

Pensions Administration Report

Contact Officers

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Papers with this report

This report is for information and provides an update on the administration of the London Borough of Hillingdon Fund of the LGPS.

RECOMMENDATIONS

It is recommended that Pensions Committee notes the update report.

Pension Administration Service

Pension administration is now fully under the management of Surrey County Council and the project to transition is nearing completion. It was a very well managed process and already significant improvements in customer service are apparent.

New processes and procedures have been established a good working relationship developed between the Surrey team and the small Hillingdon team. Early signs look promising for the future. The first pensioner payroll in November was completed on time and with few errors. Once the service settles down, regular performance reporting will be brought to Committee.

There is, however, a legacy issue which both teams are working closely on to resolve - the backlog of the 2,200 case on hold in the Capita system. These cases were not disclosed by Capita and did not come to light until after the transfer. These cases are currently being reviewed to determine they are progressed in priority order. In the main they relate to outstanding transfers; deferred benefit calculations and personal detail changes such as addresses. Any interest found to be due will be reclaimed from Capita.

Administration Performance

As mentioned above, the first performance report on the Surrey service will be brought to Committee in March. As Hillingdon Officers have access to the Surrey system, all performance data will be verified and we will ensure that relevant detail is provided to Committee.

The final months of the capita contract continued around 98% on the measured task, but as Committee are aware the relevance of that figure has been somewhat misleading. Up to the end of the contract, Capita had still failed to improve the performance on sending 'condolence letters', only recording 56% in September.

Early Retirement Statistics

The table below shows the number of employees, by category, who's LGPS benefits have been put into payment. In the case of redundancy and efficiency this relates to employees over 55 years of age. The earliest age a scheme member can retire voluntarily is age 55. As can be seen the number of early voluntary retirements remains at a high level.

| | Redundancy | Efficiency | Ill Health | Voluntary over 55 |
|---------------------------------------|-------------------|-------------------|-------------------|--------------------------|
| 2012/13 | 23 | 0 | 6 | 14 |
| 2013/14 | 50 | 0 | 3 | 45 |
| 2014/15 | 23 | 0 | 8 | 52 |
| 2015/16 | 19 | 0 | 6 | 68 |
| 2016/17 2nd Quarter | 34 | 0 | 3 | 55 |

FINANCIAL IMPLICATIONS

There are no financial implications this report.

LEGAL IMPLICATIONS

There are no legal implications within this report.