

Monthly administration report

AUGUST 2022



Working in partnership with



West Sussex
Fire & Rescue Service

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1. Summary

- 1.1. The purpose of this report is to update the London Borough of Hillingdon with the current position of their local government pension scheme membership; performance against service level agreements and to provide other important and current information about the administration of the London Borough of Hillingdon Local Government Pension Fund.

2. Background

- 2.1. Hampshire Pension Services administer the Local Government Pension Scheme (LGPS) on behalf of the London Borough of Hillingdon (LBH) with effect from 27 September 2021.
- 2.2. Hampshire Pension Services also administer the LGPS for Hampshire County Council, West Sussex County Council and Westminster City Council; the Fire Pension Schemes for both West Sussex and Hampshire, and the Police Pension Schemes for Hampshire.

3. Membership

- 3.1. The table below details the number of members against status for each of the Local Government pension schemes and is correct as of the date this report was prepared. To support the monitoring of change in membership numbers, the table now compares the membership detailed in the OBC with the current month to show the total growth in membership since the start of the partnership.

	Active	Deferred*	Pensioner	Preserved Refunds**	Total
OBC	9,020	11,400	7,036	-	27,456
August-22	12,370	8,460	7,789	1,023	29,642
Growth	37.13%	-25.78%	10.70%	-	7.96%

*Leavers which are waiting to be processed are included in the active membership. However, the OBC deferred figure included both 2,045 leavers waiting to be processed and 1,256 preserved refunds.

**The preserved refund members are included for completeness but are not counted for the purposes of reporting membership to the Pensions Regulator and DLUHC (previously MHCLG).

4. Administration performance

- 4.1. Hampshire Pension Services' performance against agreed service level agreements for key processes are monitored monthly. They are calculated based on the number of working days taken to complete the process and are adjusted for time that we are unable to proceed, due to requiring input from the member or third party.
- 4.2. The table below shows performance from 1st August to 31st August 2022; the performance target for all cases is 15 days (except Deferred Benefits which is 30 days, and Rejoiners which is 20 days).

Time to Complete

Type of Case	0-5 days	6-10 days	11-15 days	16-20 days	21-30 days	31-40 days	Total	% completed on time	Average days to complete process	Total Cases (previous month)	% completed on time (previous month)
Active Retirement	5	0	5	0	0	0	10	100.00%	8	9	100.00%
Deferred Retirement	7	5	14	0	0	0	26	100.00%	10	20	100.00%
Estimates	5	7	15	0	0	0	27	100.00%	10	53	100.00%
Deferred Benefits	4	2	5	13	95	0	119	100.00%	24	110	100.00%
Transfers In & Out	1	4	1	0	0	0	6	100.00%	8	1	100.00%
Divorce	0	0	2	0	0	0	2	100.00%	13	1	100.00%
Refunds	2	8	0	0	0	0	10	100.00%	8	19	100.00%
Rejoiners	1	0	0	3	0	0	4	100.00%	16	9	100.00%
Interfunds	1	23	17	0	0	0	41	100.00%	10	24	100.00%
Death Benefits	11	3	5	0	0	0	19	100.00%	6	19	100.00%
GRAND TOTAL	37	52	64	16	95	0	264	100.00%		265	100.00%

- 4.3. The table below shows outstanding work as of 31st August 2022. The time outstanding reflects the time from date of receipt of the initiating request, and includes time whilst cases are on hold pending further information.
- 4.4. Those cases which currently exceed the agreed service level agreement are on hold waiting for information from the member, their employer or another party and the time taken to process will be adjusted once the work has been completed.
- 4.5. These cases do not include the inherited outstanding leavers which are discussed in section 6 below.

Time Outstanding

Type of Case	0-5 days	6-10 days	11-15 days	16-20 days	21-30 days	31+ days	Total	Total Outstanding (previous month)
Active Retirement	2	6	1	0	0	0	9	5
Deferred Retirement	1	6	4	0	0	0	11	10
Estimates*	53	43	27	4	5	0	132	159
Deferred Benefits	58	25	28	42	99	0	252	307
Transfers In & Out	0	0	0	0	0	0	0	4
Divorce	3	0	1	0	0	0	4	2
Refunds	2	3	0	0	0	0	5	5
Rejoiners	4	6	15	6	2	0	33	31
Interfunds	6	16	4	1	0	0	27	20
Death Benefits	1	5	3	1	4	0	14	20
GRAND TOTAL	130	110	83	54	110	0	487	563

*Estimates include all 'quote' calculations for retirement, transfers, divorce, and refunds.

5. Unprocessed historic casework

- 5.1. At the point of onboarding, there were 3,840 unprocessed leavers – the date of leaving for these members was prior to 1st September 2021.
- 5.2. As of 1st August 2022, the outstanding leavers has been reduced to 3,377.
- 5.3. During August we sent a further 116 leaver form requests to a number of scheme employers in the course of working through the outstanding cases; with 779 leaver forms being requested in total.
- 5.4. The top 5 employers with outstanding leavers are as follows:

Employer	Number of leavers outstanding
London Borough Of Hillingdon	641
Hedgewood School	197
Uxbridge Harrow College (HCUC)	126
Qed - Queensmead Academy	70
Eden Academy - Grangewood	67

6. Call and email volumes

6.1. The table below sets out the call statistics for Hillingdon for the month of August 2022:

Calls Received	167
Calls Answered	166
Calls Answered Percentage	99.40%
Calls Abandoned	1
Abandoned Percentage	0.60%
Average Wait Time	50 seconds
Calls Answered Within 5 Minutes	163
Percentage Of Calls Answered Within 5 Minutes	97.60%

- 6.2. Abandoned calls are caused by the member ending the call before we can answer, and in some cases, this can be because they have heard one of our automatic messages asking them to visit our website or Portal.
- 6.3. The total number of calls received were 3,401 and the statistics above are included in this number.
- 6.4. Our Pension Customer Support Team (PCST) record the number of emails received into our main Pension Services inbox. The table below shows the combined (Hampshire, West Sussex, Westminster, and Hillingdon) volumes, for August 2022.

Month	Total Emails Received	Response from PCST	Forms and Emails Forwarded to another team*
August	4,992	3,914	1,078
July	6,052	5,044	1,008

6.5. Of the emails responded to by PCST, 145 of these were for Hillingdon members.

7. Online services

Member Portal

7.1. Active, Deferred and Pensioner members of the LBH LGPS have the ability to register for our Member Portal and update their personal details, death grant nominations, and bank details; securely view annual benefit statements, payslips and P60s; run online voluntary retirement estimates; and complete their membership option and retirement declaration forms online.

7.2. The table below shows the total number of current registrations for each status as of 31st August 2022.

Status	Registrations to date	% of total membership	Registrations to 31/07/2022	% of total membership
Active	3,592	29.03%	3,539	28.04%
Deferred	1,844	21.80%	1,766	21.21%
Pensioner	1,802	23.14%	1,719	22.14%
TOTAL	7,238	25.29%	7,024	24.47%

7.3. The table below is the last position of member portal stats from Surrey County Council.

Status	Registrations to date	% of total membership
Active	4,201	36.06%
Deferred	2,638	32.63%
Pensioner	1,616	21.32%
TOTAL	8,455	30.95%

7.4. We have implemented a new reporting tool which allows us to monitor the number of people who log into the Member Portal. The table below sets out the current month and previous month for comparison.

Month	Active	Deferred	Pensioner
July 2022	642	897	348
August 2022	661	343	372

7.5. The table below shows the number of opt outs of the Member Portal for each membership status. Comparing the number of registrations and opt outs to the total membership allows us to identify the number of members who have not engaged via either route.

Engagement	Active	Deferred	Pensioner	Total
Portal	3,592	1,844	1,802	7,238
Opt out	9	14	413	436
No contact	8,769	6,602	5,574	21,968
Total	12,370	8,460	7,789	29,642

Employer Hub

7.6. All LBH employers are signed up to the Employer Hub, and 231 individual users have access.

8. McCloud

- 8.1. We have received 91 of 124 completed service/break data sets from LBH employers; initial data checks have been completed on all of the data sets received. This represents 56.20% of the membership population who are likely to require McCloud remedy.
- 8.2. There are 33 employers yet to provide data, and the team is working with LBH and the employers to get the returns back.
- 8.3. We have received 87 of 138 completed service break/data sets from LBH employers; for the period 1st April 2021 – 31st March 2022. This represents 53.65% of the membership who are likely to require McCloud remedy.
- 8.4. The McCloud service and service break data uploader has been signed off and installed to UPM Live; data uploads have continued for smaller employers.
- 8.5. Project boards and technical working groups have been set up with our software supplier, Civica, and include all of their public sector client base as well as representatives of the LGA – discussions are ongoing regarding the implementation of remedy, and the process is being well documented.

9. 2022 End of Year timetable

- 9.1. We have agreed the timeline for the 2022 year end and the production of benefit statements. The table below details the key milestones for each step of the year end process.

Completed By	Task
05/10/2022	Pensions Savings Statements sent – will be produced by employer as ABS have been completed
31/10/2022	E-comms sent to members with benefit statement available on Member Portal

- 9.2. **Annual Returns** – all returns have been received from employers and we are currently working through the outstanding queries; and missing starter and leaver forms. Detailed updates are provided to the fund authority on a regular basis.
- 9.3. **Supplementary Pensions Increase** - all members entitled to supplementary pensions increase payments, have been contacted and paid the amount due to them.
- 9.4. **Deferred Benefit Statements** – The production of deferred benefit statements has been ongoing throughout August, and the final position as of the statutory deadline, 31st August 2022 is as follows.

Total Number of Statements Required	Total Number of Statements Produced	Total Number of Statements Missing	Percentage of Statements Produced
7,815	7,815	0	100%

9.5. All statements have been published on our Member Portal – those who have opted out of our online service, have received paper copies – and emails have been sent to those who we hold an email address for.

9.6. **Active Benefit Statements** - The production of active benefit statements has been ongoing throughout August, and the final position as of the statutory deadline, 31st August 2022 is as follows.

Total Number of Statements Required	Total Number of Statements Produced	Total Number of Statements Missing	Percentage of Statements Produced
12,793	12,517	276	97.84%

9.7. A high level summary of the reason we have been unable to produce a statement is below, and we will continue to work on those records which we are able to. Otherwise, we require additional information from the employer for the majority of cases.

Reason for missing statement	Number of members
Missing earnings/outstanding query with employer	270
Outstanding TUPE transfer	4
Further investigation required – potential data issue	2

9.1. **Pensions Savings Statements** – members who have exceeded their annual allowance this year have been identified and additional pay figures requested from employers. The current position is as follows.

	Number of members
Pensions Savings Statement sent	1
Pension Input calculation completed; statement not required	1
Pension Input calculation in progress	0
Pay figures outstanding (with employer)	32

10. Pensions Dashboard Programme (PDP)

- 10.1. On 30th August we responded to the standards consultation – we chose to focus our review on the areas which we felt were relevant to pension administrators, namely the Data Standards and Reporting Standards. We have not objected to any of the proposals made, particularly as there is now acknowledgement of the McCloud remedy and the requirement to provide two sets of benefits.
- 10.2. We have started thinking about data readiness and have been identifying groups of members which are likely to generate queries as a result of them using a Pensions Dashboard. An example are members who we currently hold a temporary National Insurance number for, as these will not be accepted by the PDP.
- 10.3. We are currently waiting for further information from Civica regarding their Integrated Service Provider (ISP) offering, before a full PDP report can be shared with Partners – referenced in last months' report.

11. 2022 Software Development

- 11.1. Installation and thorough 'live' testing of the online identification and verification (ID&V) module has been completed.
- 11.2. The week commencing 5th September, we will be writing to all of our overseas Fire pensioners and asking them to complete the online 'Proof of Life' process. The alternative paper-based process will still be an option if necessary.
- 11.3. We will be making this group aware that they are piloting our new software, and asking for their feedback, in the hope we can resolve any unidentified issues before we then write to all overseas pensioners for our Local Government and Police pension schemes (as these are much larger groups).
- 11.4. The work to implement Civica's Aggregation solution is currently on hold; testing has highlighted various issues which are now with Civica to resolve before testing can resume. This will delay the current project timeline.

12. Target address tracing project

- 12.1. We have submitted two tracing requests to Target, these included preserved refunds and deferred members who were confirmed as being 'lost contacts'.

12.2. The below table explains the position of the preserved refund trace:

Originally Submitted	Living As Stated	New Address	No Response	Negative	Deceased
667	518	59	60	27	3

12.3. In August we received 3 positive results of new addresses for members submitted as preserved refunds, and this has been updated in the above figures.

12.4. The below table explains the position of the deferred lost contact trace:

Originally Submitted	Living As Stated	New Address	No Response	Negative	Deceased
421	78	133	46	146	18

12.5. In August, we received 7 positive results of new addresses for members submitted as deferred lost contacts, and this has been updated in the above figures.

12.6. All results received back so far have been updated in UPM, and any results for members with negative responses or no responses will be updated as and when they come through.

13. Audit

13.1. The Annual Internal Audit Report and opinion for 2021/2022 has been recorded by SIAP as 'substantial' and they confirmed;

- I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of the internal control environment.
- In my opinion frameworks of governance, risk management and management control are substantial and audit testing has demonstrated controls to be working in practice.
- Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

13.2. The position of our 2022/23 pension audits are as follows:

Audit Area	Timing
<p>Pension Transfers:</p> <p>To provide assurance over the processes and controls to support the accuracy and timeliness of transfers in and out of the schemes managed by HPS.</p>	<p>Completed – ‘substantial’ rating confirmed.</p>
<p>Member Deaths:</p> <p>To provide assurance that systems and processes ensure that any payments related to deceased members are calculated correctly and paid promptly to the correct recipient, with the risk of overpayments minimised.</p>	<p>Scoping session complete – in testing phase.</p>
<p>UPM - Cyber Security:</p> <p><i>(This has been identified as a new audit review area)</i></p> <p>To provide assurance over the Cyber Security arrangements for the UPM application</p>	<p>Due to start in Quarter 3 / 4</p>
<p>Pensions Payroll and Benefit Calculations:</p> <p>Annual review to provide assurance that systems and controls ensure that:-</p> <ul style="list-style-type: none"> • Lump sum and on-going pension payments are calculated correctly, are valid and paid to the correct recipients; • All changes to on-going pensions are accurate and timely; • Pension payroll runs are accurate, complete, timely and secure with all appropriate deductions made and paid over to the relevant bodies. 	<p>Due to start in Quarter 3 / 4</p>

14. Scheme legislation updates

14.1. Legislation updates that have been received during August 2022 for the Local Government Pension Scheme, are detailed in Appendix 1, including any actions that Hampshire Pension Services have taken.

15. Employer and Member Communications

15.1. **Employer communications** – In August, we issued a stop press to inform employers that the Annual benefit statements for 2022 are now available on the member portal.

- 15.2. **Member communications** – In August, we issued a communication to inform active members of the scheme that their Annual benefit statement for 2022 is available on the member portal.

16. Quality Assurance

- 16.1. **Data Protection Breaches** – We have not identified any data protection breaches in August 2022.
- 16.2. **Data Subject Access Requests (DSAR)** – we have noticed an increase in these across all schemes but for Hillingdon in particular we have not received any requests in August. We are continuing to monitor this due to concerns that these requests may become a complaint or claim against the pension fund regarding previous transfers out.

17. Compliments and Complaints

- 17.1. We did not receive any complaints in August 2022.
- 17.2. We did not receive any compliments from members of the LBH LGPS in August.

