

## ADMINISTRATION REPORT

Committee

Pensions Committee

Officer Reporting

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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.

### RECOMMENDATIONS

**That the Pensions Committee note the contents of the report.**

### SURREY ADMINISTRATION UPDATE

#### Member Self Service Registration

The figures in this report are as at April 2021. Since the last report as at February 2021, 318 additional members have signed up for self-service bringing the total number to 7907 from 7589. 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.

Membership Category	Total membership numbers	Registered for online self service	% uptake
Active	9,609	4,137	43%
Deferred	11,129	2,338	21%
Pensioners	7,202	1,432	20%
<b>Total</b>	<b>27,940</b>	<b>7,907</b>	<b>28%</b>

## 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 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	Jan-21			Feb-21			Mar-21			Apr-21			Notes
			Volume	Score	Missed	Volume	Score	Missed	Volume	Score	Missed	Volume	Score	Missed	
Death notification acknowledged, recorded and documentation sent	M	100%	45	98%	1	39	62%	15	23	100%	0	19	100%	0	
Payment of death grant made	H	100%	4	50%	2	1	100%	0	4	50%	2	5	20%	4	The average day for the 4 cases that missed the SLA target was 29 days in April. As mentioned below in the calculation of spouse's benefits, the increased demand of death notifications during December to March 2021 has impacted performance.
Retirement notification acknowledged, recorded and documentation sent	M	100%	29	66%	10	29	48%	15	92	59%	38	42	60%	17	
Retirement - Payment of lump sum made & pension set up	H	100%	27	63%	10	29	52%	14	40	73%	11	56	91%	5	Performance has improved during the last 3 months. The 5 cases that missed the target had an average of 15 days completion rate.
Calculation of spouses benefits	M	100%	5	100%	0	3	33%	2	9	33%	6	9	0%	9	The number of death notifications have increased from November 2020 (19) and the number doubled in Feb 2021 (39) something that has been seen across the funds the team administer. This has caused an increase in demand at assessing eligibility for payment of death grant and/or survivors pension and then taking eligible cases through to payment. An additional member of staff has been seconded to the team to support with the increase in resource. The average no of days to complete the 9 cases in April was 20 days.
Transfers In - Quotes	L	100%	12	25%	9	12	50%	6	16	81%	3	35	46%	19	
Transfers In - Payments	L	100%	22	59%	9	13	77%	3	17	35%	11	31	45%	17	
Transfers Out - Quote	L	100%	20	60%	8	21	71%	6	26	54%	12	25	92%	2	
Transfers Out - Payments	L	100%	4	100%	0	12	67%	4	18	56%	8	20	80%	4	
Employer estimates provided	M	100%	10	100%	0	14	64%	5	11	45%	6	10	80%	2	
Employee projections provided	L	100%	6	67%	2	2	100%	0	11	73%	3	6	100%	0	
Refunds	L	100%	11	91%	1	13	100%	0	54	100%	0	33	100%	0	
Deferred benefit notifications	L	100%	16	81%	3	16	69%	5	12	58%	5	29	31%	20	
Average SLA score			211	74%	55	204	63%	75	333	68%	105	320	69%	99	
Complaints received- Admin						0	N/A		2	100%	2	1	100%	0	
Complaints received- Regulatory						0									
Compliments received						0									
Queries Handled by Helpdesk							448 (FPF = 79%)			690 (FPF = 89%)			591 (FPF = 92%)		

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## ONGOING PROJECTS UPDATE

### Annual Address and Mortality Tracing

The initial results of the electronic address tracing exercise were reported to the Committee in March 2021. At the time of reporting the Committee was informed that of the 3,521 records that were reviewed there were 685 for which no address had been found and that the recommendation was for these records to be put through the full address tracing process.

This process has been completed and the table below shows the results of the initial trace that was reported at the last Committee and also the results of the 685 records that were put through the full tracing process resulting in 542 positive address traces

	<b>Total Records</b>	<b>Positive result</b>	<b>%</b>	<b>Unresolved</b>
Initial Electronic Address trace	3,521	2,836	80.55%	685
C/F to Full Address trace	685	542	79.12%	143

### Summary Results

The summary results show that of the 3,521 records that were submitted for the annual address tracing exercise, 3378 resulted in an address being found for the member. This represents a 96% positive outcome. The administration system will be updated with the results.

	<b>Total Records</b>	<b>Positive result</b>	<b>%</b>	<b>Unresolved</b>
<b>Summary of results</b>	<b>3521</b>	<b>3378</b>	<b>95.94%</b>	<b>143</b>

### GMP Reconciliation

At the Committee in March, officers reported that the final analysis had been done and cases having GMP liability in the fund had been identified along with the proposed approach to rectification. Officers also reported that the timing of the rectification for those entitled would likely be around July/August 2021 which coincides with the final data cut for the transfer of administration services. In addition in order to upload the rectified records, a bespoke licence needed to be acquired from Heywood.

The timings have been discussed jointly at the bi-weekly transfer meetings with SCC and HCC and given those timings, all parties agree that the core practical solution is for Mercer to complete the analysis, and the results handed to HCC for implementation after the transfer.

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The analysis and rectification report will be completed by Mercer under the existing supervision of SCC and the results be passed to HCC for upload after the transfer.

### **McCloud Remedy**

At the Committee in March it was reported that SCC would provide an outline of their approach to implementing the McCloud remedy and that an assessment would be made to determine whether the process would be completed ahead of the transfer to HCC.

The timings have been discussed jointly at the bi-weekly transfer meetings with SCC and HCC and the conclusion was that the timing of the transfer of administration services would not be sufficient for data to be collected from employers and analysed in time for the outcome to be implemented. It was therefore suggested that the McCloud remedy be implemented by HCC after the transfer. To expedite the process, it was agreed that Hillingdon would send out HCC's data collection template to employers ahead of the transfer so that the data would be ready shortly thereafter. The implementation of the McCloud remedy will be postponed until the transfer to HCC is complete..

### **Pensions Board Terms of Reference**

In April 2021 the Pensions Board agreed to a proposed change in their terms of reference to include the addition of a new delegation allowing the Board to adopt a separate code of practice within the parameters of the existing Terms of Reference.

*'The Board may agree a more detailed code of practice within the parameters of these Terms of Reference, as to how it operates to comply with SAB and other relevant guidelines'.*

Other minor changes were also included to ensure consistency and prescribe duration of office. This request has been passed to Democratic Services to seek formal approval at the July full Council meeting.

### **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.