

Review of Administration Performance

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Executive Portfolio Holder: Not applicable

Division and Local Not applicable

Member:

1. Background

- 1.1 Peninsula Pensions service standard is to complete 90% of work within 10 working days, from the date that all necessary information has been received. Performance is monitored on a monthly basis via a task management system and reporting tool within the pension database.
- 1.2 Peninsula Pensions also participates in the CIPFA Benchmarking Club which provides an annual comparison of our performance against other LGPS administration services. Approximately 50 LGPS Funds participate in the benchmarking exercise. Our performance for 2017/18 against the CIPFA Benchmark was presented to the Committee at the June 2018 meeting.

2. Issues for consideration

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

3. Administration team performance

- 3.1 During 2017/18, the team issued 76% of work within target. This figure has increased to 83% for the quarter ending 30th June 2018.
- 3.2 The backlog of outstanding work remains an area of concern, but the number of cases outstanding is reducing and we are considering additional plans to tackle this.
- 3.3 Appendix 1 shows the performance relating to the Somerset Fund only for the quarter ending 30th June 2018.
- 3.4 Appendix 2 shows the work that is outstanding for the Somerset Fund only as at 31st July 2018.

4. Actions Implemented

4.1 Following the restructure of the service, a new management team is now in place, headed up by Dan Harris, Head of Peninsula Pensions. The service now has three specialist functions, as follows:

i) Employer Liaison and Communication

This team is headed up by Shirley Cuthbert and is responsible for all client management aspects of the fund's employers. The increased engagement, training and support will help to ensure that data quality and timeliness is improved in order to comply with regulations and will enable smooth processing of benefit administration by the member services teams.

The team review employer performance data across all areas of Peninsula Pensions and help to manage any employer issues that may arise. The team also administer the admitted body process and other new employers as they join the fund.

Communication is an important aspect of administering a pension scheme and the team will develop and improve both employer and member communications. Central to this will be increasing the use of self-service portals and the website.

ii) Technical and Compliance

This team is headed up by Rachel Lamb, and covers a number of areas including pensioner payroll, systems development and technical and training.

The Technical and Training team is a new function which is responsible for creating and maintaining benefit administration procedure notes and providing training to all member services team members. They will devise and implement a training and accreditation plan for member services staff and will monitor progress. A quality assurance scheme will also be monitored by this team to ensure the continued accuracy and quality of outputs of accredited member services staff.

The Technical and Training team respond to technical queries and administer the Annual Allowance project, along with other technical projects.

iii) Member Services

This function is headed up by Natalie Taylor, and covers all areas of member services for LGPS, Police and Fire schemes.

The First Response Team is responsible for dealing with all incoming and outgoing post and for managing email boxes. They are also responsible for checking incoming work requests for accuracy and completeness before work is passed to the main benefit teams. The team liaise with employers where data is missing or inaccurate, and collates employer performance information.

The 3 LGPS benefit teams are now split by employer with the aim of improving our employer focus (previously the teams were split alphabetically) and provide a full pension administration service, including divorce and Additional Benefits

The Police and Fire team are responsible for processing benefits administered under Service Level Agreements. When capacity allows they will also process LGPS administration tasks.

- 4.2 We are currently in the process of appointing staff to our remaining vacant posts, following the restructure, and aim to be fully staffed by the end of October.

5. Conclusion

- 5.1 Once the new structure and processes have bedded in and the recruitment process has been completed for our outstanding vacancies, we expect to see an improvement in performance. We will continue to work closely with scheme employers and other stakeholders to ensure that an excellent service is provided to all of our customers.

6. Background Papers

- 6.1 None

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

Appendix 1

Summary of work completed 1st April 2018 to 30th June 2018

	Within Target	Over Target	Total	Success Rate
Priority Procedures	724	175	899	81%
Non-Priority Procedures	3,829	827	4,656	82%
Total	4,553	1,002	5,555	82%

Priority Procedures

	Within Target	Over Target	Total	Success Rate
Deaths	112	34	146	77%
Employer Estimates	167	5	172	97%
Police & Fire Retirements	2	0	2	100%
Priority General	156	23	179	87%
LGPS Retirements	133	85	218	61%
Deferred Benefit Retirements	154	28	182	85%
TOTAL	724	175	899	81%

Non-Priority Procedures

	Within Target	Over Target	Total	Success Rate
Amalgamation of Records	51	130	181	28%
Additional Voluntary Contribution Calculations	247	35	282	88%
Deferred Benefit Calculations (including recalculations)	149	191	340	44%
Divorce Calculations	68	1	69	99%
Frozen Refunds	23	70	93	25%
Other Member Estimates	61	70	131	47%
Non-Priority General	2,727	186	2,913	94%
Payroll Adjustments	304	20	324	94%
Refunds	46	1	47	98%
Retirement Estimates	129	35	164	79%
New Starters	5	0	5	100%
Transfer Values In	3	17	20	15%
Transfer Values Out	16	71	87	18%
TOTAL	3,829	827	4,656	82%

Work Outstanding as at 31st July 2018

Priority Procedures

	Number of Cases	Awaiting Reply	Net Outstanding
Deaths	81	64	17
Employer Estimates	10	2	8
Priority General Post	68	30	38
LGPS Retirements	204	121	83
Deferred Benefit Retirements	458	207	251
TOTAL	821	424	397

Non-Priority Procedures

	Number of Cases	Awaiting Reply	Net Outstanding
Amalgamation of Records	2,234	700	1,534
Additional Voluntary Contribution Calculations	49	26	23
Deferred Benefit Calculations (including recalculations)	548	297	251
Divorce Calculations	8	8	0
Frozen Refunds	754	23	731
Other Member Estimates	100	14	86
Non-Priority General	734	176	558
Payroll Adjustments	40	25	15
Refunds	11	5	6
Retirement Estimates	102	6	96
New Starters	0	0	0
Transfer Values In	424	30	394
Transfer Values Out	327	45	282
TOTAL	5,331	1,355	3,976