

# **Pensions Administration**

Annual General Meeting 2025

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**Nottinghamshire  
County Council**

# Another busy and challenging year for Pensions Administration

- Scheme membership continues to grow.
- Fund continues to see significant levels of members seeking early release of benefits
- National Projects
  - McCloud
  - National Dashboards – required to be connected to ecosystem by October 2025
- Pension Regulator
  - New Code of Practice
  - Cyber Security
- Risk Register review and update

	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>
Active	48,056	43,957	44,299	45,758	47,140
Deferred	56,002	60,935	62,501	65,212	67,156
Pensioners	38,754	40,481	42,715	44,732	45,896
Total	142,812	145,373	149,515	155,702	160,192



- All employers submitted their data, albeit a number missed the return deadline
- Employer Support & Compliance Team work to support employers with year-end submissions and data quality
- Annual Benefit Statements issued
  - 45,729 Deferred statements June 2024
  - 61 Councillor statements June 2024
  - 41,681 Active statements August 2024
  - 439 Follow up statements November 2023
  - Customer Service Centre handled benefit statement calls
- Contributions
  - Employer Contributions £208m
  - Member Contributions £62m
  - Pension benefits Paid £221m

- Data collection from Scheme Employers
  - All completed
  - Focus over the last 12 months has been data validation and analysis – 96% complete
  - Regulatory updates have continued to be received and actioned
  - 60% of data has been uploaded
  - Once uploaded – error generated and reviewed, queries raised with Scheme Employers
- McCloud software releases received from Civica in testing
- In parallel undertaking manual calculation where required to support transfers out of the Scheme – case by case basis
- Next Steps
  - Data upload and cleansing continues
  - Bulk uploads – updating members records
  - McCloud information to be provided on 2024 years benefit statements

**Nottinghamshire Administration Costs compared to the average cost per member within the CIPFA Benchmarking Club**

	2019-2020		2020-2021		2021-2022		2022-2023	
<b>£ per member</b>	Cost	Nos of Funds	Cost	Nos of Funds	Cost	Nos of Funds	Cost	Nos of Funds
<b>Fund cost per member</b>	£14.08		£14.08		£15.35		£16.65	
<b>Average cost in the benchmarking club</b>	£20.44	22	£21.18	21	£22.15	14	£22.97	14

The costs per member of our geographical neighbours 2022-2023

- £16.75 - Lincolnshire
- £20.23 – Leicestershire
- £23.63 – South Yorkshire
- £28.99 – Derbyshire
  
- 2023-2024 Nottinghamshire cost per member £17.19

1st April 2023 to 31st March 2024.						
Annual Fund Key Performance Indicators compared to performance of the CIPFA benchmark Key Performance Indicators						
Process	Fund KPI	% of cases completed within the fund KPI	No. cases completed	Cipfa Benchmark Legal Requirement (from notification)	% of cases completed within the CIPFA KPI	No. cases completed
<b>Deaths (ALL)</b>	10 Days	48.96	868	2 Months	59.73	976
or						
Deaths – Acknowledging death of member Letter	10 Days	28.44	450	2 Months	62.22	450
Deaths – Letter notifying amount of dependants pension	10 Days	71.05	418	2 Months	53.99	526
<b>Deferments</b>	2 Months	20.79	3,738	2 Months	20.79	3,738
<b>Retirements (All)</b>	Various	76.21	5,296	2 Months	89.53	7,194
or						
Retirements – Process & Pay Pension Benefits (at next available payroll)	30 Days	67.98	3,751	2 Months	84.44	2,764
Retirements – Estimate of retirement benefits Letter (Cat A)	2 Months	96.95	1,443	2 Months	96.82	1,446
Retirements – Estimate of retirement benefits Letter (Cat B)	1 Month	85.29	102	2 Months	92.16	102
Deferred Retirement Quotes (No SLA Equiv)	**			2 Months	90.67	2,882
<b>Transfer Quotes</b>	2 Months	38.42	531	2 Months	35.97	709
<b>Transfers (No BP Equiv)</b>	1 Month	22.93	266	**	**	**
<b>Divorce Quotes (No SLA Equiv)</b>	**	**	**	3 Months	97.95	292
<b>Divorce Settlement (No SLA Equiv)</b>	**	**	**	3 Months	36.36	11
<b>Refund (No SLA Equiv)</b>	**	**	**	2 Months	98.22	674



# Total number of Completed Processes In The Financial Year

Table 1						
Years	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
No of Processes completed	51,976	56,722	53,121	56,900	58,576	64,408
Difference	0	4,746	-3,601	3,779	1,676	5,832
% Change in Difference	→ 0.00%	↑ 9.13%	↓ -6.35%	↑ 7.11%	↓ 2.95%	↑ 9.96%





# All KPI Activities Reported in The Pension Administration System

Table 2						
Years	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
No of KPI Processes Completed	10,688	12,138	11,723	14,773	13,130	14,558
Difference	3,071	1,450	-415	3,050	-1,643	1,428
% Change in difference	↑40.32%	↑13.57%	↓-3.42%	↑26.02%	↓11.12%	↑10.88%



# Deaths

Yearly Deaths					
Years	2019/20	2020/21	2021/22	2022/23	2023/24
Number of Deaths per year	932	1,199	1,005	1,123	634
Difference	0	267	-194	118	-489
% Change in Difference	→ 0.00%	↑ 28%	↓ -16%	↑ 12%	↓ -44%

Monthly Averages					
Years	2019/20	2020/21	2021/22	2022/23	2023/24
Number of Average Monthly Deaths	78	100	84	94	53
Difference	0	22	-16	10	-41
% Change in difference	→ 0.00%	↑ 28%	↓ -16%	↑ 12%	↓ -44%

- Compliance is the responsibility of both the Administering Authority and Scheme Employers.
- Working on reviewing the Fund's Pension Administration Strategy, to incorporate both the Admin team's performance but also Scheme Employers performance
  - Roles and Responsibilities
  - Data – quality – get it right first time and provide the data on a timely basis
  - Adherence to LGPS Regulations
  - Breaches
  - Scheme Employer improvement plans

# **Continuing our journey of transformation, digital development and new ways of working**



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- Data audit and improvement - Data is key!
  - Members, Employers, Pension Fund
  - The “behind the scenes” activity of the data audit and improvement is ongoing
  - McCloud data collection, validation and load to members records
  - Tracing service – where have our members gone?
  - Pension Dashboards
  - Data scores
    - Common data – static over the last two years
    - Scheme specific – small improvement

	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024
<b>Common Data</b>	59%	76%	85%	87%	87%
<b>Scheme Specific Data</b>	60%	43%	54%	63%	64%

Activity	Status
Upgrade Scheme Employer Hub	<ul style="list-style-type: none"> <li>On hold since September 2024 due to security issue identified in Pen testing</li> <li>Fix developed – implementation February 2025</li> </ul>
Automated Leaver process	<ul style="list-style-type: none"> <li>Phase 1 live</li> <li>Phase 2 in testing</li> </ul>
Automated Aggregation process	<ul style="list-style-type: none"> <li>Final stages of testing</li> <li>Scheduled to go live February 2025</li> </ul>
Automated Retirement Quotes	<ul style="list-style-type: none"> <li>Deferred Retirement Quotes under development</li> <li>Active Retirement Quotes post 14 service only in scoping</li> </ul>
Monthly Returns	<ul style="list-style-type: none"> <li>On hold awaiting Civica re-development</li> </ul>
Transfer of pension calls to Customer Service Centre	<ul style="list-style-type: none"> <li>Phase 1 – Annual support for Benefit statements in place</li> <li>Phase 2 – In development – Go Live anticipated February/March 2025</li> </ul>
UPM hosting – Civica Cloud	<ul style="list-style-type: none"> <li>Project underway</li> <li>Scheduled transfer June 2025</li> </ul>

## The Year Ahead looks busy!

- Business As Usual
- National Projects
  - McCloud – ongoing
  - Pension Dashboards – connection to ecosystem by October 2025
- Data Improvement on going
- Automation, AI/Chatbots, Portal access to drive self service
- Customer Service Centre – support data quality – verify members address, contact details
- Tracing Service procurement
- 2025 Valuation