

Monthly administration report

January 2022



City of Westminster

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 Westminster County Council 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 Westminster County Council Local Government Pension Fund.

2. Background

- 2.1. Hampshire Pension Services administer the local government pension scheme on behalf of Westminster County Council (WCC) with effect from 8th November 2021.
- 2.2. Hampshire Pension Services also administer the Local Government Pension Scheme for Hampshire County Council, West Sussex County Council and the London Borough of Hillingdon; the Fire Pension Schemes for both West Sussex and Hampshire, and the Police Pension Schemes for Hampshire.

3. Transfer of administration

- 3.1. There are 3,470 images which have not yet been loaded to UPM as they exceed the maximum file size of 25mb. After discussions with our colleagues in the IT department we will be storing these files on our secure UPM server and loading a place holder document to each of the effected member records which will link back to the original file – the method to set up the place holder documents has been confirmed and proven to work, so the relevant member records will be updated by the end of February 2022.

4. Membership

- 4.1. 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.

Scheme	Active*	Deferred	Pensioner	Preserved Refunds**	Total
Local Government	4,735	6,694	6,518	1,235	19,182

*The active membership includes 430 historic leavers which are to be processed.

**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).

5. Administration performance

- 5.1. 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.

5.2. The table below shows performance from 1st January to 31st January 2022; 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	Total Cases (previous month)	% completed on time (previous month)
Active Retirement	0	1	2	0	0	0	3	100.00%	6	100.00%
Deferred Retirement	5	2	7	0	0	0	14	100.00%	15	100.00%
Estimates	4	2	17	0	0	0	23	100.00%	64	100.00%
Deferred Benefits	3	0	0	3	8	0	14	100.00%	13	100.00%
Transfers In & Out	1	0	3	0	0	0	4	100.00%	0	100.00%
Divorce	0	1	1	0	0	0	2	100.00%	1	100.00%
Refunds	1	3	1	0	0	0	5	100.00%	4	100.00%
Rejoiners	0	0	1	0	0	0	1	100.00%	3	100.00%
Interfunds	2	4	10	0	0	0	16	100.00%	21	100.00%
Death Benefits	2	0	2	0	0	0	4	100.00%	15	100.00%
GRAND TOTAL	18	13	44	3	8	0	86	100.00%	152	100.00%

5.3. The table below shows outstanding work as of 31st January 2022. 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.

5.4. 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.

5.5. These cases do not include the inherited outstanding leavers which are discussed in section 6 below.

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	2	2	0	0	0	0	4	4
Deferred Retirement	8	2	0	0	0	0	10	5
Estimates*	13	24	14	1	1	0	53	40
Deferred Benefits	5	1	13	2	6	0	27	20
Transfers In & Out	2	2	1	0	0	0	5	4
Divorce	0	0	1	0	0	0	1	1
Refunds	2	0	0	0	0	0	2	4
Rejoiners	0	0	3	0	0	0	3	4
Interfunds	2	7		0	0	0	9	12
Death Benefits	4	3	1	2	0	0	10	7
GRAND TOTAL	38	41	33	5	7	0	124	101

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

6. Unprocessed historic casework

- 6.1. As mentioned in section 4 above, the WCC dataset contains 430 historic unprocessed leavers; all of the dates of leaving for these members are prior to September 2021.
- 6.2. We have attached in Appendix 4 a document which sets out further information, and the costs and timescales to clear these cases, for WCC to provide approval to proceed with this work.
- 6.3. In preparation, a breakdown of the unprocessed leavers by employer was shared in January, and we will be working with Westminster and their actuary to prioritise the deferred benefit calculations which will have the most impact on this year's valuation.

7. Call and email volumes

- 7.1. Up to 31st January 2022, we received 180 calls from members of the WCC LGPS who had a general query about their pension – this does not include those who are calling for Member Portal support.
- 7.2. The total number of calls for all schemes we administer, received into the Pension Customer Support Team (PCST) were 4,259 and 81 of these were abandoned. 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.

- 7.3. Our call reporting software does not allow us to report which of our ‘abandoned’ calls were WCC members, but based on the number of abandoned calls above, we answered 98.09% of all calls received.
- 7.4. PCST also monitor and handle all of the emails received from members into our main pensions inbox – not including those which have been passed to other teams to process, PCST responded to 119 WCC member emails.

8. Online services

Member Portal

- 8.1. Active, Deferred and Pensioner members of WCC 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; and run online estimates for voluntary retirements over age 55.
- 8.2. The table below shows the total number of current registrations for each status as of 31st January 2022.

Status	Registrations to date	% of total membership	Registrations to 30/12/2021	% of total membership
Active	1,310	27.66%	1,202	25.42%
Deferred	858	12.82%	777	11.59%
Pensioner	1,132	17.37%	1,005	15.44%
TOTAL	3,300	18.39%	2,984	16.63%

Employer Hub

- 8.3. As of 31st January 2022, there are 36 WCC employers signed up to the Employer Hub, and 111 individual users with access.

9. 2022 End of Year timetable

- 9.1. We have agreed the timeline for the 2022 year end and the production of benefit statements. The table below details the key milestones for each step of the year end process.

Completed By	Task
15/03/2022	2021 Pensions Increase to be applied to all pensions in payment.
31/03/2022	Annual Return requests and templates sent to Employers.
March/April	Online employer annual return workshops
30/04/2022	Annual return deadline for Employers

Completed By	Task
06/05/2022	2022 Pensions increase applied to all deferred benefit members.
30/06/2022	Employer Services to complete upload of Annual Returns (AR); assuming all data received from, and queries answered by employers.
30/06/2022	CARE pension revaluation for Active members (to be run per employer, subsequent to AR upload)
29/07/2022	Supplementary Pensions Increase calculated and paid.
31/07/2022	All Deferred Benefit Statements (DBS) to be produced.
31/08/2022	LG Active Benefit Statements (ABS) to be produced.
05/10/2022	Pensions Savings Statements sent – will be produced by employer as ABS have been completed
31/10/2022	E-comms sent to members with benefit statement available on Member Portal

10. Pensions Dashboard Programme

- 10.1. On 31st January the consultation for the Pensions Dashboard regulations was published – responses must be submitted by 13th March 2022.
- 10.2. We are attending a series of webinars held by a combination of the Pensions Dashboard Programme and the Department for Work and Pensions, throughout February. The webinars cover an overview of the consultation and how the Dashboard will work in more detail.
- 10.3. We understand that Public Service Pension schemes, will have a staging date of April 2024 at the latest, dependant on active and deferred membership numbers submitted in the 2021 Pensions Regulator Scheme Return.
- 10.4. We also have two representatives from Hampshire Pension Services, attending Civica's Pensions Dashboard working group – the first meeting is being held on 23rd February – at which point we should understand more about how we can connect to the architecture which will deliver the Money and Pensions services (MaPs) dashboard.

11. Customer Service Excellence (CSE)

- 11.1. On 26th January 2022 we completed a re-assessment of our CSE accreditation.
- 11.2. We were awarded full compliance for all 57 of the CSE criteria, and in the following six areas were awarded a 'compliance plus'.

- There is corporate commitment to putting the customer at the heart of service delivery and leaders in our organisation actively support this and advocate for customers.
- We can demonstrate how customer facing staff insights, and experiences are incorporated into internal processes, policy development and service planning.
- We make our services easily accessible to all customers through provision of a range of alternative channels.
- We monitor and meet our standards, meet departmental and performance targets, and we tell our customers about our performance.
- We have developed and learned from best practice identified within and outside our organisation, and we publish our examples externally where appropriate.
- We identify any dips in performance against our standards and explain these to customers, together with action we are taking to put things right and prevent further recurrence.

12. Audit

- 12.1. The Southern Internal Audit Partnership (SIAP) provides the internal audit function for Hampshire. The following audits have been completed or are in progress for 2021/22.

Audit Area	Current Position
<p>Pensions, payroll, and benefit calculations: Annual review to provide assurance that systems and controls ensure that 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; and pension payroll runs are accurate, complete, timely and secure with all appropriate deductions made and paid over to the relevant bodies.</p>	<p>The audit testing is in progress with the final report anticipated in March 2022.</p>
<p>Pension Starters: Review of the control framework to support appropriate, complete, and prompt admission of new starters to the various pension schemes administered by Hampshire Pension Services (HPS).</p>	<p>This review has sought to assess the effectiveness of controls in place focusing on those designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> • Starter notifications are accurately and promptly recorded in the UPM (Universal Pension Management) system.

Audit Area	Current Position
	<ul style="list-style-type: none"> Starters receive their initial enrolment documentation within agreed timescales. <p>The Auditors conclusion was that substantial assurance had been gained and a sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.</p>
<p>Pension Leavers: Review of the control framework to support appropriate, complete, and prompt leaver notifications to the various pension schemes administered by Hampshire Pension Services (HPS).</p>	<p>This review has sought to assess the effectiveness of controls in place focusing on those designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> Leaver notifications are received and are accurately and promptly recorded in the Universal Pensions Management (UPM) System. All leavers receive the appropriate initial notifications and on-going annual benefit statements within agreed timescales. <p>The Auditors conclusion was that substantial assurance had been gained and a sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.</p>

12.2. Our audit plan for 2022/23 is set out in the table below.

Audit Area	Timing
<p>Pension Transfers: 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>	Quarter 1
<p>Member Deaths: To provide assurance that systems and processes ensure that any payments related to deceased members are calculated correctly</p>	Quarter 2

Audit Area	Timing
and paid promptly to the correct recipient, with the risk of overpayments minimised.	
<p>UPM - Cyber Security (This has been identified as a new audit review area): To provide assurance over the Cyber Security arrangements for the UPM application</p>	Quarter 3 / 4
<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. 	Quarter 3 / 4

13. 2022 Software Development

- 13.1. We have agreed a development plan for UPM, our Member Portal and Employer Hub for the next year – the high level road map is attached in Appendix 5 and a detailed explanation of each enhancement is below.
- 13.2. **Online Identification and Verification** – this will enhance the Member Portal by allowing the member to upload proof of their identity and marital status and use facial recognition to support various processes including the annual Life Certificates and retirements.
- 13.3. **Automated Payroll Manager** – This will support the back office Payroll team, by automating some of the monthly payroll running actions, allowing the team to focus on tasks that need their expertise. This also supports the automated Advice of Wrong Account for Automated Credits Service (AWACS) functionality; the Return of Unapplied Credit Service (ARUCS) functionality and fully automate the Tax Code Download service (DPS).
- 13.4. **Aggregation Module** – Civica’s Aggregation solution removes the onerous task of manually amalgamating records, which increases the risk of data errors and omissions, as well as being a lengthy, intensive process to complete. The system uses process maps and fully audited process actions to identify which scenario is applicable to the member and control the processing to enable aggregation of both Deferred Benefits and Preserved Refunds.

- 13.5. **GDPR Module** – The GDPR Module bundle will allow us to bulk delete member records and documents in line with retention rules, rather than the member-by-member and document-by-document deletion facilities which are standard features of the current product. We will also be able to use document bundling, creating a single PDF document containing all member documents, to support the response to a subject access request.
- 13.6. **Employer Hub enhancements** – we will be implementing the functionality to allow employers to upload documents and spreadsheets via the Hub, which will be validated before being passed through to the back office team. The Employer remains responsible for the data being submitted to us until it is correct, and we can therefore ensure good quality data is being loaded to UPM.

14. Administration budget 2022/23

- 14.1. The annual budget for administration is rolled forward from the original amount agreed in the OBC. Staffing costs are uplifted in line with step progressions and any pay awards; other budgets are increased in line with September CPI (as per 13.3.2 of the OBC).
- 14.2. The proposed administration charge for 2022/23 is currently £395,000. However, the costs of a pay award have not been included in either the 2021/22 or the 2022/23 figures shown in the table below. Given the timings it is likely that the cost of the 2021/22 pay award will now be invoiced separately in 2022/23.

	<i>OBC (2020/21 costs inc pay award)</i>	<i>2021/22 (full year)</i>	<i>2021/22 (5 months)</i>	<i>2022/23</i>
Staff	283,000	290,000	121,000	297,000
Non pay (inc contribution to overheads)	35,000	35,000	15,000	36,000
UPM software licence and annual maintenance	49,000	49,000	21,000	51,000
Contribution to future software development	11,000	11,000	5,000	11,000
Total	378,000	385,000	160,000	395,000

15. Scheme legislation updates

- 15.1. Legislation updates that have been received during January 2022 for the Local Government Pension Scheme, are detailed in Appendix 1, including any actions that Hampshire Pension Services have taken.

16. Employer and Member Communications

- 16.1. **Employer communications** – In January we issued a Stop Press to promote the discretions workshops.
- 16.2. **Member communications** – There were no bulk member communications issued in January.

17. Quality Assurance

- 17.1. **Data Protection Breaches** – We have not identified any data protection breaches in January 2022.

18. Compliments and Complaints

- 18.1. In January we received two complaints from members of the WCC LGPS. One member was unhappy regarding delays caused by the previous administrator and the second felt that the options available to him to claim his pension, would cost him money. Further detail is included in appendix 2.
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