

## **Pensions Administration & Performance**

**Item 5**

*Committee*

Pensions Committee

*Contact Officers*

Tunde Adekoya – Finance

*Papers with this report*

Hampshire Administration Annual Report 2023/24 – on shared drive

### **REASON FOR ITEM**

The provision of administration services for the Hillingdon Pension Fund is delivered in partnership with Hampshire County Council (HCC) under a section 101 agreement. The agreement includes Key Performance Indicators (KPIs) which are generally consistent with national standards.

The purpose of this report is to update the Pension Board on pensions administration activities and the performance of the administration providers against the agreed indicators.

This report also provides an update on regulatory and governance matters relating to the pension fund and compliance with the Pensions Regulatory Code of Practice 14.

### **RECOMMENDATIONS**

1. That the Pensions Board note this update

### **INFORMATION**

The March 2024 Annual report was distributed to both Pensions Committee and Pension Board. The report summarises the work and achievements of the partnership throughout 2023/24.

In addition, the Corporate Directors of Finance for both Hillingdon and Hampshire met with officers to discuss and evaluate the performance of the partnership over the year.

Highlights include:

- 100% delivery against performance targets.
- Improved data quality overall – increased TPR conditional data score and high rate of benefit statement production reflect the annual returns, historic leaver, and day-to-day work completed throughout the year.
- 99.38% of active benefit statements and 100.00% of deferred benefit statements produced and published within the statutory deadline.
- Continued increase in Member Portal registrations – 43.06% of all members registered.
- Low number of complaints in comparison to the total membership and casework processed.

Classification: Public

Pensions Board 05 June 2024

- Significant development of our online services for both Members and Employers.
- Significant work undertaken and processes implemented to monitor and improve Cyber Security.
- Achieved re-accreditation of Customer Service Excellence award, with 6 'compliance pluses' where expectations are exceeded.

**Audit of HPS is an on-going process and below are the position of 2023/24 pension audits:**

Audit Area	Timing
<p><b>Pension Refunds:</b> 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.</p>	Completed – Substantial assurance confirmed
<p><b>UPM – Application Review:</b> <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.</p>	Completed – Reasonable assurance confirmed.
<p><b>Pensions Payroll and Benefit Calculations:</b> 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>	Completed – Substantial assurance confirmed

**Future audit areas planned for 2024/25 include**

Audit Area	Timing
<p><b>Pension leavers</b> Audit of the controls to ensure accurate, prompt and complete administration of pension leavers, including the production of on-going annual benefit statements within agreed timescales, by HPS.</p>	Quarter 2/3
<p><b>Pension starters</b> Review of the control framework to support appropriate, complete and prompt admission of new starters to the various pension schemes administered by HPS.</p>	Quarter 3
<p><b>Cyber Security</b> To provide assurance over the cyber security arrangements within HPS.</p>	Quarter 3

<p><b>Pensions payroll and benefit calculations</b></p> <p>Annual review to provide assurance that Hampshire Pension Services' (HPS) 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>Quarter 3/4</p>
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**Historic leavers**

The historic back backlog continues to be cleared with 3287 of the 4158 cases now cleared. This leaves 871 remaining.

**FINANCIAL IMPLICATIONS**

Financial implications are included in the body of the report.

**LEGAL IMPLICATIONS**

Legal implications have been included in the body of the report.