

REPORT TO:	Hampshire Fire Pension Board
DATE PREPARED:	16 June 2020
TITLE:	Pensions Administration Update

Contact Name: Hayley Read Contact Number/Email: 01962 847597 / hayley.read2@hants.gov.uk

1. Summary

- 1.1. The purpose of this report is to update the Hampshire Fire Pension Board with the current position of scheme membership; performance against service level agreements and to provide other important and current information about the administration of the Hampshire Fire Pension Fund.

2. Background

- 2.1. Pensions Services administer the Fire pension schemes on behalf of the Chief Fire Officer, under the Joint Working agreement between Hampshire County Council, Hampshire Fire & Rescue Authority, the Police & Crime Commissioner for Hampshire and the Chief Constable of Hampshire Constabulary.
- 2.2. Responsibility for the fire schemes sits with HFRA as the scheme manager. Pensions Services therefore administer the schemes in accordance with the statutory regulations and any instructions from the HFRA on discretionary matters. HFRA are part of the shared services arrangements so all salary and service information required for pension calculations is provided to Pensions Services by the IBC.
- 2.3. Pension Services also administer the Local Government Pension Scheme for the Hampshire Pension Fund, West Sussex Pension Fund and the Hampshire Police pension schemes.

3. Covid-19

- 3.1. In accordance with government advice, all Hampshire Pension Services staff are currently working from home, including the Pensions Customer Support Team (PCST).
- 3.2. The service is still operating well and as close to business as usual as possible; with the exception of PCST who do not have full access to the office phone system. An initial interim solution which was in place at the start of lockdown diverted incoming calls to five

team members who were issued with mobile phones. The greeting message in place encourages Members to email any queries and leave the phone lines clear for those without internet access, and to date this has not caused any issues (calls are down from an average of 150 – 200 a day pre lock down to 45 – 65 a day).

- 3.3. A second interim solution via MS Teams is now in place which allows callers to queue if necessary, and for the team to be able to transfer calls or place them on hold. This is working well and is a step towards replicating the office phone system. However new call centre technology was in any case due to be rolled out to PCST by the end of August and this will allow the full service to operate via MS Teams regardless of location.
- 3.4. We saw a decrease in incoming work, in some areas – mainly transfers, early leavers and estimates – at the end of March and throughout most of April, but casework is now back at the normal levels.
- 3.5. It is not anticipated that there will be any impact on the production of annual benefit statements by the end of August 2020, or the production of Pension Savings Statements by the deadline of 6 October 2020.

4. Membership

- 4.1. The table below details the number of members against status for each of the Firefighters' pension schemes as at 31 March 2020.

	Active	Deferred	Pensioner	Total
2015 Scheme	1,090	447	10	1,547
2006 Modified Scheme	18	40	75	133
2006 Scheme	17	418	49	484
1992 Scheme	77	81	978	1,136
GRAND TOTAL	1,202	986	1,112	3,300

5. Administration Performance

- 5.1. Pensions Services' performance against agreed service level agreements (SLA) for key processes are monitored monthly. The SLA is 15 working days for all processes apart from the calculation of deferred benefits which is 30 working days.
- 5.2. The tables below show performance for the four quarters of 2019/20.

Quarter 1

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	20 – 30 days		
Active Retirement	4	4	3	0	0	11	100.00%
Deferred Retirement	0	0	1	0	0	1	100.00%
Estimates	2	7	14	0	0	23	100.00%
Deferred Benefits	2	8	13	6	1	30	100.00%
Transfers In & Out	0	0	0	0	0	0	100.00%
Divorce	3	3	0	0	0	6	100.00%
Refunds	0	0	0	0	0	0	100.00%
Death Benefits	4	0	2	0	0	6	100.00%
GRAND TOTAL	15	22	33	6	1	77	100.00%

Quarter 2

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	20 – 30 days		
Active Retirement	2	3	0	0	0	5	100.00%
Deferred Retirement	0	0	0	0	0	0	100.00%
Estimates	5	3	3	0	0	11	100.00%
Deferred Benefits	10	5	2	0	0	17	100.00%
Transfers In & Out	0	0	0	0	0	0	100.00%
Divorce	0	1	1	0	0	2	100.00%
Refunds	0	0	0	0	0	0	100.00%
Death Benefits	7	1	0	0	0	8	100.00%
GRAND TOTAL	24	13	6	0	0	43	100.00%

Quarter 3

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	20 – 30 days		
Active Retirement	6	4	1	0	0	11	100.00%
Deferred Retirement	1	1	0	0	0	2	100.00%
Estimates	0	10	17	0	0	27	100.00%

Deferred Benefits	3	12	9	3	0	27	100.00%
Transfers In & Out	1	0	0	0	0	1	100.00%
Divorce	0	0	1	0	0	1	100.00%
Refunds	0	0	0	0	0	0	100.00%
Death Benefits	2	1	0	0	0	3	100.00%
GRAND TOTAL	13	28	28	3	0	72	100.00%

Quarter 4

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	20 – 30 days		
Active Retirement	5	6	1	0	0	12	100.00%
Deferred Retirement	0	0	1	0	0	1	100.00%
Estimates	2	19	14	0	0	35	100.00%
Deferred Benefits	7	10	6	3	2	28	100.00%
Transfers In & Out	1	0	0	0	0	1	100.00%
Divorce	0	1	2	0	0	3	100.00%
Refunds	0	0	0	0	0	0	100.00%
Death Benefits	6	0	0	0	0	6	100.00%
GRAND TOTAL	21	36	24	3	2	86	100.00%

- 5.3. In addition to the casework, the annual pension increase for 2020 was applied to all Fire deferred and pensioner records, and the first increased payment was made on time, with April's pension instalment.
- 5.4. We are in the process of producing deferred benefit statements, and once the 2020 annual return has been finalised, will begin work on the active benefit statements – all statements will be published online by the 31st August 2020, and only those who have specifically opted out of the online service will receive a paper copy to their home address.
- 5.5. Once the active benefit statements have been produced, we will review the Annual Allowance position for all active members and write to those who have exceeded the 2019/20 annual allowance by 6th October 2020.

6. Member Portal

6.1. The table below shows the number of Firefighters' who have registered for their online Member Portal account.

Status	Registrations to date	% of total membership
Active	342	28.45
Deferred	98	9.94
Pensioner	92	8.27
TOTAL	532	16.12

6.2. From April 2020, new starters will receive an email welcoming them to the pension scheme and asking for them to register on the Portal to access their starter information. By the end of June 2020, the retirement declaration form will be able to be completed via the Portal, including the ability to upload certificates.

7. 2019 Annual Benefit Statements

7.1. Every active and deferred member of the Firefighters' Pension Scheme received a benefit statement for 2019 by the statutory deadline of 31st August 2019.

7.2. As part of the exercise to produce benefit statements, we also identified 18 Firefighters who had exceeded their Annual Allowance for 2018/19 and wrote to these members by the statutory deadline of 6th October 2019.

8. McCloud remedy

8.1. There has not been any significant update regarding the McCloud remedy since the last report to the Board.

8.2. The Ministerial statement in March confirmed members of public service pension schemes with relevant service will not need to make a claim in order for the eventual changes to apply to them. The Home Office has also confirmed that pension tax can be recalculated over the remedy period. The next step will be for the proper consultation to come out, and an update is expected towards the end of June.

8.3. The agreed Home Office statement has been included in the annual benefit statements for deferred members which are currently being produced.

9. Combined Fire Authority

- 9.1. We have been involved in discussions with Matthew Collier on the Isle of Wight, and Annie Pratt with regards to the implementation of the Combined Fire Authority with effect from 1 April 2021.
- 9.2. A high level timetable has been agreed in respect of the pension data transfer and this accounts for the need to have all member records available in UPM from 1 April 2021, and the first pensioner payroll run in mid-April.
- 9.3. Civica are aware and have planned resource to support with the data transfer; we are currently waiting for confirmation from Heywood via Matthew Collier that they can provide the same support in extracting the data from Altair.
- 9.4. We will ensure that Annie is kept updated with progress and any concerns we have, but we do not envisage any issues considering the small number of records being transferred to us.

10. Pensions Regulator – Data Quality

- 10.1. The Pensions Regulator requires all schemes to report annually a data quality score, based on the presence and validity of two data sets; common and scheme specific (previously referred to as conditional).
- 10.2. In November 2019 we reported our data scores to the Pensions Regulator, for the Firefighters Pension Scheme, as follows;

Common Data

	Score
1992 Fire Pension Scheme	96%
2006 Fire Pension Scheme	84%
2006 Modified Fire Pension Scheme	98%
2015 Fire Pension Scheme	97%

Scheme Specific Data

	Score
1992 Fire Pension Scheme	90%
2006 Fire Pension Scheme	75%
2006 Modified Fire Pension Scheme	82%
2015 Fire Pension Scheme	73%

- 10.3. Hampshire Pension Services implemented a new data analysis and reporting tool (DART) in conjunction with our LGPS colleagues at South Yorkshire, which runs over 150 validations against every member record and highlights where data does not exist or is inaccurate.
- 10.4. DART was used for the first time last year to analyse the Firefighters' pension scheme records against the common and scheme specific data requirements, and due to this being a more thorough analysis we saw a slight decrease in some of the scores above in comparison to November 2018.
- 10.5. The data improvement work will now be driven by the results that DART produces, and therefore we have a consistent and reliable approach – this piece of work is ongoing and updated scores will be provided to The Pensions Regulator in November 2020.

11. Audit

- 11.1. The Southern Internal Audit Partnership (SIAP) provides the internal audit function for both Hampshire and West Sussex. Three of the four internal audits relating to pensions administration for 2019/20 have been completed – pension payroll and benefit calculations; deaths; and accounting for pension receipts.
- 11.2. These areas have all received a substantial rating meaning that a sound framework of internal control is in place and operating effectively, with no risks to the achievement of system objectives identified. The last audit is due to be finalised shortly, with the annual audit opinion expected by the end of June.
- 11.3. The pensions administration audits being completed next year are pension payroll and benefit calculations and refunds.

12. Customer Service Excellence

- 12.1. In April 2020 Pension Services underwent an interim assessment for the Customer Service Excellence (CSE) accreditation, and the feedback report confirmed that the required CSE standards across the 57 assessed areas were still being met.
- 12.2. A 'compliance plus' score was given against 9 areas, demonstrating continuous improvement beyond the required standard. This was an improvement on the assessment in 2019, when we were awarded 7 compliance plus scores.