Pension Fund Committee

City of Westminster

Date:	**24 June 2021**
Classification:	**General Release**
Title:	**Pension Administration Update**
Report of:	**Sarah Hay, Pensions Officer People Services**
Wards Involved:	**All**
Policy Context:	**Service Delivery**
Financial Summary:	**Negligible**

1.   Introduction

1.1.   This report provides a summary of the performance of Surrey County Council (SCC) with the Key Performance Indicators (KPIs) for the period February 2021 to April 2021. The detailed KPIs are shown in Appendix 1. I will update the Committee on the address tracing project, general administration update on Surrey followed by a brief update on the McCloud solution.

2.   KPI Performance

2.1   The scope of the KPIs in this report have been agreed between WCC and SCC based on the section 101 agreement, however they will continue to be reviewed on feedback from all parties, including board and committee members.

2.2   This paper covers the period of February 2021 to April 2021.

2.3   KPI performance in appendix 1 is summarised below. Overall, the KPI data is reasonable with some areas of concern. There was a decline in some KPIs during March and April as the service moved from East Sussex to Kingston and some workflow issues were discovered. The majority of cases were processed on time according to the KPI report.

2.4   The main concern remains the late processing of some retirement cases, although the majority of cases are processed on time and within KPI. Those that fall outside of KPI tend to be by only a few days. No complaints have been received regarding late payment.

3. Data Work

3.1 The committee have previously been advised that we are working with a company called Target to complete address tracing on nearly 3000 records. Tracey Fuller in the pension and payroll team is managing the project. We have been breaking down our data and sending it for tracing in batches.

3.2 **325 records for Deferred – Age population 45- 49**

At the time of the last Committee meeting we had just started to work though this part of the population. At the time of writing this report I am pleased to confirm that we have traced 166 members of this population with a success rate of 51%. The tracing will continue for this group as we open other batches for the population at a younger age range.

3.3 The tracing project with Target will remain in place until approximately the end of August 2021.Our aim will be to complete as many traces and update those onto the Altair system in Surrey. We will cease the project in August to help limit data changes as we approach the final data cuts for the transfer project in September and then in late October. Any tracing results that come back after we close the project down will still be updated.

3.4 For information we remain within the budget of £24,000 allocated to this project. The costs per case vary depending on the type of trace the member needs and these range from £20 - £70. We will review our spend going forward as we get close to our agreed cost.

3.5 We will discuss future address tracing with the Hampshire Pension Service (HPS) after transfer.

4. Surrey General Admin update

4.1 The Strategic Pension Officer agreed with Surrey that they should implement a module of Altair called Admin 2 Pay with effect from the first week of May. This module should ensure that the admin section of Altair and the payroll side of Altair match and in theory this should prevent any future over or under payments occurring. Westminster was not offered this module previously. Whilst there is no ongoing fee for this module, we agreed a discounted implementation of £1832.00 as we will only benefit from it until we exit to HPS. I took the view that the investment would be of value to the fund to prevent additional issues occurring prior to transfer.

4.2 Surrey contacted me on the 20th of May to outline that they had identified a range of potential data issues following admin 2 pay work and other data work ahead of the first planned data cut on the 17th of June. They have advised me that there are similar issues across all funds including Surrey, Hammersmith and Fulham and Hillingdon. Surrey's solution to dealing with the data issues is that they intend to create a new team that will focus on the London Borough's

administration and the data backlog work whilst the existing teams will focus on Surrey. Staff will be taken from the existing teams to create the new one.

4.3 Surrey have made it clear that not all the data issues will be resolved prior to transfer. I have been asked to prioritise the issues I want them to focus upon. A conversation has already taken place where I have instructed them to take certain immediate actions to chase on some death cases and review contacts where we have members in the fund over 75 who have not drawn their pension.

4.4 The main area of concern is that they have identified 187 pension increase queries. This is where the admin side of Altair and the payroll side of Altair have different values. This could mean the member is being over or under paid, but it could also simply mean that the data held on the admin side of Altair is incorrect. Surrey will not be able to advise me until the new team is set up and resource is dedicated to reviewing all the cases in detail.

4.5 Surrey also identified 30 potential underpayments and 12 possible overpayments. They will not know for sure if each case is as initially identified until the new team is set up and the review of each case above is made. I have been advised that potential issues are not as significant as the cases previously notified to WCC.

4.6 The above cases will be the priority for our fund to resolve with Surrey between now and go live with Hampshire. Our priority is to ensure correct payment to our pensioners and the UPM system that Civica use is one system that links administration and payroll.

5. McCloud

5.1 The Government have responded to consultation and simply have advised that they accept the recommendation of an extended underpin solution for younger members of the fund. The good news is that no timetable has been set out and therefore we should be able to proceed and fit the McCloud work in with our move to HPS. There are plans within the project work to approach employers for the relevant data.

6. Summary

6.1 The KPI data is reasonable with the emphasis will be on ensuring that retirement cases are processed efficiently between now and our exit to HPS.

6.2 Address tracing remains positive with member details being updated on a regular basis.

6.4 Surrey are creating a new team to deal with the admin work of the London Boroughs. This team will also be tasked with looking at data issues prior to the transfer and the priority will be to look at cases that impact member entitlement with a pension in payment.

6.4   McCloud planning will continue with HPS as we move closer to go live. We are pleased that we have no immediate timetable to have to complete work by so can effectively ensure our resource concentrates on a successful implementation of the HPS service.