

Review of Administration Performance

<i>Lead Officer:</i>	Kevin Nacey: Director of Finance and Performance
<i>Author:</i>	Charlotte Thompson: Head of Peninsula Pensions
<i>Contact Details:</i>	(01392) 383000 charlotte.thompson@devon.gov.uk
<i>Cabinet Member:</i>	Not applicable
<i>Division and Local Member:</i>	Not applicable

1. Background

- 1.1 In February 2014 the shared service began in earnest when staff moved into one main office, using one database with staff learning new skills and many took on new roles.
- 1.2 The LGPS changed on 1 April 2014 and brought with it its own challenges, not helped with the late regulation changes which impacted on the development of the pension database.
- 1.3 Our main service standard is to complete 90% of work within 10 working days once all necessary information has been received. This is monitored every month through our task management system which is an in-house performance tool within our pension database.
- 1.4 We also participate in the CIPFA Benchmarking Club which provides a yearly comparison of performance with other LGPS administration services. Approximately 50 LGPS Funds take part each year.

2. Issues for consideration

- 2.1 The Board note the report and actions being undertaken by officers to ensure compliance and best practice.

3. Administration team performance

- 3.1 As a whole the Team for 2016/17 issued 76% of work within target. For this financial year to date the team has issued 65% in target. The backlog of outstanding work has decreased by 10% since April 2017.
- 3.2 Performance for the Somerset fund has followed a similar trend with percentage in target reducing from 73% (April 16 – January 17) to 66% since February. The outstanding backlog has reduced over the same period by approximately 29%.

4. CIPFA Benchmarking

- 4.1 Data is collected annually in various areas including membership analysis, Employer analysis, quotations and charges, costs and administration performance.
- 4.2 This enables informed comparisons to be made of the net cost per member, payroll cost per pensioner, number of members per admin FTE and also highlights differences of approach.
- 4.3 In December 2016 we received the draft report for 2015/16 year. The key performance indicator that we obtain from this report is the cost per member. This year it has come out at £16.37 compared to the average of £18.55. We are currently waiting for the 2016/17 report.
- 4.4 Our CIPFA performance results for 2016/17 have much improved compared to 2015/16 as the table below shows.

Process	Target	Our achievement 2015/16	Our achievement 2016/17
Transfer in	10 days	76.0%	93.4%
Transfer out	10 days	83.3%	93.4%
Letter notifying actual retirement benefits	5 days	86.4%	98.4%
Letter notifying estimated retirement benefits	10 days	93.0%	93.8%
Letter acknowledging death	5 days	100%	100%
Refunds	5 days	93.2%	97.0%
Letter notifying dependants benefits	5 days	82.0%	95.3%
Deferred	10 days	39.1%	82.4%

5. Financial Implications

- 5.1 Additional team resource approved in Autumn 2015 has been extended until 31st March 2018. Three vacancies have arisen in the team since end of May which we have now had approval to fill.
- 5.2 A new Benefits Manager was appointed following the early retirement of the previous post holder. Natalie Taylor joins the team with over 20 years experience with Friends Life where she was a senior manager. New workflow tools have been introduced along with focusing the team's efforts initially on getting all priority work up to date. All outstanding priority work is now within 10 days old.

5.3 The Performance review is underway which is looking at a number of key areas, resource levels and efficiency of processes. This is a very comprehensive review which is being undertaken with the assistance of Business Analysts.

6. Background Papers

6.1 None

Note For sight of individual background papers please contact the report author.

Annexe A

Summary of completed work April 2016 to January 2017

	Within Target	Over Target	Total	Success Rate
Priority Procedures	1865	1091	2956	63%
Non-Priority Procedures	7507	3801	11308	66%
Priority				
	Within Target	Over Target	Total	Success Rate
Death	190	100	290	66%
Employer Estimates	255	67	322	79%
Priority General	896	577	1473	61%
LGPS Retirements	291	250	541	54%
Deferred Benefit retirements	233	97	330	71%
	1865	1091	2956	63%
Non-Priority				
	Within Target	Over Target	Total	Success Rate
Amalgamation of records	218	176	394	55%
Additional Voluntary Contribution calculations	442	62	504	88%
Deferred Benefit calculations (including recalculations)	882	1772	2654	33%
Divorce calculations	117	30	147	80%
Frozen Refunds	272	229	501	54%
Non Priority General work	4124	876	5000	82%
Payroll	804	27	831	97%
Actual Refunds	84	17	101	97%
Retirement estimates (includes member and other estimates)	460	356	816	56%
Starters	31	4	35	89%
Transfer Values In	22	129	151	15%
Transfer Values Out	51	123	174	29%
	7507	3801	11308	66%

Outstanding Work

Priority

	Total	Reply due	Outstanding
Death	1	0	1
Employer Estimates	0	0	0
Priority General post	4	3	1
Deferred Benefit retirements	3	1	2
LGPS Retirements	16	4	12
	24	8	16

Non Priority

	Total	Reply due	Outstanding
Additional Voluntary Contribution calculations	145	15	130
Amalgamation of records	1505	177	1328
Deferred Benefit calculations(including recalculations)	576	20	556
Divorce calculations	0	0	0
Non Priority General post	312	133	179
Payroll adjustments	4	2	2
Actual Refunds	0	0	0
Frozen Refunds	345	41	304
Retirement estimates (includes member and other estimates)	148	23	125
New Starters	0	0	0
Transfer Values In	206	48	158
Transfer Values Out	183	38	145
	3424	497	2927