

Annual administration report

2024/2025



Working in partnership with



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1. Summary

- 1.1. The purpose of this report is to update the London Borough of Hillingdon with an annual summary of pension administration for 2024/25.

2. Background

- 2.1. Hampshire Pension Services administer the Local Government Pension Scheme (LGPS) on behalf of the London Borough of Hillingdon (LBH) with effect from 27 September 2021.
- 2.2. Hampshire Pension Services also administer the LGPS for Hampshire County Council, West Sussex County Council and Westminster City Council; the Fire Pension Schemes for both West Sussex and Hampshire & Isle of Wight, and the Police Pension Schemes for Hampshire & Isle of Wight.

3. Summary Review of the past 12 months

- 3.1. The past 12 months has seen continued strong performance in the delivery of pension administration for LBH; our partnership working is excellent, and relationships remain strong.
- 3.2. Particular highlights include:
 - 100% delivery against performance targets.
 - Data quality – the TPR common and conditional data scores have both increased by 3%.
 - 99.38% of active benefit statements and 100% of deferred benefit statements produced and published within the statutory deadline.
 - Continued increase in Member Portal registrations – 50.09% of all members registered, with uptake across all membership groups.
 - Low number of complaints in comparison to the total membership and casework processed.
 - Preparation work for the Pensions Dashboard connection date – to demonstrate compliance and data preparedness – has been significant and is ongoing.
 - Regular project meetings and weekly monitoring of progress against McCloud milestones.
 - Ongoing development of our online services for both Members and Employers, in response to their feedback and to further encourage use of both the Portal and Hub.
 - Significant work undertaken to monitor and improve Cyber Security.
 - Achieved re-accreditation of Customer Service Excellence award, with 8 ‘compliance pluses’ where expectations are exceeded.

4. Membership

4.1. The table below details the number of members against status for each of the Local Government pension schemes and is correct as of the date this report was prepared.

Scheme	Active*	Deferred	Pensioner	Preserved Refunds**	Total
March 2025	9,256	12,573	8,657	1,694	32,180
<i>Membership in March 2024</i>	9,928	12,026	8,389	1,599	31,942
<i>Growth</i>	-6.76%	4.54%	3.19%	5.94%	0.74%

*Leavers which are waiting to be processed are included in the active membership.

**The preserved refund members are included for completeness but are not counted for the purposes of reporting membership to the Pensions Regulator and MHCLG.

5. Administration performance

5.1. Hampshire Pension Services' performance against agreed service level agreements for key processes are monitored monthly. They are calculated based on the number of working days taken to complete the process and are adjusted for time that we are unable to proceed, due to requiring input from the member or third party.

5.2. The table below shows performance from 1st March 2025 to 31st March 2025; the performance target for all cases is 15 days (except Deferred Benefits which is 30 days, and Rejoiners which is 20 days).

5.3. An average number of days to complete each process is also included to demonstrate that overall, cases are completed well within the agreed service level agreements.

Time to Complete

Type of Case	0-5 days	6-10 days	11-15 days	16-20 days	21-30 days	31-40 days	Total	% completed on time	Average days taken to complete	Total Cases (previous month)	% completed on time (previous month)
Active Retirement	9	5	1	0	0	0	15	100.00%	5	17	100%
Deferred Retirement	11	15	0	0	0	0	26	100.00%	6	31	100%
Estimates	3	11	5	0	0	0	19	100.00%	8	47	100%
Refunds	0	13	0	0	0	0	13	100.00%	9	14	100%
Deferred Benefits	6	1	1	4	98	0	110	100.00%	26	70	100%
Interfunds & Transfers In	2	3	3	0	0	0	8	100.00%	8	13	100%
Interfunds & Transfers Out	1	5	16	0	0	0	22	100.00%	11	20	100%
Divorce Quotes	1	2	4	0	0	0	7	100.00%	10	5	100%
Divorce Actuals	0	0	0	0	0	0	0	100.00%		0	100%
Rejoiners/Aggregation	3	0	8	1	0	0	12	100.00%	11	39	100%
Deaths	7	0	6	0	0	0	13	100.00%	8	13	
GRAND TOTAL	43	55	44	5	98	0	245	100.00%		269	100%

5.4. The table below shows performance for the last 12 months; 1 April 2024 to 31 March 2025.

Time to Complete

Type of Case	0-5 days	6-10 days	11-15 days	16-20 days	21-30 days	31-40 days	Total	% completed on time
Active Retirement	99	47	8	0	0	0	154	100%
Deferred Retirement	100	211	36	0	0	0	347	100%
Estimates	61	205	113	0	0	0	379	100%
Refunds	13	196	4	0	0	0	213	100%
Deferred Benefits	85	32	39	137	868	0	1,161	100%
Interfunds & Transfers In	82	29	57	0	0	0	168	100%
Interfunds & Transfers Out	24	126	97	0	0	0	247	100%
Divorce Quotes	8	14	23	0	0	0	45	100%
Divorce Actuals	0	0	0	0	0	0	0	100%
Rejoiners /Aggregations	40	21	98	56	0	0	215	100%
Death Benefits	111	17	30	0	0	0	158	100%
GRAND TOTAL	623	898	505	193	868	0	3,087	100%

Complaints and Compliments

- 5.5. We received a total of 5 formal complaints during 2024/25 and Appendix 1 summarises the complaints and lessons learned for the year.
- 5.6. As part of the complaint resolution process, actions to prevent recurrence are considered and put in place if necessary. There were no recurring trends in the complaints received, but we have encouraged staff to escalate any concerns they have, with their line manager sooner, so action can be taken to avoid upset to the member.
- 5.7. The detail of each complaint is shared with our monthly partnership reports and discussed in the subsequent partnership meeting if necessary.
- 5.8. We received 23 compliments in 2024/25 – these commented on our customer service, communication, and positive experience of using our Portal and website.

6. Audit

- 6.1. The Southern Internal Audit Partnership (SIAP) provides the internal audit function for Hampshire. The following internal audits relating to pensions administration for 2024/25 have been completed:

Audit Area	Timing
Pension leavers Audit of the controls to ensure accurate, prompt and complete administration of pension leavers, including the production of on-going annual benefit statements within agreed timescales, by HPS.	Substantial rating confirmed.
Pension starters Review of the control framework to support appropriate, complete and prompt admission of new starters to the various pension schemes administered by HPS.	Close of audit meeting on 24 th April – no issues raised in testing.
Cyber Security To provide assurance over the cyber security arrangements within HPS.	Testing complete – awaiting close of audit meeting.

Audit Area	Timing
<p>Pensions payroll and benefit calculations</p> <p>Annual review to provide assurance that Hampshire Pension Services' (HPS) systems and controls ensure that:</p> <ul style="list-style-type: none"> • Lump sum and on-going pension payments are calculated correctly, are valid and paid to the correct recipients. • All changes to on-going pensions are accurate and timely. • Pension payroll runs are accurate, complete, timely and secure with all appropriate deductions made and paid over to the relevant bodies. 	Substantial rating confirmed.

6.2. The pensions administration audits being completed in the coming financial year are as follows.

Audit Area	Timing
<p>Member deaths</p> <p>Provide assurance that any payments related to deceased members are calculated correctly and paid promptly to the correct recipient with the risk of overpayments minimised.</p>	Quarter 1/2
<p>Pension transfers</p> <p>Provide assurance that the processes and controls in place support the accuracy and timeliness of transfers in and out of the schemes administered by HPS.</p>	Quarter 2
<p>Pensions payroll and benefit calculations</p> <p>Annual review to provide assurance that HPS' systems and controls ensure that:</p> <ul style="list-style-type: none"> • Lump sum and on-going pension payments are calculated correctly, are valid and paid to the correct recipients. • All changes to on-going pensions are accurate and timely. • Pension payroll runs are accurate, complete, timely and secure with all appropriate deductions made and paid over to the relevant bodies. 	Quarter 3/4
<p>Cyber Security</p> <p>Provide assurance over the cyber security arrangements within HPS and the UPM application. Precise scope to be determined by the outcomes of the 2024/25 audit, cyber security and UPM developments during the year.</p>	Quarter 4

7. Customer Service Excellence (CSE)

7.1. On Tuesday 21st January 2025 we completed a re-assessment of our CSE accreditation. The feedback report confirmed that we continue to meet the required CSE standards across the 57 areas assessed.

7.2. We were awarded 'compliance plus's against 8 areas, which shows that we are performing to a very high standard against these CSE requirements.

- We have developed customer insight about our customer groups to better understand their needs and preferences
- We have made the consultation of customers integral to continually improving our service and we advise customers of the result and action taken
- There is corporate commitment to putting the customer at the heart of service delivery and leaders in our organisation and actively support this and advocate for customers.
- We empower and encourage all employees to actively promote and participate in the customer focused culture of our organisation.
- We can demonstrate our commitment to developing and delivering customer focused services through our recruitment, training and development policies for staff.
- We can demonstrate how customer facing staffs insights and experiences are incorporated into internal processes, policy development and service planning.
- We make our services easily accessible to all customers through provision of a range of alternative channels.
- We can demonstrate that we benchmark our performance against that of a similar or complementary organisations and have used that information to improve our service.

8. Data Improvement

8.1. The Employer Services team have worked hard over the last year to finalise the annual returns (current and previous years) for as many members as possible, and this plays through to the 99.64% of active benefit statements which we were able to produce in 2024.

The Pensions Regulator (TPR) Data Scores

8.2. In November 2024 we confirmed the common and conditional data scores, for submission to the Pensions Regulator, as follows.

Scheme	Common Data Score		Conditional Data Score	
	2024	2023	2024	2023
Hillingdon	92%	89%	92%	89%

8.3. Our work over the last year through BAU casework, Annual Returns and targeted data cleansing has contributed to an improved score for both Common and Conditional data.

8.4. Due to the movement in membership over the last year, the scores above are not based on a like-for-like group. For example, the total membership has increased; a number of active members last year, are now deferred or pensioner members, and the data validations for each status are different. We have identified the following key themes as the biggest contributors negatively impacting the data scores achieved.

Data type	Data check	Issue	Resolution
Common	Date Pensionable Service Started	This date is not recorded consistently across the member's record and is responsible for 1,931 (down from 2,885 last year) of the fails.	<i>Data cleansing is ongoing, but this check is also applied to pensioner records and has no bearing on the benefits being paid so is deemed low risk.</i>
Common	Address status 'Lost Contact'	This affects 504 (increased from 418 last year) members and is a theme across other schemes we administer.	<i>An address tracing project has been completed for deferred and preserved refund members – who are the vast majority of the lost contacts. The increase in lost contacts has been caused by Target confirming that the address we held for a number of preserved refund members was no longer correct, and they were unable to confirm a current address.</i>
Conditional	'CARE Revaluation'	The CARE pension for a previous year is either missing, or the correct revaluation rate has not been applied. This currently impacts 394 (down from 835 last year, and 1,617 in 2022) members – a combination of active and deferred members.	<i>This will be picked up in ongoing data cleansing work and is also being resolved as part of historic leaver processing.</i>
Conditional	'Pre and post 88 GMP'	The GMP details held for approximately 910 (955 last year) members is not complete.	<i>We would expect these cases to be reduced/cleared by GMP rectification which is in hand, and a number of records will be updated in time for next year's data scoring.</i>

8.5. It is important to highlight that none of the issues above prevent us from calculating or paying a member's benefits, and as individual records are picked up by the teams for processing, they will naturally cleanse the record.

Historic Leavers

8.6. At the point of onboarding, there were 3,840 unprocessed leavers – the date of leaving for these members was prior to 1st September 2021.

8.7. As of 1st April 2025, the unprocessed leavers position is as follows.

Unprocessed Leavers transferred from Surrey, at point of onboarding.	3,840
Additional unprocessed leavers identified since onboarding	318
Total unprocessed leavers	4,158
Leavers processed, and records finalised by HPS	3,883
<i>Leavers processed in the last month*</i>	36
Outstanding leavers to be processed	275

*Included in the 'Leavers processed, and records finalised by HPS'.

8.8. Details of the cases outstanding with employers have been shared previously with Seby Carvalho and Tunde Adekoya, to support with escalation to the employer/payroll provider – this support is appreciated and has helped to progress cases which have been outstanding for some time.

8.9. From 1 April 2025 we will not be charging for any further time spent on this project – due to the low number of cases outstanding and the speed at which they can be processed – although we will continue to process and finalise the leavers that we are able to.

9. 2024/2025 Achievements

Performance

9.1. Throughout 2024/2025 we have maintained 100% performance for all measurable BAU work.

9.2. Each monthly pensioner payroll was run successfully and without delay.

9.3. Our Pensions Customer Support Team have received 1,788 calls for LBH members in 2024/25, of which 42 calls were abandoned by the member. This equates to an answer rate of 97.46% for 2024/25.

9.4. Throughout 2024/25 the average maximum call wait time was 65 seconds for LBH members - this includes abandoned calls – which demonstrates that members are not waiting for a substantial amount of time before abandoning their call.

2024 Annual Returns and valuation data

9.5. The employer services team have worked hard with LBH employers to finalise all 2024 Annual Returns.

9.6. The number of data queries sent to employers as part of the 2024 annual return process, with comparison to 2023 is summarised below.

Queries Sent						
	Starters	Leavers	Missing Data	Additional Contributions	Other	Total
2024	259	302	304	8	358	1,231
2023	449	263	355	8	761	1,836

9.7. In total there were 1,231 queries in 2024, this represented 12.4% of active membership. This was a reduction from 2023 where 1,836 queries were raised, representing 14.67% of membership.

Annual Returns Employer Bench Marking

9.8. Following the upload of the 2024 annual returns, we completed the bench marking of employers' performance – a full report was shared in September – and subsequently wrote to employers who were rated red in one or more areas as part of the benchmarking process.

9.9. In total 66 employers were asked to complete a data validation exercise this year. We received declarations from 50 employers (76%) by the deadline of 15 December 2024 to confirm they had completed the exercise. 14 employers (21%) submitted a declaration after the deadline. 2 employers did not submit a declaration to confirm completion.

Employer Engagement

9.10. We continue to experience an overall positive engagement with the vast majority of Hillingdon employers.

9.11. In 2024/25 we ran 25 bitesize sessions – which are open to all employers, across all schemes we administer – and 892 bookings were received. There were 89 Hillingdon representatives attending.

- Employers in the LGPS, Starters and Opt Outs
- Leavers and Retirements, including Starter, Leaver and Estimate Forms

- Pensionable Pay Workshop - Cumulative Pay (post 2014), Full Time Equivalent and Final Pay (2008 regulations)
- APC's, Absences, Paying in more, Paying in less - 50:50
- Organisation changes (Outsourcing, Mergers, Change of Payroll)
- Discretions and Disputes

10.12. We held 3 annual return workshops for Hillingdon employers in February and March 2025 – 182 individuals attended, representing 38 employers.

Member Portal

9.12. Active, Deferred and Pensioner members of the West Sussex Local Government pension scheme have the ability to register for our Member Portal and:

- Update their personal details, death grant expression of wish, and bank details.
- Securely view annual benefit statements, payslips, P60's and all other letters generated in UPM.
- Submit a membership option form, refund claim form or retirement declaration form.
- Upload scanned documents, for example, birth certificates.
- Run voluntary retirement estimates from age 55 onwards.
- Track the progress of their retirement.

9.13. The table below shows the total number of registrations for each status as of 31 March 2025, and for comparison, as of 31 March 2024.

Status	Registrations to date	% of total membership	Registrations at 31/03/2024	% of total membership
Active	5,397	58.31%	5,020	50.56%
Deferred	5,686	45.22%	4,492	37.35%
Pensioner	4,188	48.38%	3,554	43.37%
TOTAL	15,271	50.09%	13,066	43.06%

9.14. In all processes and communications, we actively encourage all members to register for and use the Member Portal and continue to develop the online service to support this.

9.15. The table below summarises overall engagement with members:

Engagement	Active	Deferred	Pensioner	Total
Portal	5,397	5,686	4,188	15,271
Opt out	37	131	1,888	2,056
No contact	3,822	6,756	2,581	13,159
Total	9,256	12,573	8,657	30,486

Employer Hub

9.16. The Employer Hub allows employers to:

- View their employee's pension records and relevant documents.
- Submit changes to the member's employment which may impact their pension.
- Run reports to identify groups of members, for example those who are not registered for the Member Portal.
- Submit leaver and joiner forms, which are allocated straight to our Member Services team to process.
- Run retirement estimates, including voluntary, redundancy and ill health.

9.17. To date we have 116 LBH employers registered to use the Employer Hub. Of the 116 employers, 195 individual users have access to a Hub account.

9.18. Those employers who are not yet registered are responsible for a low proportion of the overall scheme membership; although we continue to encourage them to register, the impact of them not using the Employer Hub is minimal.

Annual Benefit Statements and Pensions Savings Statements

9.19. A significant amount of work has been carried out to ensure that as many active and deferred LBH members received a benefit statement in 2024, and the final position was as follows.

Membership Status	Number of Members without a Benefit Statement	Percentage of Members in receipt of a Benefit Statement	Percentage of Members in receipt of a Benefit Statement by 31 st August 2024
Active	35	99.64%	99.38%
Deferred	0	100.00%	100.00%

9.20. In summary, we were unable to produce a benefit statement due to missing earnings for either the current (2024) or a previous year.

9.21. Pensions Savings Statements (PSS) were issued to 3 members who had exceeded the £60,000 annual allowance in 2023/24, by the statutory deadline of 6 October 2024.

Overseas Pensioners – Liveness check

9.22. In December 2024 we wrote to all overseas pensioners, and for the first time offered them two methods of confirming that their pension should continue to be paid – an online identification and verification (ID&V) check, or completion of the paper-based life certificate.

- 9.23. Overall, 30% of overseas pensioners were successful in using the online ID&V process, with the majority choosing to complete and return the paper-based life certificate – as a first attempt at using biometric based technology, this was a real success, and we received positive feedback from a number of pensioners.
- 9.24. In 2025 we will be reviewing how we can further encourage overseas pensioners to utilise the ID&V method but must still consider that an alternative will be required to support those without access to a suitable device or the internet.
- 9.25. On 31st March 2025, there were 7 overseas pensioners who had not contacted us by any method and therefore their pensions have been suspended.

10. Software Development

- 10.1. In Appendix 2 we have captured all significant software developments in 2024/25.
- 10.2. With consideration to other priorities next year – McCloud and Pensions Dashboards – and feedback received throughout the last year, the proposed software development plan for 2025/26 will include the following.
 - Implementation of automated GOV.UK notifications in additional processes – this has already been adopted in our retirement processes but will be expanded to include other processes where a notification is currently emailed or printed/posted to the member.
 - Member Portal Work Trays – allowing members to save their progress when completing an online form, for example the retirement declaration and membership option forms.
 - Google Analytics – this will allow us to monitor the use of both the Portal and Hub in greater detail and highlight where we should make improvements, to increase usage.
 - Enhanced SSRS reporting/dashboard for Employer Hub – giving employers better sight of data quality, and the ability to monitor if they have notified us of all new joiners and leavers, for example.
 - Ability to start a My Message thread from internal processes – members will be notified by email, that they have a My Message from Hampshire Pension Services, which requires a response.
 - Upload of supporting documents as part of the leaver form submission on the Employer Hub e.g. ill health certificates or employer initiated retirement authorisation forms (EIRA).
- 10.3. We will also be piloting the Monthly Returns process with select employers – who have experience of Civica/UPM monthly returns with other LGPS administrators – from April 2025

and based on the success of this pilot and feedback received from employers and staff, will consider rolling this out to a wider group.

11. McCloud

- 11.1. In October 2024 we shared a high level milestones roadmap and the current position for each milestone can be found in Appendix 3.
- 11.2. Over the last year, we have put considerable effort in to ensuring the eligibility of members – in scope, maybe in scope, not in scope – has been calculated and recorded in UPM accurately, to ensure underpin calculations are being applied where required. This is summarised in the tables below.

Hillingdon	Active	Deferred	Pensioner	Deceased	Transfer Out	Full Commutation
In Scope	2,108	2,415	1,698	161	566	42
Maybe In Scope	3,547	4,918	419	78	1,519	383
Not in Scope	3,042	5,499	5,295	5,739	327	6,276

	Total	% of Total Membership
In Scope	6,990	15.87%
Maybe In Scope	10,864	24.67%
Not in Scope	26,178	59.45%

- 11.3. Of those members who are in scope, we have identified that a number have unverified service – the table below has been updated since last month's report, following further review and analysis of the records.

	Active	Deferred	Pensioner	Deceased	Transfer Out	Full Commutation	Total
Hillingdon LG (In Scope)	90	1,286	698	56	345	15	2,490

- 11.4. In Appendix 4 we have set out our suggested approach to the members who have unverified service.
- 11.5. To calculate the underpin on a bulk basis for all of the members who are in scope, and include the required figures in benefit statements, we require a software update, which is officially due for delivery at the beginning of June 2025.
- 11.6. We have received a 'pre-release' version of this software in the last week, with a view to highlighting any data issues which may prevent the bulk underpin calculation from running, so we can attempt to resolve these ahead of the full delivery being received in June. Once

the full delivery is received, further testing will be required, and we expect to be in a position to start running the bulk calculation and producing benefit statements, from early July.

- 11.7. It is important to note that as less than 20% of the membership require the underpin calculation, we have split all of our benefit statement processes and statement templates, so statements can be produced for the 80% who maybe or are not in scope, starting in May.
- 11.8. Our intention is to meet the benefit statement statutory deadline for all members, and we have prepared ourselves and the system to the best of our ability, to achieve this, but we will keep all Partners informed of progress, once the full software update has been received.
- 11.9. The underpin calculation has been calculated for all members in scope, as they leave the scheme, and to date 8 deferred members have a provisional underpin payable at retirement, and 10 pensioners have a final underpin amount which has been included in the payment of their pension benefits.

12. Pensions Dashboards Program (PDP)

Preparation for onboarding

- 12.1. Over the last year, we have attended all dashboard related webinars, hosted by the PDP and/or the Pensions Regulator to ensure we are fully informed of progress and what is expected of administrators.
- 12.2. An updated PDP report was shared with Partners in October 2024, accompanied by the Pension Regulator's preparedness checklist and our initial data matching policy.
- 12.3. We have chosen the 'single source' connection route for all AVC providers, for consistency in our record keeping and to ensure that it is clear to member's the AVC fund is attached to their LGPS benefits – we are working with Civica and AVC providers to agree a standard file format for sharing data with us, so this can be uploaded regularly to UPM.
- 12.4. We have also been working with AVC providers to reconcile the data that both we and they hold in respect of members with an AVC fund – this exercise has highlighted orphan AVC's for some schemes and we will be writing to members to explain what their options are. Most are pensioners or have transferred to another LGPS, so are not in scope of the PDP under the schemes we administer.
- 12.5. There are very few active and deferred members with temporary national insurance numbers, and we are currently reviewing each record, to determine whether any existing documents hold their permanent national insurance numbers; whether they need address tracing; or we can contact the individual or their employer to request this information.

Integrated Service Provider (ISP)

- 12.6. We appointed Civica as our ISP in 2022 and have since attended a number of online sessions, hosted by Civica, to discuss and understand how their ISP software will work, with regard to connection to the dashboard; data requirements; internal processes for partial matches and missing data; and reporting standards.
- 12.7. Civica have been working with the PDP to receive sign-off as an ISP for some time – there are a number of stages to the onboarding process, and until recently, the PDP have been focussing their attention on 3 early volunteer ISP's which did not include Civica. Understandably, considering this is a new national initiative and high risk, it has taken the PDP longer than was first planned to complete the onboarding of all ISP's.
- 12.8. We have previously, and again recently, raised our concerns with the PDP about our ability to meet the connection date set out in guidance, considering our ISP is still waiting to complete their onboarding and approval – Chris Curry, the PDP principal has acknowledged our email and agreed that the PDP need to acknowledge this more formally.
- 12.9. Despite this, Civica have completed half of the ISP onboarding steps, and have not experienced any issues or received feedback that suggests their software is not compliant or fit for purpose.
- 12.10. We are expecting Civica will be in a position to deliver the infrastructure of the ISP software to us in May 2025, and a second delivery will be required once they have received approval from the PDP, to configure the software to our requirements, around data matching, for example.

13. Cyber Security

- 13.1. In December 2024, we shared our latest Cyber Compliance statement with all Partners. The statement is reviewed annually in December.
- 13.2. External penetration testing was completed in both June 2024 – by Intertek – and in December 2024 by a new company, Sapphire who are an approved supplier available on the same framework as previous security companies we have used.
- 13.3. As it stands, there are no outstanding high vulnerabilities, and the outcome of the December 2024 testing was the most positive, with the lowest number of vulnerabilities reported since we began testing the security of UPM, the Member Portal and Employer Hub.

14. CEM Benchmarking

- 14.1. HPS participated for a second year in the CEM administration benchmarking survey which considered cost and service for 2023/24. The results showed an increase in our service score, and we retained our position in the high service, low cost quadrant.
- 14.2. We will use the CEM analysis to inform further service improvements such as:
 - continuing to reduce the number of lost contacts over NPA
 - expanding our webinars to increase member contact
 - conducting more targeted surveys i.e. following a phone call or to a new joiner.

There are other areas where we could improve our service score, but we do not feel are current priorities. We are more risk adverse than peers in terms of providing information by telephone. Other Funds staff their phone teams with their more experienced staff and consequently are prepared to conduct more administration over the phone. We also do not have a social media presence partly because we are not sure how we would keep it relevant and engaging. We will keep these under consideration for the future.

- 14.3 Further details of the 2023/24 benchmarking exercise were shared in the administration report for February 2025.

15. GMP Rectification

- 15.1. The GMP Rectification project was a significant piece of work, which has now been completed for all pensioners.
- 15.2. Intellica completed the GMP rectification calculations towards the end of 2024, and following a request in December 2024 from the LBH pension board to implement the pension changes ahead of 2025 pensions increase being applied, we subsequently uploaded the amendments (and arrears payments where applicable) to the relevant pensioner records in UPM, to be effective from March 2025.
- 15.3. This was followed by the issuing of letters to two groups – those who were receiving an increase in pension and an arrears payment; and those who would see a decrease in their pension.
- 15.4. Once individuals began receiving their letters, we received a small number of queries, and following our investigation into those queries we were unable to replicate the rectification results. We realised that the GMP value provided was not the value of GMP at the effective date. Instead Mercer (who carried out the GMP reconciliation) had given a 2020 GMP value but provided the member's state pension age date. This mismatch meant that Intellica's calculations were based on an incorrect starting point.

15.5. Having identified the underlying issue, our payroll team worked incredibly hard in a short amount of time to ensure that the original rectification was recalculated and revised letters could be sent to each pensioner, in time for March 2025 as had been originally agreed with the LBH pension board.

16. Looking ahead to 2025/26

16.1. The timeline of key events for the 2025-year end is captured below.

Completed	Task
14/03/2025	2025 Pensions Increase to be applied to all advance pensions in payment.
31/03/2025	Annual Return requests and templates sent to Employers.
16/04/2025	2025 Pensions Increase to be applied to all arrears pensions in payment.
Feb to April 2025	Online employer annual return webinars and clinics
30/04/2025	Annual return deadline for Employers
March to May 2025	Pensioner Mailings (including April/May payslips, P60's and newsletter)
31/05/2025	2025 Pensions increase applied to all deferred benefit members.
30/06/2025	Employer Services to complete upload of Annual Returns (AR); assuming all data received from, and queries answered by employers.
30/06/2025	CARE pension revaluation for Active members (to be run per employer, after AR upload)
15/07/2025	Valuation extracts produced and uploaded to Hymans' portal.
31/08/2025	Deferred Benefit Statements (DBS) to be produced, including the underpin for those 'in scope' for McCloud.
31/08/2025	Supplementary Pensions Increase calculated and lump sums paid.
31/08/2025	Active Benefit Statements (ABS) to be produced, including the underpin for those 'in scope' for McCloud.
05/10/2025	Latest date Pensions Savings Statements sent – will be produced for each employer as ABS have been completed.

Completed	Task
31/10/2025	Latest date e-comms sent to members with benefit statement available on Member Portal.
31/10/2025	Pensions Dashboard connection date for all Public Sector pension schemes
30/11/2025	Life Certificates issued to Overseas Pensioners.
30/11/2025	TPR Scheme Return
30/11/2025	Active and Deferred member newsletters.

16.2. Partnership, Pensions Committee and Pension Fund Advisory Board meetings are scheduled for the following dates:

Date	Event
26 th March 2025	Pensions Committee
9 th April 2025	Pensions Board
13 th May 2025	Annual Partnership Meeting
3 rd June 2025	Pensions Committee
9 th July 2025	Pensions Board
15 th July 2025	Partnership Meeting
16 th September 2025	Partnership Meeting
24 th September 2025	Pensions Committee
5 th November 2025	Pensions Board

Date	Event
18 th November 2025	Partnership Meeting
9 th December 2025	Pensions Committee
4 th February 2026	Pensions Board
24 th March 2026	Pensions Committee

16.3. Partnership/administration update meetings will take place in 2026, but are not yet diarised.

17. Administration Budget

- 17.1. The 2024/25 local government pay award was agreed in November 2024. The cost of the award is approximately £2,500 per FTE, representing an additional £24,000 on anticipated BAU staffing costs and just over £1,000 on the McCloud project team. No change has been made to the monthly charge for the team carrying out the historic leaver work which remains at £10,750 per month. This charge will be increased from 1 April 2025 to £11,250 a month to take account of the pay award.
- 17.2. The historic leavers project was paused at the end of October 2024 to allow information to come in from Dataplan. The project resumed in January 2025 to keep pace with the rate at which queries are coming through. A charge equal to half the team cost will be made for January – March 2025. The budget in the table therefore shows the cost equal to 8.5 months work in 2024/25. No allowance has yet been made for the data cleansing project in 2025/26 to allow for an assessment of the position to be made with LBH in April 2025.
- 17.3. Due to the overall delay in the Pension Dashboard project, the contribution to the overall software and resource requirement will start from 2025/26. As with the McCloud project, the team charge will increase in line with staff pay awards and the software cost in line with inflation. The required resource will be reviewed once the dashboard is live to members and the impact on BAU resources can be assessed.
The charge for the ISP software (connecting UPM to the dashboard) was incurred in 2023/24 even though implementation took place in 2024/25.
- 17.4. The cost of the GMP rectification exercise was estimated to be £42,000, of which £23,639 was spent in 2023/24. The remainder has been spent in 2024/25 with the completion of the project by the end of March 2025.
- 17.5. The budget for BAU administration is rolled forward from the original amount agreed in the OBC. Paragraph 14.3.2 of the OBC states that staffing costs are uplifted in line with step progressions and any pay awards; other budgets are increased in line with the previous September's CPI. CPI in September 2024 was 1.7% and this has been applied to the non pay budgets.
- 17.6. The table below shows the revised costs for 2024/25 and sets out the administration budget for 2025/26 and 2026/27. The forward budget for 2026/27 assumes a rate of 2% on non pay budgets.

Budget headings	2024/25 (pre 24/25 pay award)	2024/25 revised for pay award and data cleansing project pause	2025/26 (pre pay award)	2026/27 (pre pay award)
Staff	527,000	551,000	551,000	551,000
Non pay (inc contribution to overheads)	70,000	70,000	71,500	73,000
UPM software licence and annual maintenance	67,000	67,000	68,000	68,000
Contribution to future software development	12,000	12,000	12,000	12,000
BAU total	676,000	700,000	702,500	704,000
McCloud - project team	16,315	17,398	17,398	0
McCloud - software costs	647	647	680	0
McCloud total	16,963	18,046	18,078	0
Historic leaver processing total	129,000	91,375	0	0
PDP - software costs	0	0	8,446	8,868
PDP - contribution to resource	0	0	7,000	7,000
PDP total	0	0	15,446	15,868
GMP rectification total	18,361	18,361	0	0
Grand total	840,324	827,782	736,024	719,868



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