

London Borough of Hammersmith & Fulham

PENSIONS BOARD

7 February 2017



PENSION ADMINISTRATION UPDATE

Report of the Director of Human Resources

Open Report

Classification: For Information
Key Decision: No

Wards Affected: None

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1. EXECUTIVE SUMMARY

- 1.1. This report updates the Pensions Board on the performance of Surrey Pensions Services in the provision of pension administration services to the London Borough of Hammersmith & Fulham (LBHF) under the Delegation Agreement.

2. RECOMMENDATIONS

- 2.1. That the Pension Board notes this report, and agrees that further progress is reviewed at the next meeting the Pension Board.

3. INHERITED BACKLOG

- 3.1. Members of the Pension Board will be aware from the previous meeting that the inherited backlog of items from Capita fell into four main categories. An update on progress made with each of these is below:

Issue Description	Estimated LBHF volume	Progress since previous Board meeting
Data cleansing of all known deferred member records	4000 LBHF cases	520 (13%) of the cases have been cleansed so far. SCC is on track to cleanse the remainder within the next 11 months.
Historical deferred	249 LBHF	67 of the cases have been matched to a known LBHF

Issue Description	Estimated LBHF volume	Progress since previous Board meeting
pensions not put into payment	cases	employee record dating after 1990. The remaining 182 cases date from employee records where the LBHF leaving date is prior to 1990 so cannot be easily checked against known borough records. Surrey will be writing to all cases by 31 January 2017 asking for proof of identification to be forwarded for consideration of pension benefit assessment. Cases will then be dealt with on a case by case basis as responses are received. Cases will be scrutinised for evidence of employment and scheme membership prior to any benefits being paid.
Historical unresolved casework	450 LBHF cases	40 cases (9%) have now been resolved. We have agreed with Surrey that they will categorise each of these remaining cases into high/medium/low priority by the next monthly meeting in February 2017, with a view to then tackling the high priority cases first. Surrey is on track to resolve all remaining cases within the next 11 months.
Previous 2014-15 year-end returns to be reviewed and queries resolved	550 LBHF cases	All missing employer year-end files from 2014-15 have now been received by Surrey and processed against their administration system. 550 LBHF cases have been identified as having queries outstanding from the employer (e.g. pensionable pay value does not match known job occupancy). A sample of these cases has now been sent to the Borough and we have investigated these. Most the enquiries will fall back onto the borough to answer the remaining questions and then feed this back to Surrey for them to update their administration system. The exact process for how we categorise and resolve these will be agreed at the January 2017 meeting.

4. OTHER KEY PENSION SERVICE DELIVERY ISSUES

4.1 An update of other key pension service delivery issues is as follows:

- a) **Review of pension administration processes and responsibilities** – the planned a full-scale review of the current division of pensions-related administrative duties between SCC, BT and the Client Team was postponed in December 2016 due to BT's inability to commit resource. The meeting is now taking place in the first week of February 2017.
- b) **Seminar with admitted/external bodies** – A seminar for external employers to remind them of their year-end responsibilities is planned for 17th March 2017. The proposed Pension Administration Strategy will underpin external employer compliance going forwards.
- c) **My Pensions Helpdesk** – the SCC helpdesk is now functioning satisfactorily in terms of the number of calls being handled, and we now receive almost no complaints from scheme members. 81% of incoming calls are resolved at the first contact with the helpdesk. We expect a more detailed breakdown of call resolution times from Surrey at the February 2017 service review meeting.

- d) **Pension surgeries** – SCC staff are now holding pension surgeries for LBHF scheme members at the LBHF Town Hall. The first session was held on 6 December 2016 for up to 28 employees and proved positive in assisting members with queries. It is planned to hold the next session in late May 2017.
- e) **Starter/leaver files from BT** – these have not been received from BT for the whole of the 2016-17 financial year although test files were received but contained anomalies that needed to be fixed. A further review is being held with BT in early February 2017.

5. OPTIONS AND ANALYSIS OF OPTIONS

5.1. Not applicable.

6. CONSULTATION

6.1. Not applicable.

7. EQUALITY IMPLICATIONS

7.1. Not applicable.

8. LEGAL IMPLICATIONS

8.1. None.

9. FINANCIAL IMPLICATIONS

9.1. None.

10. IMPLICATIONS FOR BUSINESS

10.1. None.

11. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

11.1. None.

LIST OF APPENDICES:

None