

Monthly administration report

April 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
OBC	9,020	11,400	7,036	-	27,456
April 2023	12,040	9,388	7,932	1,200	30,560
Growth	33.48%	-17.64%	12.73%	-	11.30%

*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 April to 30th April 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	9	0	0	0	0	0	9	100.00%	3	9	100.00%
Deferred Retirement	12	7	8	0	0	0	27	100.00%	7	48	100.00%
Estimates	6	14	27	0	0	0	47	100.00%	11	123	100.00%
Deferred Benefits	3	0	0	2	365	0	370	100.00%	27	83	100.00%
Transfers In & Out	0	2	0	0	0	0	2	100.00%	9	0	100.00%
Divorce	0	0	0	0	0	0	0	100.00%		2	100.00%
Refunds	0	2	20	0	0	0	22	100.00%	12	10	100.00%
Rejoiners	1	3	12	11	0	0	27	100.00%	14	20	100.00%
Interfunds	13	6	2	0	0	0	21	100.00%	5	29	100.00%
Death Benefits	5	2	5	0	0	0	12	100.00%	8	7	100.00%
GRAND TOTAL	49	36	74	13	365	0	537	100.00%		331	100.00%

- 4.3. The table below shows outstanding work as of 30th April 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.

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	1	1	0	0	0	0	2	2
Deferred Retirement	1	5	3	0	0	0	9	9
Estimates*	55	37	20	5	2	0	119	34
Deferred Benefits	10	65	143	165	116	0	449	499
Transfers In & Out	0	1	0	0	0	0	1	1
Divorce	4	1	0	0	0	0	5	5
Refunds	8	6	0	0	0	0	14	14
Rejoiners	21	9	17	5	0	0	52	52
Interfunds	5	9	4	0	0	0	18	18
Death Benefits	2	2	7	2	1	0	14	14
GRAND TOTAL	107	136	194	177	119	0	733	648

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

- 4.5. On 30th March 2023 the LGA confirmed that the SCAPE discount rate had been adjusted to take into account the long term expected GPD growth figures. As the SCAPE discount rate impacts the factors used in transfers in and out calculations, we have been instructed to pause processing these cases. As it stands there are 24 calculations on hold – all affected members have been notified of the delay. We are expecting to receive revised factors in May at which point we will arrange for UPM to be updated.

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 May 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
Total unprocessed leavers	4,158

Leavers processed and records finalised by HPS	1,203
Outstanding leavers to be processed	2,955

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

Employer	Number of leavers outstanding
London Borough Of Hillingdon	479
Hedgewood School	183
Uxbridge Harrow College (HCUC)	97
Qed - Queensmead Academy	69
Eden Academy - Grangewood	64

- 5.4. As discussed in your annual review, as of 1st May 2023, the team that process the historic leaver cases will spend 100% of their time working on Hillingdon unprocessed historic casework therefore we will be charging the full cost of the team which for 2023/2024 is £9,250 per month. This has increased from the original quote due to the 2022/2023 staff pay awards.
- 5.5. Now that we have a better understanding of the unprocessed historic leaver cases, we also want to review our overall approach and project timelines. We have booked a separate meeting to discuss this with you in detail so that we can agree how best to proceed.

6. Call and email volumes

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

Calls Received	194
Calls Answered	189
Calls Answered Percentage	97.42%
Calls Abandoned	7
Abandoned Percentage	2.58%
Average Wait Time	1 minute 7 seconds
Calls Answered Within 5 Minutes	189
Calls Abandoned After Waiting For More Than 5 Minutes	0
Percentage Of Calls Answered Within 5 Minutes	100.00%

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 3,831 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*
April	6,832	5,778	1,052
March	6,468	5,359	1,109

- 6.5. Of the emails responded to by PCST, 220 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 30th April 2023.

Status	Registrations to date	% of total membership	Registrations to 31/03/2023	% of total membership
Active	4,258	35.37%	4,331	34.61%
Deferred	2,835	30.20%	2,637	29.38%
Pensioner	2,874	36.23%	2,763	34.94%
TOTAL	9,967	36.23%	9,731	33.10%

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

Month	Active	Deferred	Pensioner
April 2023	655	400	1,522
March 2023	647	407	558

- 7.4. 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	4,258	2,835	2,874	9,967
Opt out	43	131	1,795	1,969
No contact	7,739	6,422	3,263	17,424
Total	12,040	9,388	7,932	29,360

Employer Hub

- 7.5. To date we have 34 LBH employers registered to use the Employer Hub. Of the 34 employers, 117 individual users have access to a Hub account.

Cyber Security

- 7.6. The security penetration testing has been completed by 2-sec and we are waiting for their final report – once this has been reviewed by our colleagues in IT, and discussed with Civica, a summary of the vulnerabilities, with proposed resolutions, will be shared with all Partners.
- 7.7. The Umbraco 10 installation – required to address previously identified vulnerabilities – is scheduled for release on 31 May. We will arrange delivery to our test environment in early June, and a 4-week period of testing will be required before the upgrade can be delivered to our Live environment. We envisage the Live delivery being completed in early July.
- 7.8. We previously notified Partners, that due to an in progress upgrade in Hampshire County Council’s IT infrastructure, that geo-blocking had been switched on for all users/IP addresses from outside of the UK.
- 7.9. We can now confirm that the infrastructure upgrade is complete, and a new security layer is now In place, utilising software from ‘CloudFlare’; this product provides additional security

protection, and is country agnostic, replacing the blunt geo-blocking tool which had been in place.

- 7.10. Overseas members should now be able to access the Portal, although an additional security screen may be encountered if the CloudFlare algorithm in any way suspects that the originator is from a suspicious source – regardless of country or origination (whilst CloudFlare is county agnostic, should a particular country show heavy traffic originating from within their borders in terms of attempted cyber attacks, then access from that specific country can be blocked by default; Hampshire IT will be monitoring and keeping this under review, and will block a particular country when deemed necessary).

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
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 Hymans' 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 has been completed for all pensioners and was reflected in their pension paid for April 2023. We are currently in the process of applying pensions increase to deferred members, in preparation for producing their deferred benefit statements.

8.3. **Annual Returns** – on 30 April 2023, we had received 66% of annual returns from employers. Employer Services will be working through the data received and starting the upload process. They will chase outstanding returns by email over the next week, and by phone from 22 May onwards. Any remaining outstanding returns will be escalated to the Fund from 1 June.

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	123
Proportion received	79.67
Number of returns missing	25
Lines of data submitted	17,259
Number of Employers initial checks complete on	98
Proportion of employers initial checks completed on	81.3
Number of Employers outstanding queries from initial checks	40

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.

9.3. We are currently preparing a proposal – based on SAB guidance – for those employers who have either not returned data to us or have returned poor quality data. This will be shared separately with all Partners, and approval sought to proceed as described.

10. Pensions Dashboard Programme (PDP)

- 10.1. As confirmed in our annual administration review, we have now appointed Civica as our Integrated service Provider (ISP) and an amendment to our software contract has been finalised.
- 10.2. Civica's engagement with the PDP has also been delayed and they are currently waiting for confirmation of when they will be asked to connect to the dashboard. However, we are still working on the basis that public sector schemes will be required to connect in September 2024, until we hear otherwise.
- 10.3. In relation to data cleansing, our first task will be to contact all employers who have active members with temporary national insurance numbers. We plan to start this exercise once the annual returns process has been completed.

11. 2023/2024 Software Development

- 11.1. The implementation and testing of most of our new Employer Hub forms – leaver notification, change of details etc. – has been completed and Employer Services will be contacting select employers to pilot the new forms before they are rolled out to all users. The new Hub joiner notification requires further work, and we have consultancy time booked with Civica to investigate and resolve the outstanding issue.
- 11.2. An upload document facility for the Employer Hub has also been set up and tested by the Systems team – this has been handed over to Employer Services for further testing and feedback before this functionality is made available to employers.
- 11.3. The installation of SMS one-time codes has been completed in our test environment – the Systems team will now complete their testing and liaise with PCST to ensure they understand the new process. The Live installation is due on 20 June, and we will be encouraging members to provide us with a mobile phone number, by using our portal's 'Dynamic Homepage' - a message will be displayed as soon as the member logs in, asking them to update their contact details, so their one-time code can be sent to their phone rather than by email when they log in again.
- 11.4. We have started the process to allow Preserved Refund members access to the Member Portal, so they can claim their refunds online, rather than completing a paper form – we estimate this access will be in place by the end of June 2023.

12. Audit

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

<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>Completed – ‘substantial’ rating confirmed.</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>Draft audit report received – ‘reasonable’ rating confirmed.</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>Completed – ‘substantial’ rating confirmed.</p>

13. Scheme legislation updates

- 13.1. Legislation updates that have been received during April 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** – The Spring Pensions Matters was published in April.
- 14.2. **Member communications** – There were no member communications issued in April.

15. Quality Assurance

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

16. Compliments and Complaints

- 16.1. We have not received any complaints in April from any members of the LBH LGPS.
- 16.2. We received two compliments in April from members of the LBH LGPS, further detail can be found in Appendix 3.

