

Pension Panel

25 July 2018

Pension Administration Update

Report by Director of Finance, Performance and Procurement

Background

1. Capita has provided the administration for the Local Government Pension Scheme (LGPS) and for Fire Fighters Schemes since the Support Services Outsourcing (SSO) contract ("the Contract") commenced in late 2012.
2. As discussed previously at meetings of the Pensions Panel, the contract and the services have been reviewed during 2017/18.
3. A business case was prepared by Capita on the processes and this also led to a review of other options for the future delivery of the pension administration service, supported by independent advice.
4. In the context of the above the Pension Panel's Business Plan includes a priority in relation to Pension Administration linked to its objective to deliver a high quality administration service to all stakeholders.
5. In addition, the Pension Fund's risk register includes a risk about the quality of the information provided to members in terms of accuracy, timeliness and clarity falling short of expectations and requirements which could impact stakeholders and have financial and Regulatory implications

Change of Provider

6. Following a detailed consideration of the options the Cabinet Member for Finance and Resources has agreed to transfer from Capita and appoint Hampshire County Council the delivery of the following service functions:
 - Pension Administration Service for the Local Government Pension Scheme (LGPS)
 - Pension Administration Service for the Fire Pension Schemes.
 - The pensioner payroll service to both retired LGPS and retired Fire Pension members and other beneficiaries.
7. The Hampshire Pension Administration Service will be provided using an integrated third party administration system (Civica UPM).
8. The Director of Finance, Performance and Procurement is now in the process of finalising the service agreement with Hampshire County Council to take effect by March 2019.

9. To facilitate the transfer, information is needed about the records held by Capita covering pensions and payroll and their format. This data extract is due to be provided to Civica to inform key aspects of the project plan.
10. A verbal update will be provided to the Panel.

Current Performance

11. The Pensions Panel have previously been provided with a range of up to date performance information, which has formed part of a recent report to the July meeting of the Pension Advisory Board. This is attached at Appendix 1.

Recommendation

12. The update is noted

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Appendices

Appendix 1 – Data Performance Information

Background Papers

- [Delivery of Pension Administration Service, Report to Performance and Finance Select Committee \(18 May 2018\).](#)

