

# Monthly administration report

FEBRUARY 2023



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
<b>OBC</b>	9,020	11,400	7,036	-	27,456
<b>February 2023</b>	12,709	8,903	7,888	1,087	<b>30,587</b>
<b>Growth</b>	<b>40.89%</b>	<b>-21.90%</b>	<b>12.10%</b>	-	<b>11.40%</b>

\*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 1<sup>st</sup> February to 28<sup>th</sup> February 2023; 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	7	1	0	0	0	0	8	100.00%	3	6	100.00%
Deferred Retirement	11	9	18	0	0	0	38	100.00%	9	24	100.00%
Estimates	6	18	14	0	0	0	38	100.00%	9	31	100.00%
Deferred Benefits	4	1	2	0	49	0	56	100.00%	24	69	100.00%
Transfers In & Out	0	0	1	0	0	0	1	100.00%	12	1	100.00%
Divorce	0	7	0	0	0	0	7	100.00%	9	1	100.00%
Refunds	4	8	0	0	0	0	12	100.00%	6	18	100.00%
Rejoiners	2	0	0	9	0	0	11	100.00%	15	11	100.00%
Interfunds	11	7	12	0	0	0	30	100.00%	7	24	100.00%
Death Benefits	14	2	5	0	0	0	21	100.00%	5	18	100.00%
<b>GRAND TOTAL</b>	<b>59</b>	<b>53</b>	<b>52</b>	<b>9</b>	<b>49</b>	<b>0</b>	<b>222</b>	<b>100.00%</b>		<b>203</b>	<b>100.00%</b>

- 4.3. The table below shows outstanding work as of 28<sup>th</sup> February 2023. 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	4	0	0	1	0	0	5	3
Deferred Retirement	5	1	3	2	0	0	11	19
Estimates*	91	38	32	7	4	0	172	118
Deferred Benefits	116	1	41	18	30	0	206	88
Transfers In & Out	2	0	0	0	0	0	2	1
Divorce	4	2	0	0	0	0	6	11
Refunds	2	3	2	0	0	0	7	1
Rejoiners	13	6	3	1	0	0	23	21
Interfunds	5	11	9	0	1	0	26	26
Death Benefits	4	1	6	0	8	0	19	24
<b>GRAND TOTAL</b>	<b>246</b>	<b>63</b>	<b>96</b>	<b>29</b>	<b>43</b>	<b>0</b>	<b>477</b>	<b>312</b>

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

- 4.6. As explained in last months' report we have been waiting for the April 2023 CARE revaluation and pensions increase rates to be confirmed formally. The ministerial statement was issued on 20<sup>th</sup> February, and the factors in UPM were updated as of 3<sup>rd</sup> March. This work has been separated from the other work in progress above - there **were 6 retirements** on hold on 3<sup>rd</sup> March – and Member Services are now working through these cases in retirement date order, to ensure members receive their lump sum and pension payments when they expected to.

## 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 1<sup>st</sup> September 2021.
- 5.2. As of 1<sup>st</sup> February 2023, the unprocessed leavers position is as follows.

Unprocessed Leavers transferred from Surrey, at point of onboarding.	3,840
Additional unprocessed leavers identified since onboarding	318
<b>Total unprocessed leavers</b>	<b>4,158</b>

Leavers processed and records finalised by HPS	948
<b>Outstanding leavers to be processed</b>	<b>3,210</b>

5.3. The top 5 employers with outstanding leavers are as follows:

Employer	Number of leavers outstanding
London Borough Of Hillingdon	581
Hedgewood School	188
Uxbridge Harrow College (HCUC)	109
Qed - Queensmead Academy	70
Eden Academy - Grangewood	69

## 6. Call and email volumes

6.1. The table below sets out the call statistics for Hillingdon for the month of February 2023:

<b>Calls Received</b>	182
<b>Calls Answered</b>	178
<b>Calls Answered Percentage</b>	97.80%
<b>Calls Abandoned</b>	4
<b>Abandoned Percentage</b>	2.19%
<b>Average Wait Time</b>	1 minute & 35 seconds
<b>Calls Answered Within 5 Minutes</b>	164
<b>Percentage Of Calls Answered Within 5 Minutes</b>	92.13%

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 the current and previous month.

Month	Total Emails Received	Response from PCST	Forms and Emails Forwarded to another team*
February	5,050	4,124	926
January	6,251	5,016	1,235

6.5. Of the emails responded to by PCST, 206 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 28<sup>th</sup> February 2023.

Status	Registrations to date	% of total membership	Registrations to 31/01/2023	% of total membership
Active	4,287	33.73%	4,194	32.98%
Deferred	2,524	28.35%	2,291	25.79%
Pensioner	2,670	33.85%	2,577	32.79%
<b>TOTAL</b>	<b>9,481</b>	<b>32.14%</b>	<b>9,062</b>	<b>30.76%</b>

7.3. The table below is the last position of member portal stats from Surrey County Council – **the current registrations have now exceeded this position.**

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

- 7.4. The table below sets out the number of Member Portal log ins, for the current month and previous month for comparison.

<b>Month</b>	<b>Active</b>	<b>Deferred</b>	<b>Pensioner</b>
January 2023	666	488	591
February 2023	649	623	392

- 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.

<b>Engagement</b>	<b>Active</b>	<b>Deferred</b>	<b>Pensioner</b>	<b>Total</b>
<b>Portal</b>	4,287	2,524	2,670	<b>9,481</b>
<b>Opt out</b>	45	111	1,741	<b>1,897</b>
<b>No contact</b>	8,377	6,268	3,477	<b>19,119</b>
<b>Total</b>	<b>12,709</b>	<b>8,903</b>	<b>7,888</b>	<b>30,587</b>

### **Employer Hub**

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

### **Cyber Security**

- 7.7. As a result of Civica’s testing last month, they have found issues with the update we have been waiting for, to address previously identified security vulnerabilities. The issues they identified would have prevented members from registering for the Portal and therefore we cannot accept the delivery before Civica have fixed and retested the update.
- 7.8. We are receiving regular updates from Civica, and the fixes they have applied are currently being retested by their QA team. As soon as testing proves there are no longer any issues, we will arrange the delivery – we hope to be able to do so in April, based on the current position.
- 7.9. As the security penetration testing has been postponed since January, while we have been waiting for this update, we have decided to proceed with the security testing as we cannot justify any further delay; and have asked our IT department to arrange this with our external testing company, to start as soon as possible.



- 7.10. Once the update has been delivered, we will ask that the penetration testing is carried out again, to prove that the previous vulnerabilities have been addressed.

## 8. 2023 End of Year timetable

- 8.1. We have agreed the timeline for the 2023-year end, including the production of benefit statements. The table below details the key milestones for each step of the year end process.

Completed By	Task
31/03/2023	Annual Return requests and templates sent to Employers.
13/04/2023	2023 Pensions Increase to be applied to all <b>arrears</b> pensions in payment.
Feb/March	Online employer annual return workshops
30/04/2023	Annual return deadline for Employers
15/05/2023	2023 Pensions increase applied to all deferred benefit members.
30/06/2023	Employer Services to complete upload of Annual Returns (AR); assuming all data received from, and queries answered by employers.
30/06/2023	CARE pension revaluation for Active members (to be run per employer, subsequent to AR upload)
15/07/2023	Valuation extracts produced and uploaded to Hyman's portal.
31/07/2023	Deferred Benefit Statements (DBS) to be produced.
31/08/2023	Supplementary Pensions Increase calculated and paid.
31/08/2023	Active Benefit Statements (ABS) to be produced.
05/10/2023	Latest date Pensions Savings Statements sent – will be produced by employer as ABS have been completed.
31/10/2023	Life Certificates issued to Overseas Pensioners.
31/10/2023	Latest date e-comms sent to members with benefit statement available on Member Portal.

- 8.2. **Pensions increase** – this is in progress for pensioner members and on schedule to be completed in time for April's payroll. Once this has been completed for pensioner members, we will then move on to applying the increase to deferred members.

## 9. McCloud

9.1. The current position of McCloud service/break data sets is as follows:

Number of employers submitted data	98
Number of returns expected	124
Proportion received	79.03%
Number of returns missing	26
Lines of data submitted	14,343
Number of Employers initial checks complete on	92
Proportion of employers initial checks completed on	74.19%
Number of Employers outstanding queries from initial checks	46

9.2. In Appendix 1 we have set out a breakdown of the data returns, by employer, and the current position of each return. This will be updated each month going forward.

## 10. Pensions Dashboard Programme (PDP)

10.1. We submitted our response to TPR's Compliance and Enforcement policy on 14<sup>th</sup> February and shared a summary of our response with Partners on 15<sup>th</sup> February.

10.2. On 2<sup>nd</sup> March, the Department for Work & Pensions (DWP) confirmed a delay to pensions dashboards connection deadlines – the full statement can be found here.

<https://questions-statements.parliament.uk/written-statements/detail/2023-03-02/hcws594>

10.3. The Government's intention is to legislate to amend schemes' connection deadlines, to give the PDP the time it needs to meet the challenges in developing the necessary digital architecture.

10.4. We continue to work through the procurement and legal requirements of the contract change notice for the Integrated Service Provider (ISP) software.

## 11. 2023/2024 Software Development

- 11.1. As explained in last months' report, the development plan for 2023/24 will focus on enhancing the functionality and experience of using our Employer Hub and Member Portal.
- 11.2. We expect the updated Employer Hub forms (Joiner, Leaver etc.) to be available for use by the end of March 2023 and employers will be notified of the changes they should expect to see.
- 11.3. We have also started preparing for the implementation of SMS One Time Codes, which will utilise the arrangement we already have in place with Gov.Notify – any bulk email communications we send are issued using this service, and they also offer SMS messaging.

## 12. Audit

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

Audit Area	Timing
<p><b>Pension Transfers:</b></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><b>Member Deaths:</b></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>Close of audit meeting took place on 2nd February and we are awaiting the draft response.</p>
<p><b>UPM - Cyber Security:</b></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>Scoping session complete and internal audit are currently undertaking testing.</p>
<p><b>Pensions Payroll and Benefit Calculations:</b></p> <p>Annual review to provide assurance that systems and controls ensure that:-</p> <ul style="list-style-type: none"> <li>• Lump sum and on-going pension payments are calculated correctly, are valid and paid to the correct recipients;</li> <li>• All changes to on-going pensions are accurate and timely;</li> <li>• Pension payroll runs are accurate, complete, timely and secure with all appropriate deductions made and paid over to the relevant bodies.</li> </ul>	<p>Scoping session complete and internal audit are currently undertaking testing and reviewing governance framework.</p>

## 13. Scheme legislation updates

- 13.1. Legislation updates that have been received during February 2023 for the Local Government Pension Scheme, are detailed in Appendix 2, including any actions that Hampshire Pension Services have taken.

## 14. Employer and Member Communications

- 14.1. **Employer communications** – There were no employer communications issued in February.
- 14.2. **Member communications** – There was one member communication published on our website in February. The communication was in relation to making members aware of pension transfer scams.

## 15. Quality Assurance

- 15.1. **Data Protection Breaches** – We have not identified any data protection breaches in February 2023.

## 16. Compliments and Complaints

- 16.1. We have not received any complaints in February from any members of the LBH LGPS.
- 16.2. We received one compliment in February from a member of the LBH LGPS, further detail can be found in Appendix 3.

