

Pensions Administration Report

Contact Officers

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Papers with this report

KPI report
Draft Governance Policy and Compliance Statement

SUMMARY

This report is for information and 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 Governance Policy and Compliance Statement for approval by Pensions Committee. This strategy was developed by officers, assisted by AON Hewitt, the Fund's governance advisor and reviewed by Pensions Board. It is proposed to bring into effect from 1 October 2017.

RECOMMENDATION

It is recommended that Pensions Committee:

1. **Agree to the amended list of Authorised Signatories for payment of Death Grants.**
2. **Approve the Governance Policy and Compliance Statement for the London Borough of Hillingdon Pension Fund.**

INFORMATION

Lump Sum Death Grant - Authorised Signatory

It has been a number of years since the officers delegated to approve Death Grants have been updated. As the administering authority for the London Borough of Hillingdon Pension Fund, the Council has absolute discretion in deciding who should receive payment of a Death Grant. When a payment is due, a report outlining the amount due and the circumstances of the death is provided by the Corporate Pensions Manager, or the Technical officer Pensions, with a recommendation as to who should receive payment of the Death Grant. This is then passed to two authorised signatories to either agree or otherwise, the recommendation. The payment of the grant cannot be made until two authorised signatories have signed to agree the recommendation.

It is recommended that the delegated officers who may authorise a Death Grant are, The Head of HR, The Head of Legal Service, HR and OD Service Manger, Director of Finance, Legal Services - Office Managing Partner and the Chief Accountant, or the equivalent officer if the post name changes.

Surrey Administration Update

As reported previously to 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.

Surrey, continue to identify errors in members records that they inherited from Capita. However, Surrey will be issuing Annual Benefit statements to scheme members within the legislative deadline of 31 August. Included with the statements will be details of how members may now log-in to the pensions administration system to look at their own record.

Surrey is having difficulty in recruiting experienced staff, and have recently decided to recruit to trainee positions and train staff themselves. Additionally, an experienced member of their team is due to return from maternity leave in September who will be able to work exclusively on cleaning Hillingdon data. Officers are awaiting a detailed business plan from Surrey, which will include a request for increased funding to provide additional recourses, on a temporary basis, to help with general data cleansing issues. That said the Pensions Manager is very keen that they deliver 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.

Key Performance Indicators 1 July 2017 to 28 August 2017

The attached KPI Report shows a number of areas of concern, especially regarding death cases; however, having checked all the cases included in the report, officers were able to confirm an acknowledgment was sent out to the Next of Kin within 3 working days of Surrey being able to identify the relevant person for this purpose. Notification of the death may of come from the deceased's bankers or solicitor, and Surrey have to then investigate to ascertain who is the Next of Kin. Another major area of concern is the late calculation of Spouse's Benefits. This was brought to our attention at the last contract review meeting with Surrey and has arisen due to Spouses details not being transferred over as part of the transition between Capita and Surrey. It has been agreed that the in-house team will look at and correct records where a Spouses Benefit is due, to ensure cases are completed with the agreed deadline. The next KPI Report submitted to committee will include figures relating to the issuing of Annual Benefit Statement,.

Hillingdon Process update

Previous reports to Committee have explained how the in-house team have adapted their processes to support the work with Surrey, to ensure that all new starters and leavers are identified and checked against information held in the Altair system. Processes are still being monitored and amended where necessary. All 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 enable the internal team to identify 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.

Governance Policy and Compliance Statement

Regulation 55 of the Local Government Pension Scheme Regulations 2013 requires Local Government Pension Scheme (LGPS) Administering Authorities to publish Governance Compliance Statements setting out information relating to how the Administering Authority delegates its functions under those regulations and whether it complies with guidance given by the Secretary of State for Communities and Local Government. It also requires the Authority to keep the statement under review and to make revisions as appropriate and where such revisions are made to publish a revised statement.

Supported by Daniel Kanaris of AON Hewitt, a draft updated Governance Policy was taken to Local Pensions Board for consideration and review in June. Minor amendments have been made in line with Boards suggestions and now the policy is with Pensions Committee for approval.

FINANCIAL IMPLICATIONS

There are no financial implications within this report.

LEGAL IMPLICATIONS

There are no legal implications within this report.