

ITEM No ...5....

REPORT TO: PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES COMMITTEE & PENSION BOARD – 23 SEPTEMBER 2019

REPORT ON: PENSION ADMINISTRATION PERFORMANCE – QUARTERLY UPDATE

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 310-2019

1. PURPOSE OF REPORT

This report provides information on the recent quarter's operational performance in relation to Pension Administration.

2. RECOMMENDATIONS

The Sub-Committee are asked to note the contents of the report.

3. FINANCIAL IMPLICATIONS

There are no financial implications.

4. BACKGROUND

Reference is made to Article VIII of the minute of meeting of this Committee and Board of 6 June 2016, wherein details were given of the review undertaken by AON Hewitt following the retirement of the Pensions & Payroll Manager, the Sub-Committee and Board members requested a quarterly update report to inform of key issues identified and achievements in the previous quarter and to maintain an operational understanding of service levels, demands and constraints.

In April 2018, the Altair Pension Administration System workflow functionality was introduced to analyse performance, allowing for further statistics on the range, volume and duration of individual tasks carried out.

5. SERVICE SUMMARY

5.1. Pensions Brought Into Payment

Over the quarter to 30th June 2019, there was an 11% increase in volume since previous quarter due to increases in both voluntary and ill-health retirements. The increase in voluntary retirements is growing quarter on quarter as a result of members over the age of 55 no longer requiring employers consent.

Actual Pensions Brought into Payment in Quarter	Jan - Mar	Apr - Jun
Efficiency/Redundancy	7	16
Ill Health	14	20
Flexible	16	16
Preserved into Payment	68	54
Voluntary (inc Employers consent)	68	89
Voluntary Age 65	15	14
Total Pensions Brought into Payment	188	209

5.2. Estimates

This quarter saw a steep rise in estimates being received from individuals who are over age 55 who no longer require employer consent.

Estimates - VER Exercises & Operational since last report	Jan - Mar	Apr - Jun
VER DCC	14	1
VER Other	14	26
Total Estimates Received	131	202
Total Estimates Completed	27	176

5.3. Other Pension Events

The quarter saw an expected seasonal reduction in death benefits.

Other Pension Events	Jan - Mar	Apr - Jun
Deaths	157	133
Survivors Pensions	83	85

6. OPERATIONS

6.1. Task Measurement

Appendix A details the performance in terms of average time taken to complete tasks undertaken by the pension administration team as well as the volumes processed within the quarter.

During the quarter to 30th June, the following summarises key performance areas:

- volumes of estimates processed increased by 72% with improvements in average time to process reducing by 3.24 days to 38.58 days from process start to end
- volumes of clerical tasks undertaken increased by 42% with process times improving by 0.79 days to 18.38 days from process start to end
- although the following task volumes reduced, of refunds, divorces and payroll tasks reduced by 64% overall, average processing times in the 3 areas improved significantly with an overall average time reduction of 51 days.
- there was an 11% increase in volume of retireals, but cases are taking longer to process from the previous quarter, with the average process time increased by 18.43 days to 69 days due to a number of cases remaining pending for longer periods awaiting return of information
- death grants remained at 26 over the quarter, but due to 3 complex cases, average processing time increased by 1.12 days to 37.35 days from process start to end

6.2. Queries & Complaints

- Approximately 2394 e-mail queries were received during the period, which is an average of 37 queries responded per working day. Only 4 e-mail queries received in the period remained outstanding at 30th June 2019.
- All counter visits were accommodated within 10 minutes of arrival
- No complaints were received during the quarter

6.3. Recruitment & Outsourcing

- Recruitment completed for 3 Pension Assistants and 2 Clerical Assistants.
- IT Systems/Process Analyst post advertised.
- JLT continue to provide support having being granted direct access to the Altair system enables cases to be completed direct onto the system.

6.4. Communications

On 28th June 2019 changes were made to the Local Government Pension scheme (SSI 2019/161). Actions required following these changes were communicated to employers, and will be reported in following quarter.

6.5. Employer Issues

- Discussions were held with two employers in relation to Death in Service cases being notified outwith the expected timescales.
- Discussions were held with 4 employers in April, and 3 in May on failing to make their employer contributions by 19th of the month. Causes were communicated as changes in staff and illness.

6.6. Large Exercises

- GMP Reconciliation – The scheme is now 99% reconciled. The exercise is now in the rectification phase, with Equiniti (external service provider) having been provided with payroll data and are about to commence the assessment of under / overpayment for pensions in payment.
- Annual Benefit Statements – Employer annual returns were requested with a latest return date of 31st May 2019 applied. 14 employers failed to meet the deadline to enable timetabled processing.

7 POLICY IMPLICATIONS

This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

8 CONSULTATIONS

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report.

9 BACKGROUND PAPERS

None

GREGORY COLGAN
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

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Task being measured	No. cases processed in quarter		Volume increase / decrease	Description	Notes	Average process days		Performance improvement / decline (average days)
	April - June	Jan – Mar				Apr - Jun	Jan – Mar	
CLERICAL TASKS	660	466	42%	Nominations Forms Changes of address (both Altair and Resource link) Changes of bank details DWP Forms to be completed and returned Recording Power of Attorney documents.	During this period 536 tasks were opened and fully processed, 20 cases closed within this period had been opened for a significant period of time awaiting return of vital information.	18.38	19.17	0.79
DEATH GRANT	26	26	0%	Collating information and issuing documentation to Trustees/and making payment to beneficiaries.	16 cases were opened and fully processed during this quarter. 7 cases from previous quarters were also completed during this quarter. 3 cases closed in this quarter had been complex cases that had been open for approx. 6 months awaiting response.	37.35	36.23	-1.12
DIVORCE	10	16	-38%	Issue of CETV (Quote) to Member/Solicitor / Implementation of Pension Sharing Order (including setting up of pension credit records or payment of transfer out and letters to all interested parties)	4 out of 10 cases were opened and fully processed during this quarter.	28.1	32.63	4.53
ESTIMATES	350	204	72%	(Estimates processed from employers (VER/VSS, flexible, Ill Health and employer consent retiral) along with estimate requests received from individual members.	176 cases opened and fully processed during this quarter and an increase in processing time has also been achieved during this quarter.	38.58	41.82	3.24

MISC PAYROLL	71	139	-49%	This includes the processing of balances of pension, responding to queries, age 75 reviews, age 18 & age 23 reviews for dependent children's pensions.	32 cases opened and fully processed during this quarter and an increase in processing time achieved during this quarter.	47.46	74.36	26.9
REFUND	56	75	-25%	Process includes the Issue of letter/form to member (NB - for those leaving active service the form cannot be signed until one calendar month has elapsed) and including payment of refund being processed to member.	30 cases opened and fully processed during this quarter. Several cases have been awaiting reply from members and this affected the overall processing time. For example 1 case closed was over 1 year from the date of leaving.	30.63	50.81	20.18
RETIRALS	209	188	11%	Process includes issue of initial calculation to the member along with essential forms for completion, and may also include queries raised with the employer on the information issued. On receipt of all paperwork includes the further calculation of benefits via Altair, the creation of the Resource link payroll record and the payment of the lump sum via the Sundry system and the issue of final letter to member.	88 cases opened and fully processed during this quarter. 16 cases closed in this period which had been open for a period of at least 6 months and this has affected the average working days shown.	69.11	50.68	-18.43