Agenda item 5

HAMPSHIRE COUNTY COUNCIL

Information Report

Decision Maker:	Pension Fund Panel
Date:	16 December 2016
Title:	Governance: Pensions Administration Update
Reference:	8013
Report From:	Director of Corporate Resources – Corporate Services

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1. Executive Summary

1.1. The purpose of this paper is to update the Pension Fund Panel and Board on administrative performance for the first six months of 2016/17.

1.2. Pension Services continue to hit 100% for all key targets (ensuring customers get the service that has been promised).

1.3. Employer performance figures are reported for the first half year of 2016/17.

1.4. The data for the 2016 Valuation was provided to the Fund actuary by the agreed deadline.

1.5. Hampshire had the fourth lowest cost per member across the LGPS, for 15/16.

1.6. Annual Benefit Statements were made available by the 31 August 2016 deadline.

2. Administration performance

2.1. Pensions Services provide the administration of pension entitlements for members of the Hampshire Pension Fund, as well as for members of the Police Pension Schemes and Firefighters’ Pension Schemes.

2.2. Pensions Services’ administration performance against service standards for key casework is measured each month. This information is used internally to improve processes and is published annually in the annual report.

2.3. The performance for the first six months of 2016/17 was:

Q1: April - June 2016

	Time to Complete							
Type of case	**0-5 days**	**6-10 days**	**11-15 days**	**16-20 days**	**20-40 days**	**40 days plus**	**Total**	**On target?**
Retirement	261	71	67	2	0	0	401	100.00
Deferred Retirement	106	124	118	6	0	0	354	100.00
Estimate	480	103	235	47	0	0	865	100.00
Deferred	372	823	648	64	55	0	1,956	100.00
Transfer out	148	61	5	0	0	0	214	100.00
Transfer In	74	29	15	2	0	0	120	100.00
Divorce	28	50	20	1	0	0	99	100.00
Refund	989	175	15	0	0	0	1,179	100.00
Rejoiners	133	6	1	0	0	0	140	100.00
Interfunds	34	6	1	0	0	0	41	100.00
Death	162	26	9	8	0	0	205	100.00
Grand Total							**5,574**	

Q2: July - September 2016

	Time to Complete							
Type of case	**0-5 days**	**6-10 days**	**11-15 days**	**16-20 days**	**20-40 days**	**40 days plus**	**Total**	**On target?**
Retirement	177	92	28	1	0	0	298	100.00
Deferred Retirement	88	144	56	1	0	0	289	100.00
Estimate	386	100	153	48	0	0	687	100.00
Deferred	180	340	563	454	343	0	1,880	100.00
Transfer out	132	21	7	0	0	0	160	100.00
Transfer In	76	15	16	5	0	0	112	100.00
Divorce	35	59	8	2	0	0	104	100.00
Refund	1,428	289	29	13	0	0	1,759	100.00
Rejoiners	103	27	46	0	0	0	176	100.00
Interfunds	57	21	3	0	0	0	81	100.00
Death	113	40	12	6	3	0	174	100.00
Grand Total							**5,720**	

2.4. Pensions Services continue to hit 100% for all key targets (ensuring customers get the service that has been promised.

3. Employer Performance

3.1. Pensions Services continues to monitor the timeliness of notifications from employers, for key activities.

3.2. Appendices A, B and C show the timeliness of retirement and death notifications from employers.

4. 2016 Valuation

4.1. The Fund Actuary carried out the triennial valuation of the Fund as at 31 March 2016.

4.2. The deadline for providing all data to the actuary was end of July 2016 (which is several months earlier than the last valuation). This was to allow the actuary to meet their new additional deadline of providing information to the Scheme Advisory Board by 30 September 2016.

4.3. Pensions Services submitted the valuation data on time to the Fund Actuary.

5. Costs and Budgets

5.1. Historically Fund costs have been split between investment and administration. This year a further category has been added – “oversight and governance” costs.

5.2. Funds do not yet seem to be consistent in how they allocate these costs. So for comparative purposes, it seems best to use the non-investment costs (i.e. administration plus governance) to assess the relative cost.

5.3. The table below shows the top 10 lowest cost per member Funds:

	Fund	Total Administration and Governance cost	Members	Cost per member
1	Nottinghamshire	£1,805,000	125,553	£14.38
2	Essex	£2,138,000	146,517	£14.59
3	Leicestershire	£1,339,000	86,510	£15.48
4	**Hampshire**	£2,576,000	154,839	£16.64
5	West Yorkshire	£4,501,000	264,234	£17.03
6	West Sussex	£1,214,000	69,170	£17.55
7	Tameside	£6,191,000	350,721	£17.65
8	West Midlands	£5,100,000	287,874	£17.72
9	East Riding of Yorkshire	£1,938,000	103,375	£18.75
10	Surrey	£1,793,000	91,932	£19.50

5.4. The 2015/15 budget and actual costs were reported in the Fund accounts, as was the 2016/17 budget. (Shown in Appendix D, for information).

6. Annual Benefit Statements

6.1. The statutory deadline for providing members with annual benefit statements for 2015/16 was 31 August 2016.

6.2. This year Pensions Services made statements available to members on Member Self-Service.

6.3. Where members had previously requested to be provided with a paper statement, these were sent by the statutory deadline.

6.4. A total of 914 active and deferred members have asked for paper statements to be sent.

7. Legal

7.1. Burgess Salmon have provided specialised legal services to the fund for over 10 years. It is proposed to bring the arrangement under the National LGPS Framework for Legal Services, principally those items under Lot 4 (Benefits Administration, Employer Bodies and Governance).

7.2. The purpose is to provide continuity for legal advice on admission bodies and related issues and to apply capped rates agreed with the National LGPS framework.

7.3. The National LGPS Framework is non-exclusive and where required other firms under that framework can provide legal services as appropriate.

8. Recommendation

8.1. The Panel and Board note the information contained in this report.

IMPACT ASSESSMENTS:

1. Equality Duty

8.2. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionally low.

8.3. **Equalities Impact Assessment:**

8.4. Equality objectives are not considered to be adversely affected by the proposals in this report.

Impact on Crime and Disorder:

8.5. The proposals in this report are not considered to have any direct impact on the prevention of crime.

Climate Change:

d) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

e) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.

Summary of death notifications processed for period April - June 2016

Employer	0-5 days	6-10 days	11-15 days	16-20 days	21-30 days	31-40 days	41-50 days	51-60 days	+60 days	Total
Hampshire County Council	1	1	1	0	1	0	0	0	1	**5**
New Forest District Council	0	0	0	0	1	0	0	0	0	**1**
Portsmouth City Council	0	0	0	0	1	0	0	0	0	**1**
Rushmoor Borough Council	0	1	0	0	0	0	0	0	0	**1**
Tadley Town Council	1	0	0	0	0	0	0	0	0	**1**
Test Valley Borough Council	0	0	0	1	0	0	0	0	0	**1**
	2	**2**	**1**	**1**	**3**	**0**	**0**	**0**	**1**	**10**

Summary of death notifications processed for period July - Sept 2016

Employer	0-5 days	6-10 days	11-15 days	16-20 days	21-30 days	31-40 days	41-50 days	51-60 days	+60 days	Total
Hampshire County Council	2	1	1	1	1	0	0	0	1	**7**
Hampshire Police Authority (LGPS)	1	0	0	0	0	0	0	0	0	**1**
	3	**1**	**1**	**1**	**1**	**0**	**0**	**0**	**1**	**8**

Employers not meeting deadline for notifiying retirements

April - June 2016

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
The University of Winchester	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
New Forest Academy (Academies Enterprise Trust)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**
		0%			**0%**			**0%**				**100%**

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Amey Services (Highway)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**
		0%			**0%**			**0%**				**100%**

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Chamberlayne College for the Arts	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**
		0%			**0%**			**0%**				**100%**

Southampton City Council administer our pensions fund and therefore any delays will, I imagine, have been caused by them rather than the school.

I am only aware of one request made by an employee of Chamberlayne in the last year where information was not forthcoming from SCC.

Another employee was summarily dismissed after the age of 65 but advised yourselves that he had in fact retired. I know that this particular employee claimed that the school had not completed the necessary forms on his behalf to access his pension on his retirement, but, as stated he did not retire and for that reason I did not make an application on his behalf.

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Jefferys Education Trust (JET)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**
		0%			**0%**			**0%**				**100%**

Thank you for also bringing to our attention that certain deadlines have not been met. I can confirm that we will be working with our payroll provider to ensure all forms are completed within the deadlines set enabling us as an organisation to meet the responsibilities required of us.

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Beacon View (United learning)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Bridgemary Academy (TKAT)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

Thank you for the report, our one member of staff who retire on the 5th May 2016, did not give us any notice of retirement, she just left the same day that she handed in her letter and did not work her notice, therefore, on this occasion it would have been impossible to comply with the 20 days notification of retirement as this notice was not available. It was a sudden decision on her part.

For other members leaving the scheme, I buy in this service from HCC External Payroll to provide leaver forms, but they do not seem to do this within the required time scale, this is something I will endeavour to improve by prompting them more regularly to carry out this task. This should improve our performance on this indicator.

Portsmouth Academy for Girls	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

Portsmouth Academy for Girls have reviewed the data produced for them and can see that there was a delay in sending information to Hampshire pensions as the required paperwork was not sent to the payroll provider to process until 4 days prior to retirement. This was due to the employee only have to give one weeks notice. It was then further delayed due to a query regarding earnings.

We have reviewed the processes and in future retirement notifications will be sent through as soon as we are made aware of resignations under this heading and our HR/Payroll provider are able to identify such instructions through an update to their call management system to allow for retirement paperwork to be

Hightown Primary Academy	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

The Victory Primary Academy	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

Compass (JET)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**
		0%			**0%**			**0%**				**100%**

Councillors - Fareham Borough Council	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3**	**0**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Test Valley Borough Council	**0**	**0**	**0**	**0**	**0**	**2**	**0**	**0**	**1**	**2**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**40%**	**0%**	**0%**	**20%**	**40%**	**0%**	**0%**
		0%			**0%**			**40%**				**60%**

We would expect you to see a considerable improvement in the timeliness of the completion of pension leaver forms going forward. We would appreciate it if you could add a comment to our performance figures for 2016/17 to say performance is impacted by issues with pensionable pay with move to the CARE scheme in 2014 and historical issues which are now in hand.

The Romsey School	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**
	0%	**0%**	**50%**	**0%**	**0%**	**0%**	**0%**	**0%**	**50%**	**0%**	**0%**	**0%**
		0%			**50%**			**0%**				**50%**

Hampshire County Council	**0**	**0**	**2**	**6**	**3**	**29**	**37**	**18**	**37**	**15**	**10**	**7**
	0%	**0%**	**1%**	**4%**	**2%**	**18%**	**23%**	**11%**	**23%**	**9%**	**6%**	**4%**
		0%			**7%**			**51%**				**42%**

Significant improvements have been made to the systems and procedures operating with Hampshire County Council over the last six months, but many of these have yet to feed through to the figures that are being reported. In particular work has been undertaken to look at the process for retirements across LGPS, Police and Fire in order to speed up the production of information without compromising the accuracy of data which is needed for the calculation of pension benefits. A new process has been developed but has yet to be fully implemented across the Shared Services Partnership.

Southampton City Council	**3**	**3**	**7**	**4**	**3**	**4**	**10**	**8**	**10**	**2**	**0**	**1**
	5%	**5%**	**13%**	**7%**	**5%**	**7%**	**18%**	**15%**	**18%**	**4%**	**0%**	**2%**
		11%			**25%**			**40%**				**24%**

Basingstoke and Deane Borough Council	**0**	**1**	**2**	**0**	**1**	**1**	**0**	**0**	**1**	**0**	**0**	**0**
	0%	**17%**	**33%**	**0%**	**17%**	**17%**	**0%**	**0%**	**17%**	**0%**	**0%**	**0%**
		17%			**50%**			**17%**				**17%**

Hart District Council	**3**	**1**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**0**	**1**	**0**
	43%	**14%**	**0%**	**0%**	**0%**	**29%**	**0%**	**0%**	**0%**	**0%**	**14%**	**0%**
		57%			**0%**			**29%**				**14%**

Portsmouth University	**0**	**2**	**4**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**
	0%	**29%**	**57%**	**0%**	**0%**	**0%**	**0%**	**0%**	**14%**	**0%**	**0%**	**0%**
		29%			**57%**			**0%**				**14%**

I have reviewed the attached report relating to our institution for the period 1 April 2016 – 30 June 2016 and have provided the below comments to be given to the Pension Fund Panel and Board.

- Active members retiring

The report shows in total 1 employee whereby the retirement notification exceeded the 20 working days prior to the member's retirement date. From reviewing this record, the retirement application was initially submitted within your timescale but an adjustment was subsequently required to the leave date which caused the delay.

- Active members leaving the LGPS

The report shows in total 14 employees whereby the notification of a member leaving employment was submitted 10 days after the month in which the employee left employment.

Of these records, 6 were identified as leavers via our internal checking process while completing the annual returns. In total, the annual returns includes approx. 300 in-year leavers so this does represent a very small percentage error rate.

Of these records, 2 were identified as leavers opting out whereby the instruction to Payroll was sent late resulting in late notification. One of these notifications required an amendment to be made which was identified from the annual returns. Our annual returns submission contains approx. 1,800 service lines and therefore at year end, our robust checking process will identify corrections which will require records to be amended.

The remaining records appear to be variable time members. Our HR Department proactively work with our departments to ensure that casual staff have their contacts of employment ended in a timely manner. Often the leaving date provided to HR will be a retrospective date. As Payroll use this date as the date to close the pension record, this will mean that records will be reported to you that exceed your 10 day target.

One option for consideration is for payroll to no longer notify you of the employee's contractual leaving date on the ST8B but instead use an end of month date in which the ST8B is processed. This would be for variable time members only.

EG - A variable time member is processed by our HR Department with a contractual leave date of 31/06/2016 in the pay period of September 2016. The leave date on the ST8B would be shown as 30/09/2016.

The above change would create considerable additional work to our annual returns as the leave date that is generated from our payroll system used for our returns is the employee's contractual leaving date so there are wider implications to consider in with this proposed change.

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Hampshire Police Authority (LGPS)	**0**	**5**	**8**	**2**	**1**	**0**	**0**	**0**	**0**	**0**	**1**	**0**
	0%	**29%**	**47%**	**12%**	**6%**	**0%**	**0%**	**0%**	**0%**	**0%**	**6%**	**0%**
		29%			**65%**			**0%**				**6%**
Portsmouth City Council	**1**	**57**	**7**	**2**	**2**	**1**	**1**	**0**	**2**	**1**	**0**	**0**
	1%	**77%**	**9%**	**3%**	**3%**	**1%**	**1%**	**0%**	**3%**	**1%**	**0%**	**0%**
		78%			**15%**			**3%**				**4%**

Employers not meeting deadline for notifiying retirements

July - September 2016

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
The University of Winchester	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**
		0%			**0%**			**0%**				**100%**

I have looked into the instances of late notification of a retiree and several scheme leavers as shown in the report for 1 June 2016 to 30 September 2016. I can advise that the late notification of the retiree arose because the employee did not inform the University of his intention to draw down his pension benefits at the time of his leaving. The four cases of late notification of scheme leavers all took place in this quarter as a consequence of our interim Payroll & Pensions Manager following up queries arising from our Annual Salary and Service Return 2015/16 which identified that notifications had not been made at the time of these staff leaving. We are now emerging from a difficult period for our payroll team resulting from our needing to employ successive interim Payroll & Pensions Managers (neither of whom had any knowledge of LGPS)prior to being able to appoint Jaci Clerk to this role on a permanent basis in August this year. Jaci is now taking stock of our operating procedures and will be identifying any areas where our procedures need to be tightened up.

	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Lymington and Pennington Town Council	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**
		0%			**0%**			**0%**				**100%**

	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Highbury College	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

The payroll department is completely new staff, who are learning the role which may explain earlier delays, but they are very keen to comply with the deadlines set. We can't see any reason not to comply.

	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Purbrook Park School	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Hound Parish Council	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**
		0%			**0%**			**0%**				**100%**

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90

Balfour Beatty Living Places	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**
		0%			**0%**			**0%**				**100%**

Please see actions which have been implemented within the last 2 month:

*Audit checks have commenced in relation to leavers to ensure all forms are completed upon the team being notified by the business with an effective date
*Following long term absence in the team, Access requests have been submitted for active members of the payroll team to be able to communicate in close liaison with the council
*Upon review of the audits, the team have been in close liaison with the council to ensure forms have been completed accurately
*The team are now in a position to data cleanse information back to January 2016 to mitigate the risk of any further late data
Please advise if you require any further information to support the report.

Chamberlayne College for the Arts	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**
		0%			**0%**			**0%**				**100%**

Dove House School Academy	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

AfC7 Havant East	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

Beacon View (United learning)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

Hightown Primary Academy	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**1**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**50%**	**50%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

Councillors - Southampton City Council	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

Councillors - Fareham Borough Council	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5**	**0**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**	**0%**
		0%			**0%**			**0%**				**100%**

We are reviewing our in-house procedure and working with pension services to ensure that retirements are reported in a timely manner.

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Hampshire County Council	**0**	**3**	**3**	**1**	**3**	**8**	**18**	**22**	**28**	**18**	**4**	**11**
	0%	**3%**	**3%**	**1%**	**3%**	**7%**	**15%**	**18%**	**24%**	**15%**	**3%**	**9%**
		3%			**6%**			**40%**				**51%**

Significant improvements have been made to the systems and procedures operating with Hampshire County Council over the last six months, but many of these have yet to feed through to the figures that are being reported. In particular work has been undertaken to look at the process for retirements across LGPS, Police and Fire in order to speed up the production of information without compromising the accuracy of data which is needed for the calculation of pension benefits. A new process has been developed but has yet to be fully implemented across the Shared Services Partnership.

	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Southampton Solent University	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	**1**	**1**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**50%**	**25%**	**25%**	**0%**	**0%**
		0%			**0%**			**50%**				**50%**
Everest Community Academy	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**
	0%	**0%**	**0%**	**50%**	**0%**	**0%**	**0%**	**0%**	**50%**	**0%**	**0%**	**0%**
		0%			**50%**			**0%**				**50%**
Bridgemary Academy (TKAT)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**1**	**0**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**50%**	**50%**	**0%**	**0%**	**0%**
		0%			**0%**			**50%**				**50%**
Portsmouth Academy for Girls	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**
	0%	**0%**	**50%**	**0%**	**0%**	**0%**	**0%**	**0%**	**50%**	**0%**	**0%**	**0%**
		0%			**50%**			**0%**				**50%**
Capita Southampton	**0**	**1**	**0**	**0**	**1**	**0**	**0**	**0**	**1**	**0**	**0**	**0**
	0%	**33%**	**0%**	**0%**	**33%**	**0%**	**0%**	**0%**	**33%**	**0%**	**0%**	**0%**
		33%			**33%**			**0%**				**33%**

I have spoken to the payroll department who have responsibility for completing the forms they issue to the fund and they have recognised that there are improvements which can be made internally to their processes. One immediate change which is being made is that payroll will run extra reports during the month to identify leavers which have been input to our payroll / HR database during the month, which will help payroll complete forms on time. In general leaver forms are issued around the 3rd of the month following the final payroll and in terms of pay details this would be the earliest opportunity to provide this information.

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Hart District Council	**1**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**
	33%	**0%**	**0%**	**33%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**33%**	**0%**
		33%			**33%**			**0%**				**33%**

Jean was part of our Leisure TUPE transfer to Everyone Active with effect from 1 February. Jean decided to retire once she had transferred meaning that Everyone Active should have provided the leaving form to Hampshire Pensions. At that time Everyone Active were not at admitted body status, hence the delay in the leaver form being generated.

Our third party that provide our Payroll services (Capita) had provided Everyone Active and Hampshire Pensions with the correct papers on transfer.

How can Hart prevent this from happening again? Hart will look to seek a solution by engaging in better communications with any third party especially around TUPE transfer. We would also welcome any advice that Hampshire Pensions can offer on past experiences.

Southampton City Council	**1**	**9**	**9**	**6**	**4**	**4**	**4**	**5**	**7**	**3**	**0**	**2**
	2%	**17%**	**17%**	**11%**	**7%**	**7%**	**7%**	**9%**	**13%**	**6%**	**0%**	**4%**
		19%			**35%**			**24%**				**22%**

Test Valley Borough Council	**0**	**0**	**0**	**0**	**1**	**0**	**1**	**2**	**1**	**0**	**0**	**0**
	0%	**0%**	**0%**	**0%**	**20%**	**0%**	**20%**	**40%**	**20%**	**0%**	**0%**	**0%**
		0%			**20%**			**60%**				**20%**

In relation to active members retiring, we usually need to wait until after final pay run for us to be able to complete a pension leaver form accurately this may well be more than 20 days after the person has retired. It depends on where their last day falls in relation to the final pay run and if they have any additional overtime pay which needs to be included in the pay run the month after they have left.

We are doing our best to turn our performance around. We have a new member of the team who has just started Laura Strong (HR and Payroll Officer), and it is my intention that come March time, once she has got up to speed with payroll matters, she will take a lead on pension leaver forms for us

Basingstoke and Deane Borough Council	**1**	**3**	**3**	**0**	**0**	**1**	**0**	**0**	**1**	**0**	**0**	**0**
	11%	**33%**	**33%**	**0%**	**0%**	**11%**	**0%**	**0%**	**11%**	**0%**	**0%**	**0%**
		44%			**33%**			**11%**				**11%**

Hampshire Police Authority (LGPS)	**4**	**6**	**4**	**2**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**
	24%	**35%**	**24%**	**12%**	**0%**	**0%**	**0%**	**0%**	**6%**	**0%**	**0%**	**0%**
		59%			**35%**			**0%**				**6%**

Portsmouth City Council	**1**	**23**	**5**	**2**	**1**	**0**	**1**	**2**	**2**	**0**	**0**	**0**
	3%	**62%**	**14%**	**5%**	**3%**	**0%**	**3%**	**5%**	**5%**	**0%**	**0%**	**0%**
		65%			**22%**			**8%**				**5%**

Appendix D

The following is an extract from the annual report and accounts 2015-16:

Pension Fund Budget Commentary

	Budget 2015/16 £000	Actual 2015/16 £000	Budget 2016/17 £000
Contributions received - Employers - normal	122,980	132,494	126,680
Contributions received - Employers - deficit	61,810	60,314	67,370
Contributions received - Employers - total	184,790	192,808	194,050
Members	58,680	59,535	61,000
Transfer values	0	-61	0
Benefits paid	-236,770	-231,411	-232,900
Net additions/withdrawals from dealings with members	**6,700**	**20,871**	**22,150**
Investment management fees	20,508	18,690	21,500
Staff	1,310	1,349	1,400
Premises	58	64	60
IT	245	178	260
Supplies & Services	171	204	220
Other	7	5	10
Administrative Costs	1,791	1,800	1,950
Staff	275	277	275
Premises	16	6	10
IT	10	8	10
Supplies & Services	275	483	510
Other	52	1	5
Oversight & Governance Costs*	628	775	810
Management Expenses	**22,927**	**20,430**	**24,260**

Dealings with members

Employer contributions received were greater than the budgeted figure. The majority of the variance is due to an exit payment of £5m payable by one of the Fund's employers. The remainder of the difference is due to an increase in the number of contributing members of the scheme above the number forecast. The rise in the number of contributors has also led to an increase in scheme member contributions, above the amount forecast.

Pension benefits paid out were lower than forecast by over £5m as the average pension in payment reduced compared to the previous financial year.

Management expenses

Investment management costs were lower than forecast by £2.5m. The Pension Fund pays its investment managers a percentage fee based on the value of investments and the forecast increase rise in the value of the Fund's investments, based on the Scheme Actuary's assumptions, was higher than the actual value of the Fund in 2015/16.

Administration costs were as budgeted in 2015/16. Expenditure was just over £200,000 greater than the forecast for the budget paid to external suppliers supporting the Fund's oversight and governance activities. This was as a result of additional wok required from the Scheme Actuary to revise the Fund's Employer Policy and work of Investment Consultants to support the retendering of the Pension Fund's Alternative Investment investment management contracts, which was split from one into three separate contracts.

Appendix E

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	no
Corporate Business plan link number (if appropriate):	
Maximising well-being:	no
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	no
Corporate Business plan link number (if appropriate):	
OR	
This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because actions are required concerning the training of Pension Fund Panel members.	

Other Significant Links

Links to previous Member decisions:		
Title	Reference	Date
Direct links to specific legislation or Government Directives		
Title		Date

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document	Location
None	