comparison purposes, the totals for the equivalent period in 2020/21 and the second half-year period in 2020/2021 are included.

Number of work items processed

	Apr-Sept 2020/2021	Oct-March 2020/2021	Apr-Sept 2021/2022
New work items becoming due in the period	19,063	26,823	33,631
Work items completed during the period	20,438	24,672	23,609

The significant increase in workload during the second half of 2020/2021 was mainly due to data cleansing and address tracing exercises which accounted for over 5,000 individual work items in the period.

The increase in workload over the first half year of 2021/22 was largely generated by work from the introduction of the My Pension Online service for members and continued progress of more employers implementing the i-Connect secure data transmission service.

This includes the development of a new workflow in the Altair pension administration system which alerts members on their My Pension Online record that there is work in progress on their pension record which may result in changes to the value of their pension.

Additionally, enquiries have emerged from the backloading of data from employers during their implementation of the i-Connect secure data transmission service.

At the end of September 2021, a total of 19,482 work items were identified as remained open and in progress. The table below summarises the main areas of open work, included in the above total:

Work area	Open cases as at 30 September 2021
Undecided leavers	6,169
Aggregations	3,327
i-Connect enquiries with employers	2,330

Other enquiries with employers	1,555
Address traces	1,523
Notification of deferred benefits	886
Refund quotes	509
Refunds to payment	140
Retirement quotes	306
Death administration (in progress)	200
Retirements (in progress)	60
Transfer In	43
Transfer Out quotes	136
Transfers Out to payment	7
Others	2,291
Total	**19,482**

The following provides a brief description of some of the cases not included in the descriptions in 5.3

Undecided leavers – members who have left their employment but have yet to finalise what they want to do with regard to their pension benefits.

Aggregations – the combining of previously accrued benefits in the LGPS with a new or ongoing active pension record.

i-Connect enquiries – individual data enquiries with employers who have implemented the i-Connect secure data transmission service for the monthly submission of member data.

Other employer enquiries – ongoing queries with employers relating to:
- information on members whose active membership has ended and
- outstanding enquiries from year-end returns

Notification of deferred benefits – the calculation of a member's pension benefits at the point of ending active membership and becoming a deferred member.

Address traces – outstanding enquiries with tracing services for deferred members' home addresses.

5.5 Data quality
The Pension Regulator acknowledges that complete, accurate scheme records are a vital part of the administrative function. The Regulator defines two types of data held in scheme records:

Common Data used to identify scheme members and would include names, addresses, national insurance number and date of birth.

Conditional Data essential to calculate benefit entitlements such as, member contributions, pensionable pay, service history.

To measure the Fund's data quality, the software provider, Aquila Heywood, has provided the latest common and conditional data results for 2020/2021 which are shown in the table below together with the results for the previous 3 3 years:

Year	Common data	Conditional data
2017/2018	95%	85%
2018/2019	97.6%	92.3%
2019/2020	98%	92.5%
2020/2021	98.2%	93.5%

The data quality scores for 2020/2021 will be included in the Fund's Annual Report for 2020/21.

5.6 Backlog Management Project
An ongoing project to reduce and ultimately eliminate the numbers of backlog cases in two key areas (aggregations and deferred membership) of pension administration has continued throughout the first half of 2021/22. Continuing high levels of new aggregation cases and the complexity of some of the cases has resulted in the number of backlog cases reducing slowly. A return of greater numbers of staff to office-based working should help to increase the rate of backlog reduction with more direct team support available to finalise more of the complex aggregations.

The current backlog situation for each area is set out below.

Aggregations –the combining of previously accrued benefits in the LGPS with a new or ongoing active pension record. An aggregation process becomes a backlog case if it is not completed within 12 months.

At the end of 2020/2021, the total of backlogged aggregations was 1,797. The total had reduced slightly to 1,604 by the end of September 2021.

Deferred membership – These relate to non-active memberships where the member, has qualified for pension benefits, but cannot access them yet due to age or has chosen not to access them. Details about a member's deferred membership should be provided within 2 months of leaving active membership. Therefore, cases where the 2 months has been exceeded become backlog cases.

At the end of 2019/2020, the total of deferred backlog cases was 1,991. Significant progress was made during 2020/2021 and the outstanding total at the end of March 2021 had reduced significantly again to 168.

The total by the end of September 2021 had increased slightly to 452. This has been due to ongoing work with employers to identify and submit missing leaver details for members whose active membership had ended.

5.7 Monthly contribution returns
Since the start of the pandemic, employers have faced a number of challenges in respect of their LGPS responsibilities. Challenges included having to implement new procedures to continue their functions including maintaining responsibilities as an LGPS employer with key staff working from home, or in some cases being furloughed.

The continuing payment of pension contributions has remained a core priority for employers based on payment and contribution reports having to be received by the Fund by the 19th of the month following payment.

The Fund has continued to work with employers who have experienced difficulties with completing payments and submitting contribution reports. Full data relating to contribution payments and reports from employers is currently only available to July 2021, however, the current averages for employer submissions received by the Fund by the monthly deadline reflect that during 2021/2022 so far, approximately 96% of contribution payments, and approximately 90% of related contribution reports were received on time.

The Fund is continuing to work collaboratively with employers to help them avoid problems with late payments/submission of data and is continuing to engage with a small number of employers who have experienced ongoing difficulties.

5.8 New academies and admission bodies
Academies
When a Local Authority maintained school converts to an academy, it automatically becomes a scheduled body in the LGPS. Scheduled bodies are required to provide LGPS membership to their eligible employees.

The creation of academies has significantly increased the number of LGPS scheduled bodies in recent years which has generated additional administrative challenges for LGPS funds as scheme members have become spread across a much wider pool of employers.

Although the number of academisations slowed during the pandemic, the Secretary of State for Education stated in April 2021 that the Government

would be considering introducing policies with the aim of accelerating the numbers of school conversions.

A total of 5 new academies joined the Fund as an individual LGPS employer in the period 1 April to 30 September 2021.

Previous full year totals had been 37 in 2019/20 and 18 in 2020/21.

Brief details of each are as follows:

Employer Ref	Employer Name	Start Date	Academy Trust
756	Brackendale Spencer Academy	1 April 2021	The Spencer Academies Trust
757	Oakwood Junior School	1 April 2021	Odyssey Collaborative Trust
758	Hollingwood Primary School	1 July 2021	Flying High Trust
759	Castleward Spencer Academy	1 September 2021	The Spencer Academies Trust
760	Clover Leys Spencer Academy	1 September 2021	The Spencer Academies Trust

As at 30 September 2021, the remaining total of Local Authority maintained schools in Derbyshire County Council and Derby City Council was 316.

Admission Bodies
Applications from 6 organisations for Admission Body status, based on commencing a contract during the first half of 2021/22 with a scheme employer which includes the transfer of active scheme members, are currently being processed.

The employers involved in the arrangements are:
- Derbyshire County Council
- Bolsover District Council
- Ecclesbourne School
- Derby Cathedral School
- Academies operated by Odyssey Collaborative Trust
- Academies operated by The Harmony Trust

Employer summary

The number of employers actively participating and paying contributions to the Fund as at 30 September 2021 was 337, broken down as follows:

Type of Employer	Notes	Total
Main Councils	**County, City, District & Boroughs**	**10**
University & FE Colleges	**University x 1, FE Colleges x 2**	**3**
Academies	**Individual academies, including those in MATs on a shared employer rate. Also includes 2 x Central MAT teams.**	**205**
Maintained Schools using an external payroll provider	**County & City Schools using external payroll providers** *(County x 4, City x 3)*	**7**
Housing Associations	**Scheduled x2 Admitted Bodies x 3** *(2 x TAB, 1 x CAB)*	**5**
Other Scheduled Bodies	**Peak District National Park Authority, Police, Fire, Chesterfield Crematorium**	**4**
Admitted Bodies	**TABs x 63, CABs x 4** *(not including Housing Assn's)*	**67**
Town & Parish Councils	**Pre 2001 Pool x 15 Post 2001 Pool x 21**	**36**
Total		**337**

Please note that the total of Admitted Bodies includes employers whose participation in the Fund commenced in an earlier period, but payments of contributions had been delayed until the Admission Agreement was finalised.

Exits from the Fund

During the first half of 2021/22 the following employers' active participation in the Fund ended. The list includes an employer whose last active member in the Fund left during March 2021 but was not included in the list of employer exits in the previous half-year report provided to the Committee in April.

Employer	Reason	Date of active participation ending
Caterlink (catering provision at Reigate Primary School)	Last active member left	March 2021
Vinci (cleaning provision at Ashcroft and Portway Primary Schools)	Contract ended	April 2021
Glapwell Parish Council	Last active member left	April 2021
Action for Children (community nursery service)	Last active member left	April 2021

Mellors Catering Services (catering provision at Ecclesbourne School)	Contract ended	July 2021

In addition, 3 schools maintained by Derby City Council returned to the Council's payroll service during the first half of 2021/22. During their period of using an alternative payroll provision, each school was treated as a separate employer by the Fund for the collection of data and pension contributions.

The 3 schools are as follows:

- Pear Tree Infant School – returned to inclusion in submissions from Derby City Council wef 1 July 2021

- Walbrook Nursery School - returned to inclusion in submissions from Derby City Council wef 1 July 2021

- Shelton Junior School - returned to inclusion in submissions from Derby City Council wef 1 September 2021

East Midlands Education Trust
The Trust currently operates 19 academies located across Nottinghamshire, Derbyshire, and Leicestershire. The Trust successfully applied to the Secretary of State at the former Ministry of Housing, Communities and Local Government (now Department of Levelling Up, Housing and Communities) to consolidate all of its academies into a single LGPS Fund. The Nottinghamshire Pension Fund was chosen as the majority of the Trust's academies are located in the county. The Trust's objectives included paying a single contribution rate in order to simplify financial planning, reduce the administrative costs of dealing with separate funds and simplifying and reducing the cost of other processes such as financial reporting.

As a result, the administering authority for the following 6 academies changed from Derbyshire to Nottinghamshire from 1 September 2021:

- The Ripley Academy
- John Flamsteed Community School
- Street Lane Primary School
- Chellaston Infants School
- Chellaston Juniors School
- Homefields Primary School

5.9 Complaints, compliments and appeals
Complaints and compliments
Complaints and expressions of dissatisfaction about the provision of, or failure to provide an administration service, whether written or received verbally are monitored and recorded by the Fund.

During the first half of 2021/2022 a total of 10 cases identified as complaints were submitted to the Fund by members. Responses have been provided in each case and, to date, none of the cases have been escalated to the appeals stage against the Fund via the Application for the Adjudication of Disagreements Procedure (AADP).

Compliments received from members and employers are also recorded by the Fund and shared with the team member who provided the service. During the first half of 2021/2022 a total of 8 compliments had been recorded as submitted by members and employers praising the level of service they had received.

Appeals
Appeals via AADP can be made by scheme members when they are dissatisfied with a decision made regarding their LGPS benefits. The most common decision for which appeals are submitted, relates to dissatisfaction with an employer's decision regarding eligibility for ill-health retirement.

There are two possible AADP stages.

Stage 1
AADPs submitted against an employer's decision are considered at the first stage by the adjudicator appointed by that employer.
AADPs submitted against a decision made by the Fund are considered at the first stage by the Fund's adjudicator.

Stage 2
Where a member remains dissatisfied following the determination of their Stage 1 appeal, they may submit a Stage 2 appeal which is considered by the administering authority.
The Committee delegated the arrangements for the determination of Stage 2 appeals to the Director of Finance and ICT at the meeting held on 21 July 2021.

An annual report is provided to the Committee which summarises:
- appeals made against the Fund at Stage1
- all appeals submitted to the administering authority at Stage 2
- cases which are subsequently escalated to The Pensions Ombudsman

Additionally, a brief summary of the numbers of appeal cases which have been determined during each half-year period are included as part of this report.

During the period 1 April to 30 September 2021 the totals of appeals determined at each stage are as follows:
- Stage 1 appeals submitted against the Fund – 0
- Stage 2 appeals submitted to the administering authority – 0

The Pensions Ombudsman (TPO)
Where scheme members remain dissatisfied with the outcome of appeals submitted at AADP Stages 1 and 2, they have the right to refer their complaint to The Pensions Ombudsman to investigate by considering information from all the parties involved in a complaint before making a determination.

The Ombudsman's determinations are final, subject to a successful appeal to the courts on a point of law. They are binding on all the parties and enforceable in court.

During the first half of 2021/2022, the Fund has not been notified of any new cases which have been submitted by scheme members to TPO.

Currently there are three cases awaiting the Ombudsman's determination, all of which were escalated to the Ombudsman by scheme members during 2020. In each case, a determination has been delayed by a backlog of cases caused by the impact of the pandemic.

Of the 3 outstanding cases with the Ombudsman, two relate to decision made by employers in respect of eligibility for ill-health retirement and one relates to a scheme member's dissatisfaction with handling of an application for payment of deferred retirement benefits by her former employer and the Fund.

6.   Communications and Training

Communications Policy
The Committee approved a revised version of the Fund's Communications Policy at its meeting on 28 April 2021. The revised version included the development of the Fund's member self-service website, My Pension Online and set the Fund's key priorities for the development of its communications over the next three years as:

- The member self-service portal "My Pension Online" becoming operational
- Improved member feedback, including a Member Forum
- Continued development of the Fund's website
- Development of a Fund Style Guide
- Consistency of communications

- Further development of employer engagement

i-Connect training
During the first half of 2021/2022 the Fund has continued to progress with boarding employers onto the i-Connect system (see 6.1) and has undertaken virtual training sessions for those in the early phases of implementation. The sessions have also provided employers with an understanding of the benefits of submitting member data via i-Connect for themselves, scheme members and the Fund.

Other employer training
Additionally, virtual training sessions, and bespoke meetings on specific topics to support employers have included training and support on a range of issues including:

- Ill-health retirement procedures
- The role of the adjudicator
- Completion of fund documentation
- Admitted Body Status
-

Communications to scheme members
The Fund has commenced a programme to invite scheme members to register for My Pension Online. At the time of preparing this report, individual letters had been issued to over 51,300 active and deferred members inviting them to begin the process of registering for My Pension Online.

Annual Benefit Statements
Annual Benefit Statements have this year been made available to members online, although the opportunity to still receive a paper statement has been provided.

By the end of September 2021, the following totals of Annual Benefit Statements had been made available online to members or issued on paper.
- Active members – 89.9%
- Deferred members (with confirmed home addresses) – 97.9%

Communications to employers
During the first half of 2021/2022, the Fund issued the following newsletters to employers:

Date issued	Bulletin	Topics included
23 April 2021	171	• Employer guides • My Pension Online • Standard contract wording • LGPS videos • Year-End Return 2020/2021
21 May 2021	172	• Year-end Return 2020/21 • i-Connect

		• Outsourcing • Employee details changes
24 June 2021	173	• My Pension Online • McCloud - request for information • Ill health retirement tier 3 • Payments for unused holiday
29 July 2021	174	• My Pension Online • Minor Changes to HR and Payroll guides • Fund consultation on draft updates to the Funding Strategy Statement, • Government consultation on Special Severance Payments
31 August 2021	175	• My Pension Online • Funding Strategy Statement consultation responses • Member forms improvements
30 September 2021	176	• My Pension Online • Updated Funding Strategy Statement • Standard contract wording • Training requests • Salary sacrifice AVCs • Employee details changes

All Employer Newsletters are available on the Fund's website.

7.   Projects

7.1 i-Connect
The programme for employers to implement the i-Connect system, part of the functionality linked to the Altair pension administration system, has continued to develop throughout the first half of 2021/2022.

Implementation commenced at the start of 2020, and 183 employers are currently securely transmitting member data to the Fund via i-Connect.

When employers commence implementation, training is provided on using the i-Connect service. To replace site visits to employers, which had to be paused due to the Covid-19 pandemic, virtual training methods have been utilised.

The Fund engages with, and provides support for, each employer to ensure the accuracy and timeliness of their data transmissions. The target for the i-Connect project is to have all employers working towards implementation by the end of 2021.

7.2 Back scanning project
An estimated 3 million documents are held by the Fund on microfiche records. A project to upload the documents into the Altair system has now been completed. The project has been undertaken in liaison with EDM Group Ltd

who specialise in providing high volume, bulk document scanning and digitisation services.

All digitised fiche records have been returned to the Fund by EDM Group Ltd and have been loaded onto the respective Altair records.

Once the Fund has completed a quality control exercise on the returned records, it will instruct EDM Group Ltd to destroy the physical fiche records.

7.3 Member Self-Service (My Pension Online)
The implementation of the member self-service website, My Pension Online, a further functionality linked to Altair was launched in June 2021.

My Pension Online is available to all scheme members, with the main functionality being the member's ability to view certain parts of their pension information, to undertake changes to some of their personal data and to carry out benefit projections online. Active members are able to undertake certain types of retirement estimates and adjust these instantly in line with varying estimated future retirement dates.

By the end of September 2021 a total of 7,256 members had completed their registration for My Pension Online.

The experience of LGPS and other public sector pension funds has been that registration rates are initially slow. The Fund is continuing to engage with employers to seek their assistance with encouraging scheme members to register.

7.4 McCloud Project
A McCloud Project Group was set up in July 2020 to prepare for the implementation of the remedy in respect of the McCloud and Sargeant judgements. The McCloud judgement refers to the Court of Appeal's ruling that Government's public sector pension reforms unlawfully treated existing public sector scheme members differently based upon members' age on the 1 April 2012. The judgement came after two Employment Tribunals concerning the pensions of judges' (McCloud) and firefighters' (Sargeant).

In May 2021, the government confirmed the key elements of the changes to scheme regulations which will be made in due course as a result of the McCloud judgement. The main points confirmed are that:

- underpin protection will apply to all meet the revised qualifying criteria
- the maximum period of protection will apply from 1 April 2014 to 31 March 2022
- where a member stays in active membership beyond 31st March 2022, the comparison of their benefits will be based on their final salary when

they leave the LGPS, or when they reach their final salary scheme normal retirement age, if earlier

The Public Service Pensions and Judicial Offices Bill (the Bill) which is currently going through its parliamentary stages is the enabling legislation which will allow LGPS regulations to implement the McCloud remedy by extension of the underpin protection. The draft LGPS regulations are expected by the end of 2021 and should enable progress to be made on upgrading pension administration systems to allow for the changes.

The Project Group is currently liaising with employers to identify where data required for the McCloud implementation may need to be collected.

8.   Collaborations

The Fund takes part in several regional and national groups with the aim of learning, sharing, influencing and networking with colleagues from other Funds and the wider pensions industry at meetings. Since March 2020, all of the following collaborative group's meetings have been organised virtually.

East Midlands Pension Officers' Group (Quarterly)
Officers from 5 East Midlands funds share and review current LGPS related issues including the interpretation of scheme regulations, the implementation of new and revised legislation, non-standard cases, and future developments. A representative from the Local Government Association also attends each meeting.

LGPS Joint Communications Group (Quarterly)
Membership of this group enables the fund to work with other LGPS Funds, and provides the opportunity chance to share best practice, communication resources and develop joint projects, such as newsletters for scheme members..

LGPS Central - Strategic Administration Group (biannually)
Officers from LGPS Central's 8 partner Funds discuss strategic matters impacting on the scheme administration role

CLASS Local Authority Pensions Group
Officers from Funds using the Altair pension administration system discuss software and technical issues, including priority developments.

National LGPS Technical Group (Quarterly)
The Fund has gained one of two seats on the National LGPS Technical Group to represent the LGPS Fund in the East Midlands. The Group's functions include advising administering authorities on the interpretation of legislation and representing the views of administering authorities in recommending changes to Scheme regulations.

9. Appendices

9.1 Appendix 1 – Implications

10. Recommendation

That the Committee notes the workloads and performance levels outlined in this report.

11. Reason for recommendation

The Committee reviews the Pension Fund's workloads and performance levels in respect of its administration activity on a half-yearly basis.

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Director of Finance & ICT

<u>**Implications**</u>

Financial

1.1 None

Legal

2.1 None

Human Resources

3.1 None

Information Technology

4.1 None

Equalities Impact

5.1 None

Corporate objectives and priorities for change

6.1 None

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None