

Committee

Pensions Committee

Officer Reporting

Tunde Adekoya, Finance

Papers with this report

1. October 2023 - Hampshire Pensions Services Partnership Report

BACKGROUND

Pensions administration services are provided by Hampshire County Council (HCC) under a section 101 agreement.

The attached report provides an update of HCC's performance as at August 2023. Historic monthly reports are included in the member shared drive.

RECOMMENDATIONS

- 1. That the Pensions Committee note the administration update**
- 2. Note the Cyber Security Vulnerability Update**
- 3. Note Active Benefit Statements Update**

INFORMATION

Historic key performance indicators show 100% against all indicators, each month since the October 2021 inception.

Member portal registrations continue to improve month-on-month and as of 31 October 2023 show 38.81%, which is ahead of the exiting SCC position of 30.95%

Inherited backlog cases continue to be cleared with total cases reducing from 4,158 at inception to 1,774 as of 01 October 2023.

Cyber Security

One "High" vulnerability was discovered in the penetration test conducted by 2-sec on the Hampshire Pensions portal in September 2023. This has been addressed and a resolution was put in place by 27th October 2023.

Several "Low" vulnerabilities were also identified during the same penetration test in September 2023. Two of these vulnerabilities have been addressed and rectified by Hampshire IT team, three are being tested by same team and five others, regarded as less urgent, are awaiting guidance from Civica for resolutions.

Active Benefit Statements

The production and publication of active benefits statements continued throughout October 2023. To date 99.15% of statements have been completed and published, whilst investigations are ongoing on case by case basis for the outstanding statements. For reference, as at the statutory deadline in August, 98.69% of statements were issued.

Employers annual return performance was benchmarked and reported by HPS in September 2023.

- 81 employers submitted requested information by deadline date of 30 April 2023. 29 returns were received in the month following the deadline and 8 returns were received significantly later than the deadline.
- Data quality assessment for the returns were considerably worse than the previous year, with 10% employer's recorded as Green and Amber respectively for data quality and the remaining 80% red. Green denotes good data quality, Amber represents minor data quality issues quickly resolved and red highlights major data quality issues/slow response or failure to respond.

Letters were sent to employers advising of their performance and to aid improvements, HPS and Hillingdon Pension Fund have agreed to engage both employers and payroll providers with red data categorisation to support them and address identified reporting issues.

Due to the increased resource allocation in terms of managing the annual return process, resolving issues, and replicating requests for accurate information, the Administration Strategy has been updated to emphasise the potential to levy charges where employers regularly fail to deliver against their requirements.

Pension Regulator Scheme Return

Each year the Fund is required to assess and submit data quality scores to the Pensions Regulator. Two sets of data are recorded: common and conditional.

Category	2023	2022
Common	89%	89%
Conditional	89%	87%

Further details relating to the results and underlying data will be provided by HPS in the next monthly update.

The required information was submitted to the Pension Regulator in November 2023.

For reference, common data consists of:

- National Insurance number
- surname and either forename or initials
- sex
- date of birth
- date pensionable service started, membership/policy start date or first contribution date
- expected retirement/maturity date (target retirement age)
- membership status
- last status event – the date at which the membership status last changed, e.g. from active to deferred – where appropriate, you should also capture the reason for the change in status (eg retired or opted out)
- address including postcode

This data is needed so that a member can be uniquely identified. All schemes should hold this data for all members. If any is missing it may be impossible to identify or trace the member, or their benefits.

Scheme-specific data

You also need to hold other data relating to members and their participation in the scheme. This will depend on factors such as:

- the scheme type, structure and design

- a member's status – for example, the data you need for deferred members may differ to the data for active members
- events that have taken place during membership

FINANCIAL IMPLICATIONS

Financial implications have been previously disclosed.

LEGAL IMPLICATIONS

The legal implications are in the body of the report.