

Pensions Administration Report

Contact Officers

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Papers with this report

April Performance Report
Draft Communications Strategy

SUMMARY

This report provides an update on the administration of the London Borough of Hillingdon Fund of the LGPS, both in relation to Surrey and internally at Hillingdon.

Attached to the report is a draft Communications Strategy for approval by Pensions Committee. This strategy was developed by officers, assisted by AON Hewitt, the Fund's governance advisor and it is proposed to bring into effect from 1 July 2017.

RECOMMENDATION

That Pensions Committee approves the Communications Strategy for the London Borough of Hillingdon Pension Fund.

INFORMATION

Surrey Administration Update

As reported to last Committee, the Pension Administration system used by Surrey - Altair - includes a sophisticated task management system which allows the progress of all case work to be managed and monitored on a daily basis. The Key Performance Indicators (KPIs) against which Surrey are being monitored were all contained within the agreed Section 101 agreement.

It was agreed with Surrey, that due to the considerable backlog they inherited from Capita, formal Committee monitoring and reporting would commence from April 2017. Therefore, at the time of writing this report, only one full month's performance has yet been reported. The details of April's performance are attached as Appendix 1 with a commentary beside each KPI which scores less than 100% to explain the reason for the performance. It is evident from this report that the biggest issue with performance relates to the backlog inherited from Capita.

At this stage, Surrey is struggling to cope with the volume of issues transferred from Capita. They have indicated that they will need to increase staffing, at least on a temporary basis, to make any real progress in recovering the dire position (both in terms of data and outstanding workloads) they inherited from Capita. But unfortunately their latest round of recruitment has not provided much in the way of strong external candidates to support their internal progressions so it may be a little while before they can obtain the resources they require. That said the Pension

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Manager is very keen that they deliver some progress with recovering the data quality issues which are causing so much additional work. He has reiterated Surrey's commitment to working together with LB Hillingdon to recover the administration service on behalf of the Hillingdon fund and has every confidence we can jointly move towards providing an efficient and effective service in the future.

Hillingdon Process update

The last report to Committee also explained that to support the work with Surrey, internal LBH processes had been amended to ensure that all new starters and leavers are identified and checked against information held in the Altair system. Scheme employers are aware that it is their responsibility to fully inform Surrey of all activity. Monthly monitoring of pension contributions deducted, for both Employees and Employers is undertaken and as part of the process amounts deducted from scheme members are reconciled with contributions paid in to the Pension Fund bank account. Discrepancies are immediately referred back to the Employer. These checks also allow identification of any new employees or leavers where no documentation had been sent to Surrey. Issues are being addressed as they are identified to ensure quality of data is maintained going forward.

Communications Strategy

During the last financial year, as part of its governance role, Pensions Board undertook a review of the current Communications Policy, which was considerably out of date. The review, led by Daniel Kanaris of AON Hewitt, the Fund's governance advisor, identified several areas for improvement and some proposals for inclusion. Officers, working with Daniel Kanaris and the team at Surrey, then developed a refreshed Communications Strategy. The aim of the Strategy is to ensure that scheme members appreciate the benefits of the scheme and all stakeholders are kept informed of developments within the Pension Fund, and effective communications will also help to maintain the efficient running of the Scheme. It is proposed that the strategy will be effective from 1 July 2017. The draft strategy is attached as appendix 2.

FINANCIAL IMPLICATIONS

There are no financial implications this report.

LEGAL IMPLICATIONS

There are no legal implications within this report.