



Pension Fund Committee

Date:	10th March 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:	Negligible

1. Introduction

- 1.1. This report provides a summary of the performance of Hampshire Pension Services (HPS) with the Key Performance Indicators (KPIs) for the period November 2021 to January 2022. HPS set out their KPI data in a partnership report that is sent to officers monthly. For this report I have included the first three so the Pension Committee can see the detail, however going forward I will not share unless there is a particular reason to do so.

2. KPI Performance

- 2.1 The scope of the KPIs in this report have been agreed between WCC and HPS in our agreement.
- 2.2 This paper covers the period of 8th November 2021 until 31st of January 2022.
- 2.3 KPI performance for each month is within each partnership report. HPS report 100% compliance within the agreed KPI in each month. The Committee will be aware that most of the KPI standards have increased with HPS from those previously agreed with Surrey. 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. In January for example there were 14 deferred retirements completed, 5 within 5 days 2 more by day 10 and the final 7 by day 15.

- 2.4 The overall cases processed by HPS has moved up and down but that is not unexpected in these few short months. November was a partial month with the service only going live on the 8th of November where 55 cases were processed. In December that increased to 152 cases and reduced to 86 in January though there was consistent reduction in cases processed by HPS across all funds in the weeks just after Christmas. I would expect the average going forward to exceed 100 cases each month.
- 2.5 HPS also provide a breakdown of the active cases on hold. In November there were 109 cases on hold. In December this reduced to 101 cases and then in January this increased to 124 cases. We will need to make sure going forward that the number of cases on hold does not slowly increase or this will represent an additional backlog of work.
- 2.6 Overall the service with HPS has embedded well and noise from the employers and fund members is very low. We are pleased that 18.39% of the membership has already registered for the new member portal. Our communication with employers and members going forward will aim to increase this percentage slowly.
- 2.7 Complaints are low but reported by HPS in every partnership report.
- 2.8 In summary the January complaints involved one member whose pension issues had been outstanding with Surrey, this case was complicated because she was claiming additional pensionable service that was not recorded on the administration system. The member had a valid complaint in that we found weekly payslips from 1997 / 1998 that showed she had active membership of the fund which was not recorded on the pension system. HPS have been instructed to update the members record and update the member.
- 2.9 The second January complaint involved someone claiming their pension from deferred benefit status. In this case the member was complaining about the cost of claiming their pension that came with postage, mobile phone and internet costs to them. The cost the member claimed were significantly less than their lump sum and members are expected to complete the retirement declaration form and either post back or complete online.
- 2.10 The first November complaint the Committee know about. This was the member who was in the process of retiring when we moved to HPS and he had not been notified, in addition he identified his marital status has not transitioned correctly. The Committee have been advised on the subsequent action. The second member complained about the difficulty they had accessing the member portal and also complained about WCC moving pension fund administrators again. I responded to this member on behalf of the fund but had no reply from them.
- 2.11 I am satisfied that HPS are dealing with issues in a responsive way and none of the complaints so far particularly reflect on the HPS service. Acompliment in December was a member stating that "communication was above and beyond

expectation.” This referenced a particular member of the team so that was nice to note as well.

3. Data Scores and Annual Returns

- 3.1 You will want to particularly note the data scores that the fund reported to the pension regulator as covered in section 7 of the November report. The Common data is now 72% and scheme specific data is now 87%. This is a reduction from our previous scores, in part that is because the two different administrators and software systems measure the data quality slightly differently. However, there is still data work to do going forward to improve our data.
- 3.2 We will talk to HPS re continued address tracing. The fund has done a lot of work in the last two years on address tracing and although our numbers remain high, they are much lower than they were originally. The address issue highlights the importance of the fund pushing members to register for the member portal and to do so using their personal e-mail address. Where we have e-mail addresses, we can attempt to contact members via e-mail where address information is out of date.
- 3.3 2022 is a valuation year. The fund’s employers have all been provided with the new end of year template, this is slightly different to the previous return used by Surrey however the information is essentially the same. Returns are expected to be submitted by the 30th of April 2022. Following the returns submission HPS will be uploading the returns and reviewing data quality ahead of the valuation.
- 3.4 Finally I need to advise the Pension Committee that Andy Hyatt the Shared Service Head of Fraud has advised me that there is little prospect of the fund being able to recover pension overpaid to one member between 2015 and 2020. Although we believe a relative who our member lived with prior to death may have been the beneficiary of the pension in the region of £40,000. Transactions were by direct debit to other companies that will not share data with us, and they were card payments in our members name but on a card issued before her death. The relative we believe responsible has been invited to interview but will not attend and the police have rejected our request to take on the case. The fraudulent activity would be difficult to prove to a court based on the circumstantial evidence available to us and therefore the cost of any further action would not be well spent. Unless the committee object I will be closing this case and advising Andrew of that.

4 Summary

- 4.1 The KPI’s from 8th of November to 31st of January are all 100%. I have included the three partnership reports as appendix for review that confirms the individual figures per month.
- 4.2 An improvement over the prior situation with Surrey is that we also have the active work on hold and can you review that on a month by month basis as well.

- 4.3 There have been a few complaints, HPS are very transparent about those complaints, and they deal with them. It is also nice to note that they have a compliment as well.
- 4.4 The data scores we had to report to the Pension Regulator were disappointing after the data cleansing the fund has done in the last few years. HPS have identified some easier wins to improve those scores. The fund should prioritise data work that impacts valuation data including any unprocessed leavers as covered in the costing paper.
- 4.5 2022 is a valuation year, All the fund employers have been advised to submit their end of year return by the 30th of April 2022. I will update the Committee and Board later in the year on the progress.
- 4.6 Unfortunately advice from our head of fraud has indicated that there is little prospect of any financial recovery in the case of pension that was overpaid between 2015 and 2020. Further time and cost spent on this case would not be beneficial to the fund now and so I will instruct Andy Hyatt that we will close the case.