

Monthly administration report

January 2024



Working in partnership with



Contents

1.	Summary.....	2
2.	Background	2
3.	Membership.....	2
4.	Administration performance.....	3
5.	Call and email volumes	5
6.	Online services	6
7.	Administration budget.....	8
8.	Unprocessed historic casework.....	10
9.	Preserved Refunds.....	11
10.	McCloud.....	11
11.	Pensions Dashboard Programme (PDP).....	12
12.	2023/2024 Software Development	12
13.	Audit	12
14.	Scheme legislation updates	13
15.	Employer and Member Communications.....	13
16.	Compliments and Complaints	13

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
January 2024	10,282	11,729	8,351	1,611	31,973
Growth	13.99%	2.88%	18.68%	-	16.45%

*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 January 2024 – 31st January 2024; 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

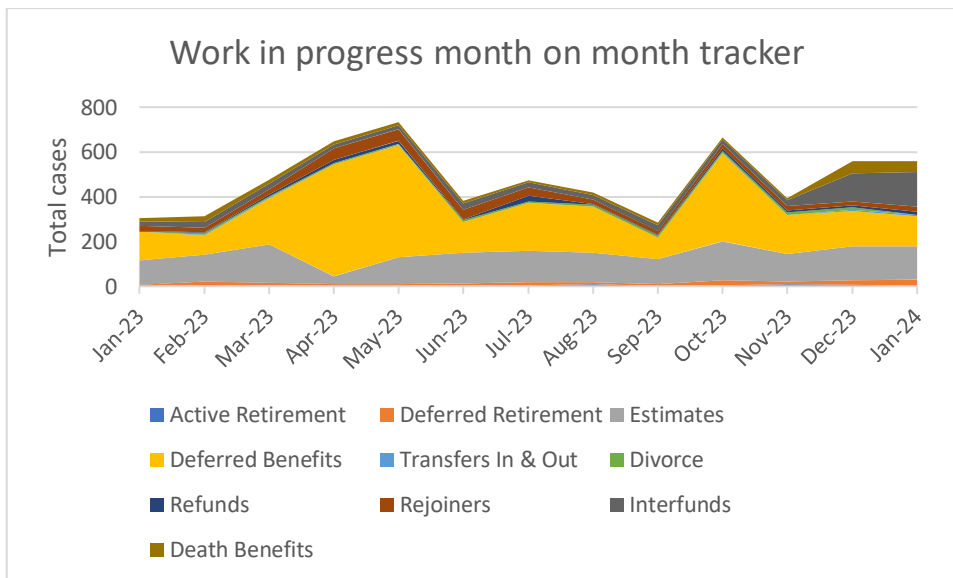
Type of Case	0-5 days	6-10 days	11-15 days	16-20 days	21-30 days	31-40 days	Total	% completed on time	Average days to complete process	Total Cases (previous month)	% completed on time (previous month)
Active Retirement	14	10	1	0	0	0	25	100.00%	6	12	100.00%
Deferred Retirement	3	14	3	0	0	0	20	100.00%	8	20	100.00%
Estimates	2	17	15	0	0	0	34	100.00%	10	36	100.00%
Deferred Benefits	6	3	12	76	51	0	148	100.00%	19	126	100.00%
Transfers In & Out	1	0	0	0	0	0	1	100.00%	5	1	100.00%
Divorce	3	1	9	0	0	0	13	100.00%	10	0	100.00%
Refunds	2	14	0	0	0	0	16	100.00%	7	32	100.00%
Rejoiners	4	4	3	1	0	0	12	100.00%	8	8	100.00%
Interfunds	3	2	21	0	0	0	26	100.00%	11	30	100.00%
Death Benefits	16	2	4	0	0	0	22	100.00%	5	12	100.00%
GRAND TOTAL	54	67	68	77	51	0	317	100.00%		277	100.00%

- 4.3. The table below shows outstanding work as of 31st January 2024. 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. Work which has been pended is monitored by the team and is also pushed for review by the system at pre-determined intervals. This means that all pended casework is regularly reviewed, and actions taken to ensure it can be moved and processed.
- 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	0	1	1	0	0	0	2	8
Deferred Retirement	4	6	3	1	5	8	27	19
Estimates*	25	30	15	5	4	71	150	151
Deferred Benefits	15	48	9	28	8	27	135	159
Transfers In & Out	2	1	0	1	0	0	4	5
Divorce	2	1	0	0	0	0	2	12
Refunds	5	8	0	0	0	0	13	7
Rejoiners	4	4	2	1	3	10	24	17
Interfunds	14	13	8	2	13	102	152	127
Death Benefits	1	5	3	2	7	33	51	53
GRAND TOTAL	72	117	41	40	40	282	567	558

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

4.5. We have included a tracker below which monitors the movement in work outstanding month on month.



4.6. The pensions increase for 2024 has been confirmed as 6.7% from 8th April 2024 and we are currently waiting for Civica to update the various factor tables in UPM so we can process the active and deferred retirements which have been on hold – for Hillingdon this amounts to 16 cases with retirement dates from April 2024 onwards.

5. Call and email volumes

5.1. The table below sets out the call statistics for Hillingdon for the month of January 2024:

Calls Received	194
Calls Answered	192
Calls Answered Percentage	98.97%
Calls Abandoned	2
Abandoned Percentage	1.03%
Average Wait Time	47 seconds
Calls Answered Within 5 Minutes	192
Calls answered waiting for longer than 5 mins	0
Percentage Of Calls Answered Within 5 Minutes	100.00%

5.2. 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.

5.3. The total number of calls received were 3,653 and the statistics above are included in this number.

5.4. 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*
December 2023	3,836	3,204	632
January 2024	6,013	5,091	922

5.5. Of the emails responded to by PCST, 181 of these were for Hillingdon members.

5.6. In January 2024 we received 96 'My Messages' from Hillingdon members via the member portal, which are dealt with via our normal 5 working day response time.

6. Online services

Member Portal

- 6.1. 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.
- 6.2. The table below shows the total number of current registrations for each status as of 31st January 2024.

Status	Registrations to date	% of total membership	Registrations to 31/12/2023	% of total membership
Active	4,976	48.40%	4,814	45.86%
Deferred	4,220	35.98%	4,015	34.93%
Pensioner	3,457	41.40%	3,402	40.80%
TOTAL	12,653	41.67%	12,231	40.32%

- 6.3. 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
December 2023	532	367	221
January 2024	954	420	309

- 6.4. 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	4,976	4,220	3,457	12,653
Opt out	40	139	1,857	2,036
No contact	5,266	7,370	3,037	15,673
Total	10,282	11,729	8,351	30,362

Employer Hub

- 6.5. To date we have 118 of 121 LBH employers registered to use the Employer Hub. Of the 121 employers, 195 individual users have access to a Hub account.

Cyber Security

- 6.6. Following November's penetration security test, work to address the outstanding vulnerabilities has continued.
- 6.7. The latest UPM version upgrade is being delivered to our test environment on 6th February and scheduled for delivery to our Live environment on 27th February; and is expected to fix the outstanding 'High' vulnerabilities.
- 6.8. We have a solution for the one remaining 'Medium' vulnerability, which will be implemented in February.
- 6.9. The remaining 'Low' vulnerabilities have been assessed and we will be working with Civica to implement fixes before the next penetration test, which is due in May 2024.

7. Administration budget

- 7.1. The 2023/24 local government pay award was agreed in November 2023. The cost of the award is £2,500 per FTE, representing an additional £24,000 on anticipated BAU staffing costs and just over £1,000 on the McCloud project team.

It was anticipated that a contribution to resource relating to the implementation and maintenance of the Pension Dashboard would be needed in 2023/24. Due to the overall delay in the project, the contribution to the overall software and resource requirement will be from 2025/26. The charge for the ISP software was incurred in 2023/24.

The cost of the GMP rectification exercise was estimated to be £42,000, of which £23,639 will be spent in 2023/24. The remainder of the cost is expected to be in 2024/25.

- 7.2. The budget for BAU administration is rolled forward from the original amount agreed in the OBC. 13.3.2 of the OBC states that staffing costs are uplifted in line with step progressions and any pay awards; other budgets are increased in line with September CPI. However this increase has only been applied to the UPM related lines on which a full increase in the costs is expected. The other non pay budget has been increased by 3%.
- 7.3. Please note for the software development contribution, whilst inflation has been added at 3% the new budget is still rounding down to £12,000. As we apply inflation in later years, the budget will eventually increment to £13,000.
- 7.4. An additional charge will be made in relation to the OHCAT transfer from the Hillingdon Pension Fund to LPPA. This is not shown in the table below but has been detailed in a separate email. Civica are undertaking the transfer of data and have estimated it will take 19 days which is £30,970 + VAT on their current day rates. Hampshire IT are also charging for their part in this work and have estimated this cost as £2,400. We will request a final PO from LBH once the work has been completed and the final costs are known.
- 7.5. The table below shows the revised costs for 2023/24 and sets out the administration budget for 2024/25 and 2025/26.

Budget headings	Original 2023/24 (pre pay award and with PDP resource)	2023/24 (revised for 23/24 pay award)	2024/25 (pre 24/25 pay award)	2025/26 (pre pay award)
Staff	503,000	527,000	527,000	527,000
Non pay (inc contribution to overheads)	69,000	69,000	70,000	73,000
UPM software licence and annual maintenance	62,000	62,000	67,000	69,000
Contribution to future software development	12,000	12,000	12,000	12,000
BAU total	646,000	670,000	676,000	681,000
McCloud - project team	15,232	16,315	16,315	16,315
McCloud - software costs	607	607	647	680
McCloud total	15,839	16,922	16,963	16,995
Historic leaver processing total	129,000	123,625	129,000	0
PDP - software costs	0	1,255	0	8,200
PDP - contribution to resource	6,300	0	0	6,300
PDP total	6,300	1,255	0	14,500
GMP rectification total	42,000	23,639	18,361	0
Grand total	839,139	835,440	840,324	712,495

8. Unprocessed historic casework

8.1. At the point of onboarding, there were 3,840 unprocessed leavers – the date of leaving for these members was prior to 1st September 2021.

8.2. As of 1st February 2024, 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	2,898
<i>Leavers processed in the last month*</i>	<i>208</i>
Outstanding leavers to be processed	1,260

*Included in the 'Leavers processed, and records finalised by HPS'.

8.3. Of the 1,260 cases outstanding, 885 of these are with employers who Dataplan provide the payroll service for – we are working closely with Dataplan to ensure progress is made, and have monthly calls in place.

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

Employer	Number of leavers outstanding
Pftrust - Wood End Park Academy	31
Eden Academy Grangewood	21
Frithwood Primary School	21
Oakwood School	21
Swakeleys Academy	21

9. Preserved Refunds

- 9.1. We have written to all members with a preserved refund, who left prior to 1 April 2014 – as their refund is not limited to being paid within 5 years. The current position of this project is as follows:

Pre-1 April 2014 preserved refund members	72
Number of members sent letters	72
Claim forms received	3
Refunds processed	3

10. McCloud

- 10.1. The current position of McCloud service/break data sets is summarised below:

- 10.1.1. To date we have received 101 out of 122 2014-21 returns due for active employers – 21 remain outstanding, and 12 of the returns received are not useable due to the quality of data provided.
- 10.1.2. We have received 97 out of 118 2021-22 returns due for active employers, 21 remain outstanding, and 13 of the returns received are not useable due to the quality of data provided.
- 10.1.3. Hampshire Pension Services are no longer pro-actively chasing employers and have referred outstanding returns to the Fund to obtain (details of these are noted in appendix 1)
- 10.1.4. In the absence of data being received, we will look to estimate service based on pay held on the record.
- 10.1.5. We have fully uploaded:
- **2014-21 data** – 86 returns, 11 of which are the Funds largest employers.
 - **2021-22 data** – 65 returns, 7 of which are for the Funds largest employers.
- 10.1.6. Details of the position of the largest employers in the Fund are noted in appendix 1.

11. Pensions Dashboard Programme (PDP)

- 11.1. On 17th January the PDP held a webinar, which focussed on connection guidance and understanding AVCs and value data – we understand that the PDP are working with Prudential initially, to discuss the best solution for public sector pension schemes and their AVC providers, but guidance is not expected until later this year.
- 11.2. We will contact all AVC providers – either directly or through Partners – to understand if they have any plans, to provide data or connect to the dashboards directly. It is unclear at this stage whether the PDP will insist all AVC providers follow the same solution.
- 11.3. In a recent update from Civica, they explained that they are resuming work on their ISP solution following the PDP’s reset. Initially they need to demonstrate their solution meets all the necessary standards and requirements, as set out by the PDP, and once this work is complete, they can then deliver the ISP software to us.

12. 2023/2024 Software Development

Member Portal

- We will shortly implement the facility for deferred members to request a CETV using an online form which will be submitted via their portal account – this is expected to be available from early March 2024.

13. Audit

- 13.1. The position of our 2023/24 pension audits are as follows:

Audit Area	Timing
Pension Refunds: To assess that there are appropriate arrangements to ensure all refunds are valid, accurate and are paid promptly to the correct recipients following a validated request to withdraw from the schemes administered by HPS.	Completed – Substantial assurance confirmed
UPM – Application Review: <i>(This has been identified as a new audit review area)</i> Assurance over the management of the UPM application, including supporting infrastructure such as servers, databases, pre-production environments and system changes.	Completed – Reasonable assurance confirmed.

<p>Pensions Payroll and Benefit Calculations: 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. 	In progress
--	-------------

14. Scheme legislation updates

- 14.1. Legislation updates that have been received during January 2024 for the Local Government Pension Scheme, are detailed in Appendix 2, including any actions that Hampshire Pension Services have taken.

15. Employer and Member Communications

- 15.1. **Employer communications** – There were no employer communications issued in January.
- 15.2. **Member communications** – There were no member communications issued in January.
- 15.3. **Data Protection Breaches** – There were no data protection breaches in January.

16. Compliments and Complaints

- 16.1. There were no complaints in January 2024 from members of the LBH LGPS.
- 16.2. We received four compliments in January from members of the LBH LGPS, further detail can be found in appendix 3.

