

**ADMINISTRATION REPORT****ITEM 8**

Committee	Pensions Committee
Officer Reporting	Yvonne Thompson-Hoyte, Finance James Lake, Finance
Papers with this report	1. Surrey KPI 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.

The Section 101 agreement includes Key Performance Indicators (KPIs) which are generally consistent with national standards. The effects of the global COVID-19 pandemic still impact the day-to-day operations of the workforce as staff remain working from home as part of government measures to control the virus.

The Pensions Regulator (TPR) has issued 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.

**SURREY ADMINISTRATION UPDATE****Member Self Service Registration**

Since the last report as at January 2021, 162 additional members have signed up for self-service bringing the total number to 7589 from 7,427. The largest percentage uptake remains the active member category where 43% are signed up to MSS. The total registered represents 28% of the total membership 1% more on the the figures reported in January 2020.

Membership Category	Total membership numbers	Registered for online self service	% uptake
Active	9,204	3,963	43%
Deferred	11,164	2,288	20%
Pensioners	7,152	1,338	19%
<b>Total</b>	<b>27,520</b>	<b>7,589</b>	<b>28%</b>

\*Figures are to the end of December 2020

**Summary of SLA monitoring**

Classification: Public  
Pensions Committee 24 March 2021

The table below provides a summary of the cases that were received along with the percentage of cases that were processed within the service level agreement targets. An additional column has been added to indicate whether late cases missed the statutory deadline. Performance remains below what is expected including in the priority areas. The results are also varied making difficult to analyse the direction of travel.

Activity	Impact	Target	Nov-20			Dec-20			Jan-21			Cases missed legal deadline
			Volume	Score	Missed	Volume	Score	Missed	Volume	Score	Missed	
Death notification acknowledged, recorded and documentation sent	M	100%	19	63%	7	28	89%	3	45	98%	1	1 case was a quote overpayment case that missed the target by 3 days. Improvement in December & January is due to changes made to the death process.
Payment of death grant made	H	100%	11	91%	1	4	75%	1	4	50%	2	1 case missed SLA by 4 days and the other missed by 5 days
Retirement notification acknowledged, recorded and documentation sent	M	100%	30	70%	9	49	86%	7	29	66%	10	6 cases have missed the SLA target by 5 days and under.
Payment of lump sum made	H	100%	42	76%	10	37	70%	11	27	63%	10	6 cases have missed the SLA target by 5 days and under.
Calculation of spouses benefits	M	100%	2	100%	0	4	75%	1	5	100%	0	
Transfers In - Quotes	L	100%	11	91%	1	18	56%	8	12	25%	9	
Transfers In - Payments	L	100%	36	92%	3	5	80%	1	22	59%	9	Amalgamation for LGPS interfunds in are included within this KPI as well as payments being received. 6 of the missed cases were amalgamations. 7 of the 9 cases were missed by 15 days and under.
Transfers Out - Quote	L	100%	20	85%	3	13	77%	3	20	60%	8	
Transfers Out - Payments	L	100%	3	67%	1	15	73%	4	4	100%	0	
Employer estimates provided	M	100%	3	100%	0	1	100%	0	10	100%	0	
Employee projections provided	L	100%	6	83%	1	4	50%	2	6	67%	2	
Refunds	L	100%	29	97%	1	16	0%	16	11	91%	1	
Deferred benefit notifications	L	100%	18	67%	6	11	73%	3	16	81%	3	
Complaints received- Admin												
Complaints received- Regulatory												
Compliments received												
Queries Handled by Helpdesk			375 (FPF = 93%)			316 (FPF = 95%)			388 (FPF = 79%)			

## **ONGOING PROJECTS**

### **Annual Address and Mortality Tracing**

This exercise is being carried out by ITM under the supervision of Surrey CC. At the Committee of January 2021 officers reported that the annual address tracing project was due to be completed in March 2021. This exercise has now been completed and a report submitted by ITM outlining the results and making recommendations for the next steps.

A total of 3,521 records were included in the UK address tracing process. Of this amount, confirmed matches were found for 2,836 records (80.5%). There are a further 685 records for which no address was found or the address found could not be linked to the previous address. ITM have recommended that a full tracing exercise should be done on these records and for those confirmed the administration system should be updated with the results.

The mortality screening exercise revealed that 66 of the cases were deceased and that there was uncertainty around 53 of the cases. A more in-depth investigation was recommended to ascertain the status of the 53.

The deadline for a decision on these cases was 19 March 2021. An update will be given at March 2021 Committee.

### **GMP Reconciliation**

This exercise is being carried out by Mercer under the supervision of Surrey CC. At the last Committee it was reported that the final data cut had been received from HMRC and they were in the process of carrying out the final analysis to be completed in the first quarter of 2021.

The final analysis has been done and cases having GMP liability in the fund have been identified along with the proposed approach to rectification. The deadline for Hillingdon to confirm the approach to rectification was 19 March 2021. An update will be given at March 2021 Committee.

Surrey have indicated that the timetable for the rectification to take place will be in quarter 2 of this calendar year and that it would require the purchase of a bespoke module from Heywoods to do the recalculations and upload the corrected data. This is also being considered in light of the pending data movements linked to the transfer.

### **Exit payments (£95k cap)**

In February 2021 the government announced that the restriction of public sector exit payments (£95k cap), that came into force on 4 November 2020 was disapplied retrospectively to the implementation date. The implications are that any exit payments that had been made under this regulation would need to be rectified.

The administration providers Surrey CC have confirmed that they have contacted employers and also looked at the system to check whether any reduced payments had been made. Guidance has been produced by HM treasury for employers informing them that any reduced benefits paid out should be rectified to what it would have been had the exit cap not been applied.

### **McCloud Remedy**

At the Pensions Committee of January 2021, Members were informed that the administrators Surrey CC were contemplating to carry out the analysis themselves or whether to use a third party to do the work.

In the initial phase employers will be asked to submit member data covering the relevant period. The Scheme Advisory Board has produced a data collection template for this exercise.

Surrey have undertaken to provide a full outline of their approach to implementing the McCloud remedy but have indicated that it was unlikely that the whole process would be completed ahead of the transfer to Hampshire as the deadline for employers to return the data capture templates was likely to be in October 2021. Officers will be having further discussions with Surrey and Hampshire once the full programme is known to ensure that this is appropriately integrated into the transfer programme.

### **Governance - Pension Board Update**

At the Pension Board meeting held on the 17<sup>th</sup> February 2021 it was agreed that the term of the Chair should be amended from a rolling new Chair at each quarterly meeting to an annual appointment. This was to allow greater stability and management of the Board's activities. Roger Hackett was elected as Chair to serve for a one-year term. The Pension Board terms of reference was also discussed and it was agreed they would be amended to provide better clarity in key areas and reference to SAB guidance.

### **FINANCIAL IMPLICATIONS**

Financial implications have been included in the body of the report

### **LEGAL IMPLICATIONS**

The legal implications are in the body of the report.