

Review of Administration Performance

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<i>Cabinet Member:</i>	Not applicable
<i>Division and Local Member:</i>	Not applicable

1. Background

- 1.1 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.
- 1.2 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 69% in target. The backlog of outstanding work has decreased by 25% since April 2017.
- 3.2 Since July 74% of priority work has been completed within target.
- 3.3 The table in Annexe A shows performance relating to the Somerset Fund only for this financial year.

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 November 2017 we received the Final report for 2016/17 year. The key performance indicator that we obtain from this report is the cost per member. This year it has come out at £16.06 compared to the average of £20.14.
- 4.4 Our CIPFA performance results for 2016/17 showed improvements across all areas, with above average achievement in all except deferred benefits where we dipped slightly below.

Process	Target	Our achievement	CIPFA average
Transfer in	10 days	93.4%	87.2%
Transfer out	10 days	93.4%	86.5%
Letter notifying actual retirement benefits	5 days	98.4%	93.4%
Letter notifying estimated retirement benefits	10 days	93.8%	92.8%
Letter acknowledging death	5 days	100.0%	96.1%
Refunds	5 days	97.0%	93.8%
Letter notifying dependants benefits	5 days	95.3%	89.9%
Deferred	10 days	82.4%	83.8%

- 4.5 Areas to improve on include outstanding leavers unprocessed/in progress and investing in staff by increasing qualification opportunities and reducing sickness absence.

5. Actions Implemented

- 5.1 Additional resource extended until 31st December 2018 whilst performance review concludes and outcome implemented.
- 5.2 New workflow tools have been introduced and team focusing initial efforts on getting all priority work up to date. Outstanding priority work is generally now always within 10 days old.
- 5.3 Annual employer meetings took place in January and positive engagement and feedback received.

5.4 Employers approaching us for Scheme member talks increasing and the feedback received has shown these events are very successful at improving scheme members' understanding.

6. Conclusion

6.1 We are continuing to work with scheme employers towards improving our performance and in turn provide an excellent service to all our stakeholders.

7. Background Papers

7.1 None

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

Annexe A

Summary of completed work 1st September 2017 to 31st January 2018

	Within target	Over target	Total	Success rate
Priority Procedures	1,189	260	1,449	82%
Non-Priority Procedures	5,809	2,205	8,014	72%

Priority

	Within target	Over target	Total	Success rate
Death	166	39	205	81%
Employer estimates	128	2	130	98%
Priority general post	338	71	409	83%
LGPS retirements	307	109	416	74%
Deferred benefit retirements	247	38	285	87%
Total	1,189	260	1,449	82%

Non-Priority

	Within target	Over target	Total	Success rate
Amalgamation of records	76	188	264	29%
Additional voluntary contribution calculations	167	37	204	82%
Deferred benefit calculations (including recalculations)	265	481	746	36%
Divorce calculations	76	2	78	97%
Frozen refunds	129	329	458	28%
Other member estimates	55	98	153	36%
Non-priority general post	4,112	889	5,001	82%
Payroll adjustments	507	2	509	100%
Refunds	77	1	78	99%
Retirement estimates	309	53	362	85%
New starters	10	0	10	100%
Transfer values in	5	31	36	14%
Transfer values out	21	94	115	18%
Total	5,809	2,205	8,014	72%

Outstanding Work 19th February 2018

Priority

	Total	Reply due	Outstanding
Death	6	0	6
Employer estimates	14	5	9
Priority general post	32	7	25
LGPS retirements	20	12	8
Deferred benefit retirements	8	3	5
Total	89	27	62

Non Priority

	Total	Reply due	Net outstanding
Amalgamation of records	1,685	273	1,412
Additional voluntary contribution calculations	45	21	24
Deferred benefit calculations (including recalculations)	542	77	465
Divorce calculations	4	1	3
Frozen refunds	456	72	384
Non-priority general post	439	252	187
Payroll adjustments	7	1	6
Refunds	9	0	9
Retirement estimates (includes member and other estimates)	172	24	148
New starters	0	0	0
Transfer values in	324	43	281
Transfer values out	243	29	214
Total	3,917	793	3,124