

<b>Agenda Item</b>	<b>3</b>
<b>Report No</b>	<b>PC/07/26</b>

## HIGHLAND COUNCIL

**Committee:** Pensions Committee

**Date:** 18 June 2026

**Report Title:** Pension Fund Administration

**Report By:** Chief Officer, Corporate Finance

### **1 Purpose/Executive Summary**

1.1 The purpose of this periodic report is to update Members on matters relating to the administration of the Highland Pension Fund (HPF).

### **2 Recommendations**

2.1 Members are asked to consider this report and note the following:

- i. current HPF administration performance and performance updates (section 6)
- ii. update on England and Wales Pension Bill (Fit for the Future) (section 7)
- iii. update on Pension Dashboard (section 8)
- iv. training update (section 9)

### **3 Implications**

3.1 There may be resource implications to set up processes which ensure that there are adequate resources in place to support the Pensions Administration work.

3.2 In terms of legal implications, the governance of the HPF must comply with all Local Government Pension Scheme (LGPS) legislation and regulations and TPR requirements, or the Fund could be non-compliant and in breach of Regulator requirements.

- 3.3 The risk management framework is an integral part of governance and risks are considered as part of all the areas covered in this report. There is a Pension Fund risk register which is regularly updated, and project risk registers are in place for the Engage and Altair projects.
- 3.4 There are no Health and Safety (risks arising from changes to plant, equipment, or people) or Gaelic implications arising as a direct result of this report.

#### **4. Impacts**

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is a monitoring and update report and therefore an impact assessment is not required.

#### **5. Introduction**

- 5.1 The Highland Council is the Administering Authority for the Highland Pension Fund. In addition to the Highland Council, 22 employers participate as admitted or scheduled Bodies in the HPF with information provided on employer body changes in section 12.
- 5.2 Participating employers are required to calculate and deduct the appropriate rate of pension contributions from salaries in addition to an employer's contribution in accordance with guidance issued by the Highland Council Pension Section. These contributions are remitted monthly to the HPF. The statutory deadline for payment to be made is the 22<sup>nd</sup> of each month.
- 5.3 This report also includes an update on all relevant pensions administration matters which includes performance.

#### **6. Administration performance**

- 6.1 It was agreed that officers would provide Pensions Committee with data on current HPF administration performance, action being taken to improve performance, and regular updates. A general update on performance is provided in this section.

- 6.2 There was additional resource successfully recruited to the team in June/July 2025 and following 2025/26 budget approval, another 5 staff joined the team in April/May 2026. The increase in staffing and system changes made is having a positive impact on processing benefits and managing workloads. Performance is improving as the number of outstanding cases continues to reduce since data was last reported to Committee. The percentage of outstanding tasks completed continues to increase in March.
- 6.3 The current data on case volumes and number of cases actioned is set out in the following table. The position continues to improve with an overall net reduction since 1 April 2025 of 1,142 cases with there being 5,824 outstanding cases to be processed at the end of March 2026.

**KPI PROCESSES**

Month	Outstanding (O/S) at Period Start	New tasks created in Period	Total Cases	Completed by End of Period	Outstanding at End of Period	% of total O/S tasks completed	Overall change in O/S cases (month)	Overall change in O/S cases (year to date)
Apr-25	7,408	646	8,054	796	7,258	9.9%	150	150
May-25	7,258	607	7,865	758	7,107	9.6%	151	301
Jun-25	7,107	691	7,798	754	7,044	9.0%	63	364
Jul-25	7,044	663	7,707	780	6,927	10.0%	117	481
Aug-25	6,927	500	7,427	672	6,755	9.7%	172	653
Sep-25	6,755	1,022	7,777	752	7,025	11.1%	-270	383
Oct-25	7,025	588	7,613	853	6,760	12.1%	265	648
Nov-25	6,760	627	7,387	871	6,516	12.9%	244	892
Dec-25	6,516	653	7,169	798	6,371	12.2%	145	1,037
Jan-26	6,371	557	6,928	697	6,231	10.9%	140	1,177
Feb-26	6,231	811	7,042	1,016	6,026	16.3%	205	1,382
Mar-26	6,026	940	6,966	1,142	5,824	19.0%	202	1,584

- 6.4 The payment of retirement and death grants is a key focus for the team, and the team is working hard to improve performance. For example, the time taken to process widow and dependant benefits has reduced considerably. In March 2026, on average these benefits now take 17.5 days to be processed compared to 30.4 days in April 2025. We continue to work on service improvement and achieving performance targets.
- 6.5 The annual Key Performance Indicators which will be included in the Highland Pension Fund Annual Report and Accounts 2025/26 show an improving position compared to 2024/25 and will be presented to a future Committee meeting.
- 6.6 Aggregation cases are where a member's separate LGPS records need to be combined into a single active or deferred record. This happens because many LGPS members move between employers or leave and re-join the scheme or have several posts which creates multiple pension records. Aggregation rules ensure these are brought together (or kept separate, where appropriate) in line with scheme regulations. Before a member retires, records must be aggregated and the approach to aggregations has been to prioritise members aged over 55, those transferring or members who have requested this data.

- 6.7 A key focus for the team continues to be reducing aggregation cases particularly in view of the future rollout of the Pension Dashboard (more information on this provided in section 8). HPF will receive 6 months' notice before the roll out of the Pension Dashboard, a portal which will provide the public with access to their pension records across multiple schemes. Where this information cannot be provided by a pension scheme, the Pensions Regulator could potentially issue compliance notices or fines.
- 6.8 My Pension is the online, self-service portal which enables members to make nominations, perform estimate calculations and submit paperwork in order to access information they require quickly and complete the retirement process more efficiently by completing online forms. Members using My Pensions to complete tasks supports HPF staff with processing benefit payments as quickly as possible to improve service delivery. <https://highlandpensionfund.mypensiondetails.co.uk/login>
- 6.9 With regard to My Pension uptake, in March 2026, 50% of all members were registered for My Pension, with 64% of active members currently registered to use the portal. Active members and Pensioner members have been contacted to encourage them to create a My Pension account. Data cleansing continues to improve data quality and ensure that email and postal contact addresses are up to date and encourage members to use My Pension.

## **7. Pensions Bill (England and Wales)**

- 7.1 In September 2025, officers provided an update to Committee on the Pensions Bill 2024/25 and the proposals included in the Bill (England and Wales) and there have been a number of developments since then.
- 7.2 In September 2025, the Scottish Government published a memorandum on the Pensions Bill (England and Wales) and proposed that legislative consent to the amendments in the Pensions Bill be approved so that in future, these changes could be made by the Scottish Ministers using Statutory Instruments, following consultation with stakeholders, without the need for further primary legislation in the UK Parliament.  
<https://www.parliament.scot/-/media/files/legislation/bills/lcms/pension-schemes-bill/splcms665.pdf>
- 7.3 On 10 October 2025, a letter was issued by the Scottish Government to COSLA, the SPPA and 11 Scottish LGPS fund managers that manage the funds of the Local Government requesting feedback on the Scottish Government proposal on the proposed legislative consent (Appendix 1) with the Highland Pension Fund providing a response (Appendix 2) along with 6 other Scottish LGPS funds, SPPA and COSLA.  
<https://www.parliament.scot/chamber-and-committees/committees/correspondence?committeeSelect=&qry=Pension+scheme+bill&dateSelect=custom&dtDateFrom=2025-08-14&dtDateTo=2026-05-22#filter-panel>

- 7.4 In December 2025, this motion for legislative consent was approved.  
<https://www.parliament.scot/chamber-and-committees/votes-and-motions/S6M-20172>
- 7.5 On 29 April 2026, the Pensions Bill received Royal Assent following debate and proposed amendments during the course of late 2025 and into 2026.
- 7.6 On 21 May 2026 the UK Government published consultation responses with legislation covering England and Wales to come into force from 30 June 2026. This consultation was launched in November 2025 and closed early January covering the following the following:
- the Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026 to replace the existing Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the '2016 Regulations') and provide the statutory underpinning for the government's minimum standards for pooling and its local investment proposals.
  - the Local Government Pension Scheme (Amendment) (Governance) Regulations 2026 to introduce measures to strengthen the governance of LGPS administering authorities.

The UK government publication on the consultation can be found below, and detailed guidance will be issued in due course.

<https://www.gov.uk/government/consultations/local-government-pension-scheme-in-england-and-wales-fit-for-the-future-technical-consultation/outcome/technical-consultation-summary-of-responses-and-government-response>

- 7.7 There are other national discussions and developments regarding Scottish LGPS investments and collaboration with these matters initially being considered by the Investment Sub-Committee.

## **8. Pensions Dashboard**

- 8.1 The Pensions Dashboard initiative will enable individuals to access their pensions information online, securely and all in one place, thereby supporting better planning for retirement. All Local Government Pension Funds (LGPS) connected to the Pensions Dashboard by October 2025 as part of the Government initiative to "allow people to see all their pensions information together in one, online and secure place". <https://www.pensionsdashboardsprogramme.org.uk/about>
- 8.2 Officers are working on clearing aggregations and completing regular data cleansing in order to maintain complete and accurate member records. As noted in section 6, additional resource has been recruited to the team and performance is improving which will help support clearing aggregation cases.

- 8.3 The Pensions Dashboard project is currently at Phase 2 testing, which started on 2<sup>nd</sup> March 2026 and involves increasing numbers of users across a range of demographic groups and pension types. The Money and Pension Service (MaPS) is currently advertising to recruit testers for this phase of the project. The aim of this consumer testing is to support MaPS with further refining and improving the service before it becomes publicly available.  
<https://www.pensionsdashboardsprogramme.org.uk/publications/news/testers-wanted-for-moneyhelper-pensions-dashboard>
- 8.4 All pension schemes within the scope of the Pension providers and schemes in scope of legislation must have completed connection by 31 October 2026. It is anticipated that the launch of the Pensions Dashboard will follow soon after the remaining providers are connected.  
<https://www.pensionsdashboardsprogramme.org.uk/publications/news/6-months-to-go-to-pensions-dashboards-connection-deadline>

## 9. Training

- 9.1 Following approval of the 2026/27 budget, the team successfully recruited 5 additional members of staff and also welcomed a new Payroll Officer to the team. The addition of these staff will build resilience in the team to improve benefits processing performance and help to action outstanding historic aggregation cases in preparation for the launch of the Pensions Dashboard.
- 9.2 During April and May 2026, the focus has been on training new members of staff and supporting their induction to the team.
- 9.3 In June 2026, a staff training session was held which covered fraud awareness and reporting for front-line staff and fraud controls. Staff will also be attending a training program to be run by Hymans on specialist pensions administration topics from early June to October 2026.
- 9.4 The following **Pension Board and Pensions Committee** training will be provided and should be attended by Pensions Committee and Pension Board members.
- **Tuesday 29<sup>th</sup> September 2026 2-3pm** online Actuarial Valuation training will be provided in advance of the initial triennial Actuarial Valuation results being presented to Pensions Committee (1<sup>st</sup> October 2026).

The following training session is optional and contact the Pensions Manager Catriona Stachan [Catriona.stachan@highland.gov.uk](mailto:Catriona.stachan@highland.gov.uk) if you plan to attend this event and/or if you have specific training requirements.

- **Tuesday 24<sup>th</sup> November 2026** training is being organised by the LGPS officer group for Pension Board and Committee members on at the COSLA Offices in Edinburgh. This training can either be attended online or in person and there will be a link the training issued closer to the date of the event.

## **10. The Pensions Regulator – General Code of Practice and reporting**

- 10.1 The Pensions Regulator (TPR) issued a revised General Code of Practice (GCoP) which was effective from March 2024. In February 2025, officers reviewed compliance against GCoP and an action plan to address areas of non-compliance was approved by Pensions Committee.

The following policies are presented to this Committee later in the Agenda, as part of implementing these actions:

- Conflict of Interest policy (Item 4)
- Investment Services Appointment and Monitoring policy (Item 5)

## **11. Scheme Employers Pension Contributions**

- 11.1 Pension contributions received from employers are checked for accuracy against known parameters and the dates received are recorded and monitored.
- 11.2 Contact is made with an employer in instances where payments are received late or not to the expected value.
- 11.3 Contributions from scheme employers are mostly being received on time and all contributions are up to date.

## **12. Employers leaving/joining HPF**

- 12.1 The last remaining pension scheme member who was an employee of WIPRO has TUPE transferred to the Highland Council effective from 1 March 2026. The Actuary is working on calculating a cessation value to manage the exit of WIPRO from the Fund.
- 12.2 As set out in SPPA circular 2025/07, music teachers employed by High Life Highland from 1 August 2025 will be members of the Scottish Teachers Pension Fund (STPF) which is administered by the Scottish Public Pensions Agency (SPPA). Music teachers who are currently members of the Highland Pension Fund will have the option to transfer to STPF (54 members) and any transfers will be processed by Highland Pension Fund on an individual basis.
- 12.3 No employers have joined the Fund.

## **13. HPF budget monitoring and costs**

- 13.1 The final budget monitoring position will be included in the Highland Pension Fund annual accounts which will be presented to Council on 25 June.

## **14. Guaranteed Minimum Pension Comparison Exercise**

- 14.1 Pension schemes, including those in the public sector, are required to undertake a data reconciliation exercise with HMRC. This will ensure that both details of Guaranteed Minimum Pensions (GMP) and periods of contracted out service, which are used to determine entitlement to the new single state pension, are up to date and robust.
- 14.2 The reconciliation exercise for the Highland Council Pension Fund is complete, and final reviews are being undertaken. The remedy is that any negatively affected pensioners have received arrears payments with interest; and any incomplete GMP details for active and deferred members will be uploaded, in the near future. This work will be progressed as soon as possible.

## **15. Additional Voluntary Contribution (AVC's)**

- 15.1 Prudential has been the appointed Additional Voluntary Contribution (AVC) provider to the Highland Council Pension Fund since 1989.
- 15.2 To maximise the range of benefits offered to employees, Highland Council has entered into an agreement with AVC wise (a company specialised in this discipline) to provide a Shared Cost AVC scheme to qualifying scheme members.

Designation: Chief Officer, Corporate Finance

Date: 29 May 2026

Author: Catriona Stachan, Pensions Manager

Background Papers: LGPS regulations, The Pension Regulator General Code of Practice

Appendices: Appendix 1 - Letter from Local Government Housing and Planning Committee on Legislative Consent  
Appendix 2 – Letter from Highland Pension Fund Chair to Local Government Housing and Planning Committee



The Scottish Parliament  
Pàrlamaid na h-Alba

## Local Government, Housing and Planning Committee

Paul Oldham  
Chair  
Pensions Committee  
The Highland Council

**10 October 2025**

Dear Paul,

### Legislative consent memorandum on the Pension Schemes Bill

The Local Government, Housing and Planning Committee has been asked to report to the rest of the Scottish Parliament on the [Pension Schemes Bill](#). The Scottish Parliament is being asked whether it consents to the Bill because parts of it alter the executive competence of the Scottish Ministers.

The Bill will bring significant changes to different kinds of pension schemes. It consolidates Local Government Pension Scheme funds in England and Wales (LGPS(E&W)) into six larger funds and provides for the management and governance of those funds. In respect of other types of pension schemes, the Bill will allow trustees of well-funded defined benefit occupational pension schemes to return surplus funds to employers, and it makes changes to defined contribution schemes, requiring value for money, the consolidation of individuals' small pension pots, and sets a minimum size for multi-employer schemes to create "megafunds". To provide for the more fundamental structural changes of fund consolidation and associated issues, the Bill is introducing new powers for the authorities responsible for LGPS.

Although the policy approach being taken on asset pooling and fund consolidation differs between England and Wales and Scotland, the Scottish Government considers it desirable to maintain parity of powers for making regulations in related areas. Therefore, it Government has lodged a [Legislative Consent Memorandum](#) (LCM) recommending that the Parliament consents to the relevant provisions.

Given that the provisions requiring consent relate to, or may impact upon, potential regulation of the pension schemes, the Committee would welcome any views you have on the Bill. In particular, whether you think it would be desirable to exercise the new regulatory powers by following the approach proposed in England and Wales or in other ways.

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Contact: Local Government, Housing and Planning Committee, The Scottish Parliament, Edinburgh, EH99 1SP. Email [localgov.committee@parliament.scot](mailto:localgov.committee@parliament.scot). We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

I would be grateful to receive your response no later than 11th November.  
Yours sincerely,

**Ariane Burgess MSP**  
**Convener**

## APPENDIX 2



6 November 2025

Local Government, Housing and Planning Committee  
The Scottish Parliament  
Edinburgh  
EH99 1SP

For attention: Ariane Burgess, MSP

Dear Ariane

Thank you for your letter dated 10<sup>th</sup> October requesting the views of the Highland Pension Fund (HPF) on the Pensions Bill and whether it would be desirable to exercise the new regulatory powers to follow the approach proposed in England and Wales or in other ways.

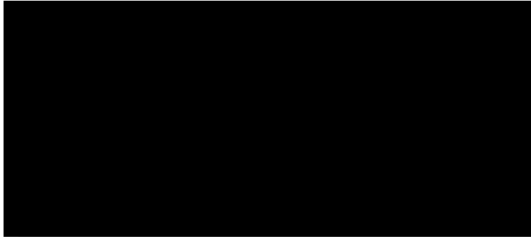
On behalf of HPF, I acknowledge and appreciate that the Government has lodged a Legislative Consent Memorandum in order to future proof the scheme and may potentially look to adopt some of the English and Welsh legislation.

In my role as Chair and representing the HPF Pensions Committee, I would like to highlight the excellent position that the Scottish Local Government Pension Schemes (LGPS) are in following the 2023 triennial actuarial valuation. It was reassuring to see the Government Actuary section 13 report that highlighted that “the aggregate funding position of the scheme has improved markedly” and early indications are that the position is set to improve further at the valuation in 2026. On behalf of HPF, I would not want to see any structural change that could adversely and/or materially impact Scottish LGPS pensions funds, investment returns, employee contributions and employer contributions.

Regardless of legislative change, in my role as Pensions Committee Chair I am aware that strong networks exist across the Scottish LGPS, with significant collaboration across the 11 Scottish Funds and a focus on achieving best value for all LGPS members and employers.

If future proposals are to be brought forward using the Legislative Consent, on behalf of HPF I would like assurances that there will be a formal, comprehensive and robust consultation completed. As part of this consultation process, I would expect the Scheme Advisory Board and all Scottish LGPS Pensions Committee, Pensions Board and other appropriate stakeholders to be formally consulted on proposals.

Yours sincerely



**Paul Oldham**  
Chair, Investment Sub Committee  
Highland Council Pension Fund