

Pension Fund Board

Date:	18th January 2022
Classification:	General Release
Title:	Pension Administration Update
Report of:	Sarah Hay, Pensions Officer People Services
Wards Involved:	All
Policy Context:	Service Delivery
Financial Summary:	Limited

1. Executive Summary

1.1. This report gives an update on the general pension administration issues the fund has experienced following the move from Surrey to Hampshire Pension Services on the 8th of November 2021. In section 2, the report sets out a summary of our Key Performance Indicators (KPIs) data for the first month of the new service November 2021. In section 3, I cover some general data / project work and in section 4 a general pension administration update.

2. KPI Performance

2.1 From 8th of November 2021, when we went live with our new pension fund administration partners HPS, new KPIs were agreed within our contract. HPS provide LGPS services to Hampshire, West Sussex, Hillingdon and now Westminster and their operating model includes a set of standard KPIs across all of the partners in the service.

2.2 Each month HPS provide Westminster with a pensions administration report. This report includes general information on work in progress and issues for our fund. The report also includes membership data and KPI data on a monthly basis. At the time of writing this report, I only have receipt of the November 2021 report. I have decided for this paper to include the first administration report as an appendix to this paper for your information.

- 2.3 You will find the KPI data for November on page 3 of the pensions administration report. In summary, HPS are reporting that they met the KPIs deadlines in each category 100% of the time. I remind the board that the standard KPIs timescales are overall more generous than we previously had agreed with Surrey, however Surrey were unable to meet those KPIs standards across a significant number of cases, particularly in the last seven months of our contract with them.
- 2.4 The new presentation of KPI information by HPS does helpfully provide a time to complete breakdown within the KPI deadline. For example their were six retirements processed in November by HPS, four within 0 – 5 days and two within 6- 10 days.
- 2.5 Additionally if you look on page 4 of the pensions administration report, HPS provide a breakdown of cases that are on hold where they advise they are waiting for data from either the member or the employer to progress a case. This should be useful as we move forward to drill down into the reasons that work is not progressing.

3. Data Work

- 3.1 At this board meeting I do not have a significant update on other data work as we have been concentrating on embedding the new pension service.
- 3.2 I do advise the board that the Pension Committee gave consent to agree a Guaranteed Minimum Pension (GMP) contract with Mercer and this is now signed with work starting in January. I will update the board on progress at later meetings.
- 3.3 Additionally we have asked all employers to submit initial data for the McCloud project by the end of January 2022. Westminster as an employer itself has to retrieve data from three previous HR systems including one from our prior outsourced housing service City West Homes. We anticipate that our internal resource will be heavily involved in working on the McCloud project for both Westminster and supporting other fund employers to submit relevant data in the coming months.

4. HPS General Admin update

- 4.1 I am pleased to advise the board that our experience of working with HPS from the point we agreed to move our service to the date of this report has been a positive experience for Westminster. From go live on the 8th of November, HPS have been supportive and generally responsive to our members. We will be having monthly partnership meetings with HPS to address any issues and these will continue until such time we are satisfied that the service is meeting our expectations.
- 4.2 There was one issue highlighted by a retiring member the week of go live in relation to his marital status not being recorded correctly. This resulted in

additional checks being carried out and we discovered that everyone had initially been set up as single in UPM. The issue was immediately addressed and now all marital status is recorded as per our original data or as subsequently amended by members using the new member portal.

- 4.3 There remains a number of data issues that need to be resolved. As outlined in 3.2 of the pensions administration report for November, there are 400 identified leavers prior to September 2021, that are currently included in our active membership. As outlined HPS plan to start clearing those cases from January 2022 and may require internal support from Westminster if information is missing to complete those cases. At the time of writing this report, we have not detailed timeline with HPS to resolve the backlog. I will update the board at the next meeting on any agreement made with HPS and the progress made towards clearing those cases.
- 4.4 Additionally the board may want to note that HPS have run the funds common and conditional data scores, see section 7 of the November pensions administration report.

Common 72%
Conditional 83%

The scores above are a reduction on the scores that we reported last year which were.

Common 91.7%
Conditional 93.8%

We do have to note that the 2021 scores were measured on a new system to the 2020 scores and each system will look at the data slightly differently. We will be working with HPS and notifying you of action taken to improve the scores above in 2022. The first priority will be to address the 400 plus leavers as in 4.3 above that will be a significant part of why our scores have reduced so much. We will review the data further once we have started to work through the cases above.

5. Summary

- 5.1 The KPIs data is positive for our first full month with HPS and we expect it to remain so going forward.
- 5.2 Data work in the last few months has slowed while we embed the new service however 2022 will see us start work on both GMP and McCloud projects.
- 5.3 Our relationship and experience of dealing with HPS has been positive since we agreed to move the service to them last year. The first month has seen HPS respond and address urgent issues and so far the member experience appears to be positive.

5.4 There is work to do in 2022 with HPS in particular to clear the backlog of 400 unprocessed leavers and also to ensure we improve our data scores through targeted measures.