

Committee	Pensions Committee
Officer Reporting	Yvonne Thompson-Hoyte, Finance James Lake
Papers with this report	<ol style="list-style-type: none"> 1. Surrey KPI Report 2. COVID-19 Critical Tasks Report 3. Deferred Address Tracing Report

HEADLINES

The day-to-day administration of the Hillingdon Local Government Pension Fund (LGPS) is delegated to Surrey County Council (SCC) under a Section 101 agreement. This agreement runs from 1 November 2016 to 31 October 2021 and is currently being reviewed by Officers prior to the notification period of 12 months before the contact end date.

The Section 101 agreement includes Key Performance Indicators (KPIs) which are generally consistent with national standards. However over the last quarter the effects of the global COVID-19 pandemic has impacted the day to day operations of the workforce as staff were relocated to work from home as part of government measures to control the virus.

The Pensions Regulator (TPR) has issued new guidance to public service pension schemes outlining the critical tasks that schemes should focus on during this period. The KPI reporting will focus on the recommendations of TPR

RECOMMENDATIONS

1. That the Pensions Committee note this report.
2. That the Committee agree the proposal to increase the threshold for writing off overpayment of pensions.

SURREY ADMINISTRATION UPDATE

Member Self Service Registration

There are currently 5,735 members signed up to the Membership Self Service (MSS) portal. This is an increase of 667 on the quarter to March 2020. The largest percentage uptake is in the active member category where 38% of active members are signed up to MSS. The total registered represents 21% of the total membership. The fund will continue to promote the advantages of registering for MSS.

Membership Category	Total membership numbers	Registered for online self service	% uptake
Active	8,682	3,320	38%
Deferred	11,682	1,542	13%
Pensioners	6,921	875	13%
Total	27,285	5,735	21%

*Figures are to the end of May 2020

Summary of SLA monitoring

The table below provides a summary of the cases that were received along with the percentage of cases that were processed within the agreed service level agreement targets.

There continues to be areas of decline in meeting targets in the areas of deferred benefit notification, transfers out quotes and payments of lump sums over the period February 2020 to May 2020. There has also been a marked decline in meeting targets on retirement notifications. There were also 3 complaints during the period. Further information is included in the schedule attached at appendix 1.

Activity	Measure	Impact	Feb-20		Mar-20			Apr-20			May-20		
			Volume	Score	Volume	Score	Missed	Volume	Score	Missed	Volume	Score	Missed
Death notification acknowledged, recorded and documentation sent	5 working days	M	10	100%	6	100%	0	17	94%	1	17	76%	4
Payment of death grant made	10 working days	H	15	100%	19	89%	2	13	85%	2	13	77%	3
Retirement notification acknowledged, recorded and documentation sent	10 working days	M	38	97%	34	91%	3	24	75%	6	42	76%	10
Payment of lump sum made	10 working days	H	27	100%	28	89%	3	25	80%	5	30	80%	6
Calculation of spouses benefits	10 working days	M	5	100%	3	100%	0	5	80%	1	2	50%	1
Transfers In - Quotes	20 working days	L	21	100%	26	85%	4	11	100%	0	4	75%	1
Transfers In - Payments	20 working days	L	28	96%	15	100%	0	5	100%	0	9	100%	0
Transfers Out - Quote	20 working days	L	32	91%	29	97%	1	8	75%	2	12	67%	4
Transfers Out - Payments	20 working days	L	22	91%	10	90%	1	9	89%	1	12	100%	0
Employer estimates provided	10 working days	M	13	100%	12	92%	1	1	100%	0	2	100%	0
Employee projections	10 working days	L	7	86%	10	100%	0	0	N/A	0	2	100%	0
Refunds	20 working days	L	68	100%	46	96%	2	22	95%	1	20	95%	1
Deferred benefit notifications	20 working days	L	153	49%	66	74%	17	42	50%	21	17	41%	10

COVID-19 Priority Reporting

The focus over the last quarter was to ensure the delivery of critical processes as outlined by the Pensions Regulator below:

- paying members' benefits
- retirement processing
- bereavement services, as well as any administrative functions required to support these
- any processes needed to ensure benefits are accurate (eg investing contributions for defined contribution schemes)

The critical activities as outlined by the TPR have been kept up to date with collaborative working between ORBIS and Hillingdon. There has been delays in non-critical transactions transfers. The helpline service has also been reduced as a result of the pandemic and a few

instances of the helpdesk lines being down. These usually have been resolved within the day.

Contributions have been paid up to date as at the end of June 2020.

Both the Pensions Regulator and the Ombudsman have recognised the disruption that the current pandemic may cause to pension schemes and have indicated that these will be taken into account in the event of missed deadlines or complaints.

Officers continue to monitor and work with Surrey to keep critical services up to date and to phase back in other services.

A report to the end of June is attached at Appendix 2

Staffing and Resources

It was reported in the March papers that Mr Nick Weaver had been appointed as interim Head of Pensions at Surrey. It is now with regret that we inform the Committee that Mr Weaver has resigned effective the end of June. This is of concern to the fund as Mr Weaver had a clear focus to drive through the necessary improvements to the administration service. The role of Head is currently being shared between two managers while arrangements are made to find a replacement.

Due to the 'lockdown' imposed by the government and social distancing rules, the majority of the pension's workforce, at Surrey and Hillingdon have been working from home. There were teething issues in cases where technological transfers were required. These challenges were resolved and to a point where remote working is the norm. Hillingdon have begun a phased return to work and there is now a presence in the office 5 days a week.

DATA IMPROVEMENT PROJECT

Deferred Member Address Tracing Project

In October 2019 ITM was commissioned to do an address tracing exercise to locate 2155 deferred members for whom the current address was not held on the administration. The exercise was completed at the end of April 2020 and a full report submitted. Positive addresses were located for 1980 deferred members (92%) which was quite a significant result. The administration system has been updated with the information. A full report is attached at Appendix 3 which recommends that this should be done as an annual exercise to prevent the recurrence of a backlog.

Pension Overpayments

There is an ongoing list of overpaid pensions that the fund has tried to recover going back several years. These have occurred mainly because of the time gap between when a death is notified to the Fund and additional pensions being paid out subsequent to death.

The Fund has had better success at recovering overpayments where there is an estate, however where an estate does not exist information is sought from the next of kin. This is less likely to bring a positive result.

In many cases the sums are quite negligible and the cost to pursue them outweighs the benefit even if the amount was to be recovered.

The current agreement in place is to write off overpayments of £100 or less where attempts to recover have proven futile.

It is recommended that the Pensions Committee increase this amount to £200.00

Appropriate systems will be put in place to ensure that reasonable attempts are made to recover overpayments and that a list goes to the Corporate Director of Finance for sign-off.

FINANCIAL IMPLICATIONS

Financial implications have been included in the body of the report

LEGAL IMPLICATIONS

Legal implications have been included in the body of the report.