

ITEM No ...5.....

REPORT TO: PENSION SUB-COMMITTEE OF THE CITY GOVERNANCE COMMITTEE & PENSION BOARD – 22 SEPTEMBER 2025

REPORT ON: PENSION ADMINISTRATION PERFORMANCE – UPDATE TO 30 JUNE 2025

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 254-2025

1. PURPOSE OF REPORT

This report provides information on the recent quarter’s operational performance in relation to Pension Administration and other general developments in this area over the above period.

2. RECOMMENDATIONS

Members are asked to note the contents of the report.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications.

4. BACKGROUND

This report focusses on statutory performance and is subject to ongoing review and development that will aim to provide enhanced reporting functionality that can be prepared efficiently and improve the quality of information on administration performance and compliance that is presented to members for scrutiny.

5. SERVICE SUMMARY

- Summary of Statutory Performance Requirements**

The following table summarises the performance of the fund administration against statutory requirements:

	Received ⁽¹⁾			Completed ⁽²⁾			Statute Days ⁽³⁾	Average Days to Complete Q1 ⁽⁴⁾	Cases Completed Out with Statute ⁽⁵⁾
	Q4	Q1	% Change	Q4	Q1	% Change			
Starter	1530	958	-37%	1558	915	-41%	60	5	0
Estimate	195	145	-26%	144	162	13%	60	49	40
Options	506	483	-5%	470	389	-17%	60	38	25
Actual	323	287	-11%	343	334	-3%	60	18	0
TV In	25	28	12%	32	31	-3%	60	33	2
TV Out	120	138	15%	132	135	2%	90	47	5
Deferred	169	225	33%	199	310	56%	60	42	60
Death	224	153	-32%	233	147	-37%	60	12	0
Death Grant	34	26	-24%	46	44	-4%	60	38	3
Dependant	66	57	-14%	62	64	3%	60	23	0
Divorce	11	15	36%	13	13	0%	90	36	0
Total	3,203	2,515	-21%	3,232	2,544	-21%			135

Key:

Q4 denotes January to March 2025 period.

Q1 denotes April to June 2025 period.

- 1) Reflects total number of cases received in each period and movement %
- 2) Reflects total number of cases completed in each period and movement %
- 3) Reflects the statutory target timescale to deal with each case
- 4) Reflects the average number of days take to complete each case during the quarter
- 5) Reflects the number of individual cases that were not dealt with in the statutory time

The following provides further detail on statutory task data:

Overall Caseload:

There was a decrease of 21% in both the cases received and completed over the period. Key staff continue to assist with the McCloud rectification data and processing time, and volumes were affected by staff absence in this quarter.

Prioritised Tasks:

- **Issue of Pension Options & Pensions Brought into Payment**
 - The team continue to prioritise the payment of member benefits with the average days to complete remaining below statute.
 - All actuals were processed within the statutory days, however there were 25 options completed out with statute, and this was a contributing factor of staff absence despite the best efforts of the team.
- **Processing of Death Benefits, Payments of Death Grants, and Dependant Pensions**
 - Cases received decreased on all areas in the quarter.
 - Deaths and Dependants had all cases completed within the statutory time frame, however death grants had 3 cases completed out with statute due to the sensitive and complex nature of some cases and the requirement to request additional information prior to payment.

Other Statutory Tasks:

- **New Member Processing:** Case numbers dropped in both the received and completed this period. The workflow system in operation continues to keep the average processing days low.
- **Estimates:** There was an increase by 13% of number of estimates completed, however there were 40 cases completed out with statute timeframe, staff absence was a contributing factor despite the best efforts of the team.
- **Deferred Member Processing:** The number of cases received in the quarter increased by 33% and there was also a 56% increase in the number of cases completed. Some cases continue to be complex in this area as the team communicate with the employers for information to calculate the member benefits and this is a contributing factor to the 60 cases being completed out with statute.
- **Outbound Benefit Transfers:** There was an increase in case volumes in this quarter and the average days to complete decrease to 47 days.
- **Inbound Benefit Transfers:** The number of cases received in this quarter increase by 13%.
- **Divorces:** There was an increase of 36% in case received, however, cases completed stayed the same as the last quarter.

5.1 Other Pension Operations

The following table summarises the other operations undertaken in addition to statutory requirements:

	Received ⁽¹⁾			Completed ⁽²⁾			Days to complete ⁽³⁾		
			%			%			%
	Q4	Q1	Change	Q4	Q1	Change	Q4	Q1	Change
Amendment to Account	1731	2072	20%	762	568	-25%	9	12	42%
Certificates	85	239	181%	83	217	161%	20	22	10%
Other Admin Tasks	1627	1308	-20%	1702	1286	-24%	38	76	102%
Other pensions processing	846	1892	124%	527	1521	189%	246	214	-13%

Q4 denotes January to March 2025 period.

Q1 denotes April to June 2025 period.

1) Reflects total number of cases received in each period and movement %

2) Reflects total number of cases completed in each period and movement %

3) Reflects the average number of days take to complete each case during the quarter and movement %

Staff training and recruitment continues to have an impact on the case numbers, although we are continuing to see improvements in these areas.

5.2 Employer Contributions

For the period April-June covering the payroll periods of March-May we received 1 Late payment and 2 late submissions of the TPF91 form to the fund. These were received after prompting the employers.

Two admitted employer bodies exited Tayside Pension Fund in the quarter. Idverde left the scheme on 30 April 2025, and Dovetail Enterprises exited on 9 May 2025. Tayside Pension Fund are working with the administrators of Dovetail regarding outstanding contribution.

Employers and Member Online Portals:

5.3 Member Self Service Update

On 30th June 2025 we had 18,493 members registered for the Member Self Service Portal, which is an increase of 461 user from the last period.

As advised in the previous report we will be moving over to the new Heywood Member Self Service system named Engage later this year due to the removal of the current system. Staff have been working with Heywood on this and training is scheduled within the team in August. A go live date will be confirmed in due course which will then allow the required notification to be issued to members on how to register to access Engage.

5.4 I-Connect Update

There were 37 Employers who submitted monthly uploads through the i-Connect system during the period. All employers have been advised that this year we expect all uploads to be completed using I-Connect from April 2025, however, we are still working with some larger employers on issues with the data being received.

5.5 Call Centre

There was a drop in calls received this quarter to the call centre. 2,888 were received, which is a drop of 1.6%. However, the total hours on calls increased by 23 hours to 555 hours in total, and this continues to be a significant resource requirement within the team.

5.6 Compliance

National Fraud Initiative: 6 overpayments totalling £14,031.25 were identified from the 2024/25 exercise. Letters requesting the overpayment have been issued for 5 of the overpayments to family members and as at the end of the quarter, one response has been received. A generic letter to establish executor details was issued for the 1 overpayment where no additional information could be provided.

5.7 Recruitment

- The successful candidates for both the Pension Assistant and Assistant IT/Systems Process Analysis started on the 1st May 2025
- Interviews for Clerical Assistant took place in May and the successful candidate will start in the next quarter.
- The review into resources and structure is ongoing and further updates will be provided as this progresses.

5.8 Queries & Complaints

- 4,534 emails were received into the generic mailbox in the quarter up to 30th June 2025, this equated to approximately 70 emails per working day. Emails continue to be a significant work allocation and is an area which is being reviewed as part of the resourcing exercise.
- Complaints to Prudential: None
- Complaints to Standard Life: one received which was upheld
- Complaints to TPF: one received which was partially upheld
- GDPR: There was one data breach

5.9 Staff Training

- In House Training

In house training continues to be undertaken in the team, with peer-to-peer training being provided by experience staff. This will be reviewed in the wider resource review.

5.10 Employers meetings

An Employer Forum took place on the 6th May where all employers were invited to discuss the topics of:

- Admin Strategy and Team Update
- McCloud
- I-Connect
- MSS
- Dashboard
- Forms
- Website

5.11 Annual Pension Increase

The 2025 Pensions Increase was applied to all pensioners with effect from 7th April 2025. The percentage increase was 1.7%. For Pensioners, this provided them with a partial increase for April of 6 days at the old rate and 24 days at the new rate, with the full monthly increase coming into effect from May. A notice was also posted on to the Fund website to provide details of the increase.

5.12 End of Year Update

At the 30th June 2025:

- 2 employers have submitted a first version end of year file
- 38 employers have uploaded all submissions for the end of year.

Employers who had not uploaded all submissions had queries or issues on the files, and these were awaiting resolution.

5.13 Pension debit GAD guidance

The Scottish Public Pensions Agency issued updated GAD guidance on pension debits to administering authorities. The guidance, which was received on the 23 April 2025 and has immediate effect. The guidance outlines the method for calculating pension debits where the cash equivalent valuation was increased due to the underpin. The method aligns with that used in LGPS England and Wales. Minor changes and corrections were also made.

5.14 Rectification Regulations 2025

Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2025

HM Treasury laid the regulations on the 3 April 2025, and the regulations came into force on 24 April 2025. The regulations modify the existing rules to prevent adverse tax consequences when implementing the McCloud remedy. Most of the regulations deal with changes related to unauthorised payments in 'Chapter 1 schemes' and do not apply to the LGPS. However, the following changes do:

- Regulation 19: the deadline for members with remediable service to apply for fixed protection 2016 or individual protection 2016 is extended. Members must apply before 6 April 2027, rather than before 6 April 2025.
- Regulation 20(5): administering authorities were required to recalculate previous annual allowance calculations disregarding the underpin. Where a recalculation reduces the annual allowance charge and the administering authority has paid some or all of it on the member's behalf, the authority may apply to HMRC for a refund on or before 1 April 2027. Regulation 20(5) has extended this to 31 January 2031.
- Regulation 20(6): makes a minor amendment to regulation 31 of the Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023 to cross reference the correct section of the Income Tax (Earnings and Pensions) Act 2003.
- Regulation 20(8): The deadline for members to request a valuation for individual protection 2016 from their pension scheme administrator expired on 6 April 2020. However, under regulation 39 of the Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023, no deadline applied in relation to information calculated by reference to remediable service. Regulation 20(8) amends this, setting a deadline of 6 April 2027

5.15 Legislation planned in response to the Virgin Media judgment

The Government has confirmed that it will bring forward legislation to deal with issues arising from the Virgin Media v NTL Pension Trustees judgment. The High Court ruled in 2023 that amendments of pension schemes rules in respect of Section 9(2B) rights were void unless the scheme actuary certified that the scheme still met the contracting-out adequacy test. The Court of Appeal considered one area of the ruling in 2024 and upheld the High Court decision. The Government will introduce legislation to allow pension schemes to obtain actuarial certification retrospectively. You can read more about Retrospective actuarial confirmation of benefit changes on the GOV.uk website.

5.16 Pension Schemes Bill 2024/25

The Pension Schemes Bill was introduced in Parliament and given its first reading in the House of Commons on 5 June 2025. A date for its second reading has not yet been announced. Chapter 1 of Part 1 of the Bill sets out proposed changes to the LGPS, following the Government's response to the 'Fit for the Future' consultation (LGPS England and Wales). Certain clauses would give the Government new powers to make regulations affecting the LGPS:

Clauses 1 to 4 do not apply to LGPS Scotland.

- Clause 1: asset pool companies
- Clause 2: management of LGPS funds and other assets

- Clause 3 of the Bill proposes an exemption from certain public procurement rules for investment management activities carried out by asset pool companies.
- Clause 4: independent governance reviews
- Section 5: mergers, including compulsory mergers, of two or more LGPS funds.
- Clause 93 is also relevant for the LGPS. This clause addresses a legal issue raised in a 2023 Court of Appeal case - The Pensions Ombudsman v CMG Pension Trustees Limited & Anor. The Court ruled that the Pensions Ombudsman is not a 'competent court' for enforcing monetary obligations under section 91(6) of the Pensions Act 1995.

The Bill includes other measures that do not affect the LGPS

5.17 McCloud

Tayside Pension Fund continue to work with employers to obtain relevant data, check qualifying criteria and update member records which will then allow the adjustment of any qualifying underpins to be calculated and applied to member benefits. This exercise is still ongoing as some employers have not provided the data and others have outstanding queries which are being worked through.

Once the data is input in our system the fund is expected to prioritise certain classes of members in accordance with SPPA guidance.

5.18 Pension Dashboard

Following on from the kick off call with Heywood who are providing the ISP (Integrated Service Provider) for Tayside Pension Fund to connect to the Pension Dashboard, testing has commenced on the dashboard along with looking at member matching criteria.

Member AVC data will also be available on the Dashboard, and the necessary data has been requested from both Prudential and Standard Life for reconciliation and testing.

There is staged connection dates set by the DWP and for Local Government Pension Scheme's the deadline is October 2025.

6. REGULATIONS

Details of regulatory matters are contained in Appendix 1.

7. POLICY IMPLICATIONS

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

8. CONSULTATIONS

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report.

9. BACKGROUND PAPERS

None

PAUL THOMSON

EXECUTIVE DIRECTOR OF CORPORATE SERVICES

15 September 2025

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REGULATORY COMMUNICATIONS

Website Updates

LGPS website for funds in Scotland

[LGPS Regulations and Guidance](#)

HMRC

- [Pensions schemes newsletter 169 — April 2025 - GOV.UK](#)
- [Pensions schemes newsletter 170 — May 2025 - GOV.UK](#)
- [Public service pensions remedy newsletter — June 2025 - GOV.UK](#)
- [Pension schemes rates - GOV.UK](#)

Pension Dashboards

- TPR publishes updated dashboards guidance
[Connecting to pensions dashboards | The Pensions Regulator](#)

[Pension savers call on schemes to get dashboard-ready in new video | The Pensions Regulator](#)

The Pension Regulator (TPR)

[Fighting pension fraud webinar 2025 | The Pensions Regulator](#)

[Local government schemes – Delivery of remediable service information | The Pensions Regulator](#)

Scheme Advisory Board

Scotland Updates

[SAB-Bulletin-May-2025.pdf](#)

England & Wales updates

[LGPS Scheme Advisory Board - Home](#)