

Pension Fund Committee

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Title:	Pension Administration Update
Report of:	Sarah Hay, Pensions Officer People Services
Wards Involved:	All
Policy Context:	Service Delivery
Financial Summary:	£

1. Introduction

1.2 This report provides a summary of the performance of Hampshire Pension Services (HPS) with the Key Performance Indicators (KPIs) for the month of February 2024 through to April 2024. In Section 3 I update the Committee on the ongoing data work and the latest on this year's annual returns.

2.1 KPI Performance

2.2 The scope of the KPIs in this report have been agreed between WCC and HPS in our agreement.

2.3 This paper covers the period of February 2024 to April 2024.

2.4 KPI performance for each month is within each partnership report. HPS report 100% compliance within the agreed KPI in each month. The majority of our KPIs require cases to be completed within 15 days. HPS do provide a breakdown for each category that shows the number of cases processed in each 5-day block.

2.5 Below I have summarised the cases completed in each category in the month.

KPI	Target Days	Feb-24	Mar-24	Apr-24
Active Retirement	15 days	4	9	5
Deferred Retirement	15 days	15	27	20
Estimates	15 days	30	31	14
Deferred Benefits	30 days	31	58	51
Transfers In & Out	15 days	17	5	15
Divorce	15 days	2	4	0
Refunds	15 days	14	15	12
Rejoiners	20 days	1	4	3
Interfunds	15 days	20	37	33
Death Benefits	15 days	11	1	12
Grand Total		145	191	165
		100%	100%	100%

- 2.6 The work on hold as at the end of April 2024 is 373 cases. We have started working with HPS on the oldest cases within that work on hold, particularly where they are 18 months or more within the workflow. Initially we have identified 17 cases that are 18 months or more in the workflow. Of these 5 are interfund transfers in, one has been chased up with the prior Fund and should now be paid to us, the other four are believed to be with one outsourced pension administrator which is advising HPS the employers involved are not providing the relevant data. We will be asking the members involved to escalate with their prior Fund and employers.
- 2.7 There is one Interfund Transfer out, this has still not been completed because the date of birth our Fund holds is different to the receiving Fund date of birth and they need to match. The member has not been engaging to resolve and therefore we are trying to ascertain the correct date of birth from documentation or alternatively we will advise the member with notice and close down the case. There are seven death cases where we are struggling to get responses from an estate or next of kin, sometimes where we believe dependent benefits maybe due. We are reviewing possible next steps, but this does sometimes happen. Finally, we have four retirement cases, one person has responded to us and confirmed they know they need to return their forms but have been busy. Unfortunately, it looks like another person may have died from a check on the probate registry and action is now being taken to confirm this. The final two cases are still being reviewed.
- 2.8 The fund strategy working with HPS is to increase the interaction the fund has with members via the member portal. In the last Committee report I updated that at the end of January 2024 we had 42.22% of members signed up to the member portal. This has now increased to 43.70 as at the end of April 2024.

2.9 Below instead of a breakdown of portal membership via membership category I have included a table that outlines the member portal access across the active employees in the Fund broken down by Fund employer. You will note that access amongst active Westminster City Council employees is decent at 57%. The other employer's access to the portal varies, 9 other employers have access of 50% or above. However, 15 employers have access for less than 40% of their active membership. The pension administration team will be working to engage with employers over the summer months and into autumn to increase the portal registration for all employers to a minimum 40% where there are at least 5 active employees. It's important that we encourage members to engage with their pension throughout their working life to help people to plan for their future proactively and to raise any concerns they may have with us before they reach retirement.

Employer	Number of Active members	Percentage of Actives with Portal Access
Westminster City Council	2906	57
Housing Ombudsman Service	395	59
WCC Maintained Schools (Strictly Education)	294	41
WCC Maintained Schools (Prospects)	199	52
Ark - King Solomon Academy	130	40
Future Acad - Pimlico FS Academy	73	64
College Park and Queen Elizabeth II (WCC)	59	63
St Augustine's Primary and High School (WCC)	58	40
Regulator for Social Housing (RSH)	56	36
St Marylebone School (Academy)	52	35
Homes and Communities Agency (HCA)	44	36
Harris St Johns Wood Academy	43	37
St Georges R C Academy	37	43
Grey Coat Hospital Academy (UWGCF)	33	45
ULT - Paddington Academy	33	42
Westminster City Academy (UWGCF)	32	44
Creative Education Trust	24	50
Gateway Academy	24	42
Marylebone Boys' School	24	33
Harris 6th Form College (Acad)	21	33
Westminster Academy	19	37

SJSCAT - St Joseph's Catholic Primary School	17	35
St Marylebone C E Bridge School	17	29
Ark - Atwood Primary Academy	16	31
Future Acad - Millbank Primary Academy	16	25
Future Acad - Churchill Gardens Academy	15	27
Future Acad - Pimlico Primary Academy	15	13
Our Lady of Dolours	13	15
Ormiston - Beachcroft Academy	8	25
ULT - Wilberforce Academy	4	50
(CLOSED) Compass (Harris St John's Wood)	2	100
Accent Catering	2	50
Continental Landscapes Ltd	2	50
Gold Care Homes	2	50
Pinnacle Housing	2	0

2.10 HPS received two compliments in April 2024, none for February and March.

“you, did well by making web site easy to negotiate for older members”

“Member said they were satisfied with our service”.

2.11 There was a complaint in March 2024. This complaint centred around someone who had come to draw their pension. They had run several estimates on the portal and had a good idea of their expected pension, they had also reviewed their annual benefit statement on the portal, and this had pension and lump sum figures at a lower rate than the portal was providing. When the member put in their retirement declaration form the team at HPS discovered that a transfer completed many years ago by a former administrator was on the record twice, although this did not increase the pension for the annual statement it was somehow being picked up for the estimate purposes. When HPS processed the retirement, they removed the excess transfer record and advised the member of her pension entitlement, but they did not advise her of the prior error on her record even though they knew she had been running estimates so was probably expecting to see more pension than she was entitled to. HPS have acknowledged that they should have advised the member of the discovery when they contacted her about her pension entitlement. This case is now at stage one of the Internal Dispute Resolution Process (IDRP) with a member of the admin team reviewing with the member and HPS.

2.12 There was also one complaint in February. This concerned a member who had less than 2 years of service and had left the Fund in 1990. They had been

contacted about claiming a refund but thought we should have pointed out that they could have a transfer. The option form has been updated for a transfer where applicable and the member has transferred their pension out and is satisfied with that outcome.

3. Data Work

- 3.1 The backlog project that was 611 cases is down to the final 2 cases, Those cases are linked to the Interfund in issues we are having with Funds using a particular administrator.
- 3.2 The Fund has been working on the annual returns which were due into the administrator by the 30th of April 2024. I had given one employer consent to submit after the deadline for their personal reasons and another submitted late but the person signing off the return was dealing with a bereavement and so we have allowed them leeway on the deadline. We have raised several Pension Administration Strategy (PAS) charges of £100 for late submission in line with our clear deadline. I am pleased to update you that all our annual returns have been submitted to the administrator by the 31st of May 2024 so additional PAS charges will not be applied.
- 3.3 Although all returns are now in, at the time of writing this report not all returns have been uploaded and queries finalised. However, I am confident enough to update you that the queries that have so far been identified this year look significantly down on previous years with most data loaded.
- 3.4 In 2022 the first year with HPS, we had 760 queries. In 2023 that reduced to 455 queries. At the time of writing this report we had 111, 2024 queries with 80 records to load so we are on track to be well below 200 queries in total when the final accounting is completed. This is really an excellent position to be in and is the result of continued engagement with our employers and because we have utilized our Pension Administration Strategy (PAS). The PAS allowed us to apply charges for failure to provide data in a timely manner to the Fund and this has resulted in employers changing their behaviour towards the Fund.
- 3.5 I advise you that one of the school's payroll providers Strictly Education (SE) has been going through some difficulties. Their annual return was late despite repeated e-mails to them, and messages raised via their portal. Fines have been sent to the schools that use SE for the late returns. The SE return has been loaded and the overall queries for them is actually low, so I believe the annual return data is of relatively good quality. However, SE had also sent in their March 2024 remittance slips late and they should have sent in schedules to go with those remittances which are still missing as at the time of writing this report. In addition, the April data which should have been with us by the 19th of May is also still missing. The schools are being PAS fined for this and we are keeping the up to date with the situation and upcoming deadlines. We have offered to meet with SE but again as at the date of writing this report no response from them. I have made the internal auditors aware of the situation and we are also making education finance aware.

- 3.6 I am aware that SE is moving some schools from one payroll system to a new payroll system this is probably a significant project for them. I also know that they have had some resourcing issues and staff leave at short notice. However, they are not engaging with us or committing towards future compliance. I hope that the PAS charges we are applying will have an impact on SE and that things improve but we will be keeping a close eye on the situation.

4. Summary

- 4.1 In Section 2, I covered the KPI data for the period February 2024 through to April 2024 is 100% within the agreed target.
- 4.2 I have updated the Committee that having cleared the backlog we are now working with HPS to help ensure that the oldest cases in the workflow are getting a thorough review.
- 4.3 I have updated the Committee in relation to two complaints received during the period and a couple of compliments.
- 4.4 In section 3, I update the Pension Committee on the positive early assessment of this year's pension annual return data.
- 4.5 I update the Pension Committee that there are new issues with one of the payroll providers SE and that we are applying PAS charges as a result.