

ITEM No ...4.....

REPORT TO: PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES COMMITTEE & PENSION BOARD – 3rd SEPTEMBER 2018

REPORT ON: PENSION ADMINISTRATION PERFORMANCE – QUARTERLY UPDATE

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 272-2018

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

Following the report in June 2016 (217-2016 Pension Administration Performance) detailing 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.

5 SERVICE SUMMARY

Actual Pensions Brought into Payment in Quarter	Jan - Mar	April - June
Efficiency/Redundancy	25	91
Ill Health	15	19
Flexible	15	12
Preserved into Payment	75	49
Voluntary (inc Employers consent)	45	54
Voluntary Age 65	22	20
Total Pensions Brought into Payment	197	245

Estimates - VER Exercises & Operational since last report	Jan - Mar	April - June
VER DCC	19	1
VER Other	191	13
Total Estimates Received	210	87
Total Estimates Completed	51	122
VER P&K being processed to payment	40	

Other Pension Events	Jan - Mar	April - June
Deaths	160	127
Survivors Pensions	55	87

Actual Pensions Brought into Payment in Quarter	Jan - Mar	April-June
Efficiency/Redundancy	25	88
Ill Health	15	15
Flexible	15	22
Preserved into Payment	75	49
Voluntary (inc Employers consent)	45	48
Voluntary Age 65	22	31
Total Pensions Brought into Payment	197	253

Estimates - VER Exercises & Operational since last report	Jan - Mar	April - June
Total Estimates Received	210	38
Total Estimates Outstanding	51	15
VER being processed to payment	40	42

Other Pension Events	Jan - Mar	April - June
Deaths	160	157
Survivors Pensions	55	60

With effect from April 2018 the task management workflow system on the Altair Pension Administration System was re-implemented to the individual tasks carried out by the Administration Team. This system allows for further statistics to be recorded and declared on the range, volume and duration of individual tasks carried out. In order to ensure that this roll out did not affect the ongoing work of the team it was decided that a phased approach be taken, as this could be absorbed by the team and also ensured that where amendments to the individual workflows were required that these could be carried out as required.

Workflow tasks have been created to capture data in respect of the tasks carried out by the Clerical Assistants, such as changes of bank and address, completing DWP forms, inputting nomination details, on deaths processed, dependents pensions brought into payment, death gratuity payments made, CETV (Cash Equivalent Transfer Values) for Divorce, miscellaneous payroll tasks, refunds of contributions, estimates and retirements.

Over the period 1st April to 30th June 1620 of the tasks noted above were completed.

Task being measured	Number of cases processed in the quarter	Description	Notes	Average days from start to close of process
CA TASKS	884	Various amendment and creation tasks carried out by the Clerical Assistants/Modern Apprentices.	Includes Nominations Forms changes of address (on both Altair and Resourcelink), changes of bank, DWP forms to be completed and returned, recording Power of Attorney documents.	12.05
DEATH GRANT	29	Process of collating information and issuing documentation to Trustees/and making payment to stated beneficiaries.		32.71
DIVORCE	13	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)		57.08
ESTIMATES	122	(1 DCC VER, 5 PKC VSS, 8 ANGUS Redundancy) Estimates processed from employers (VER/VSS, flexible, Ill Health and employer consent retiral) along with estimate requests received from individual members.	87 received in this quarter, 41 of which were completed and the balance of 81 were from a previous quarter.	40.00
MISC PAYROLL	147	This includes the processing of balances of pension, responding to queries, age 75 reviews, age 18 & age 23 reviews for dependent childrens pensions.		31.84
REFUND	64	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.		45.30
RETIRALS	245	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 Resourcelink payroll record and the payment of the lump sum via the Sundry system and the issue of final letter to member.		44.22
number of individual tasks processed in the	1504			

Queries & Complaints

- Approximately 2980 e mail queries were received daily during the period, which is an average of 46 per working day.
- No formal complaints were received during the quarter.
- All counter visits were accommodated within 10 minutes of arrival.

Recruitment & Outsourcing

- GMP Reconciliation Progress Report (at 30th June 2018). Individual and bulk analysis has continued, HMRC has issued responses to queries raised by Equiniti and a such a further 456 cases have been agreed in bulk. Via individual reconciliation a further 1146 cases have been resolved. Queries currently raised with HMRC amount to approx. 4800. The scheme is now 86% reconciled. The amount paid to Equiniti as at 30th June 2018 is £235,549.00. No new project risks were identified during this period and no milestones are overdue.
- Following JLT being granted access to the Altair system by Aquila Heywood cases are now being completed direct onto the system, checking is also undertaken by JLT as will the issue of the formal documents to members. Queries will be collated and referred in the first instance to the Admin Team for investigation and response, where rectification cannot be carried out by the Admin team a request to the employer will be raised.
- 2 Temporary Staff have had contract extensions arranged until 31st March 2019.

- 1 Permanent Staff Member announced her resignation wef 30th June 2018, with subsequent resignations also received for the end of July 2018 and early August 2018.

Communications

- All pensioners were issued with a payslip during April, May this is due to the implementation of the annual pension increase exercise and tax code updates by HMRC.
- Life certificates were generated and issued alongside the April payslips to all pensioners residing overseas.
- GDPR – with effect from 25th May 2018 a full, summary and abbreviated privacy notices were created and published. The Fund also created and issued a Memorandum of Understanding to all scheme employers to set out the basis on which the data will be shared and the Administering Authorities expectations of the scheme employer during its participation on the fund.

Other

- End of Year Schedules were returned by employers during this period. Uploaded on the pensions system, a significant amount of queries returned to employers.
- Data for the deferred members annual benefits statements was collated with test data and artwork being issued to outside contractor (Adare) being issued on 28th June.
- Volumes of requests being generated via Freedom & Choice continued at the same volume as in previous quarters (approx.50 per month).
- During April the Pensions Increase (Review) Order was processed, providing pensioner and deferred members with an annual increase of 3%.
- Global and individual tax code changes for the 2018/19 tax year were also processed during this period as per HMRC instruction.
- On 1st June 2018 the Local Government Pensions Scheme (Scotland) Regulations 2018 were effected. As this was a consolidated piece of legislation it revoked the previous legislation of the Local Government Pensions Scheme (Scotland) Regulations 2014, however the SPPA did not effect a new version of the Transitional Regulations along with this, and this important exclusion was raised immediately with the SPPA as the purpose of the Transitional Regulations is to protect and preserve benefits accrued by members of pension schemes constituted by earlier sets of LGPS regulations and accordingly certain protection contained within this legislation are not currently effective for any retiral processed under the 2018 Regulations. In respect of this omission a Letter of Comfort was subsequently received confirming that the policy behind the 2018 Regulations did not intend to make the Transitional Regulations ineffective in respect of any previous provisions. Accordingly, whilst the Transitional Regulations do cross-refer to legislation that has been revoked, such references to the 2014 Regulations should be read as references to the corresponding provisions of the 2018 Regulations; and the Amendment Regulations will expressly save the relevant provisions.
- DBPSS - Communication between Pinsent Mason LLP and MacRoberts LLP acting for DBPSS continued over the period.

6 RESOURCE

During the period the sustained volume of calculations in relation to Freedom & Choice along with the change of process required to allow for the individual input of mail items, and the essential setting of the resulting action from that mail item has posed a significant strain on the resources of the Pensions Team during the period.

As a result of the recent staff changes (as noted within the report), in the short-term, JLT will be providing additional support in order to ensure that operational and regulatory requirements continue to be met and targets achieved. They are currently contracted to undertake a specified exercise, and have been able to accommodate this along with our further requirements. It is envisaged that this external resource will be reduced over time in

line with increasing internal resource capacity and experience, and as required by service demands. Further updates will be provided in following reports.

7 POLICY IMPLICATIONS

This Report has been screened for any policy implications in respect of sustainability, strategic environment assessment, anti poverty, equality impact assessment, privacy impact assessment and risk management.

There are no major policy 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

28 AUGUST 2018

