

Pension Fund Committee

Date: 20th September 2016

Classification: General Release

Title: Surrey Pension Administration Performance

Report of: Lee Witham Director of People Services

Policy Context: Service Delivery

Financial Summary: Limited

1. Executive Summary

- 1.1 Following the report submitted at the previous committee meeting on June 21st 2016, this report sets out an update on the performance of the pension administrators Surrey County Council (SCC).
- 1.2 The report also maps the strategy of the New Director of People Services to manage the relationship with and performance of SCC in providing Pension Services.

2. Current Position

- 2.1 The Pensions Fund Committee were advised at the June meeting that there had been some concerns over the performance of SCC in provision of administrative services to WCC fund members.
- 2.2 The reasons for the drop in service were in part related to the managed service provider BT not being able to meet its requirements to members putting extra strain on the pension administration service. In addition SCC had taken on our Bi-Borough partners from Capita in September 2015 with no staff TUPEd with knowledge of the previous service and the data inherited was poor leading to a higher administration burden on SSC to recover the accuracy of the records.
- 2.3 Councillor Rahuja, requested a meeting with Jason Bailey the Pensions Manager at SSC following the previous committee. This meeting was held In City Hall on

the Wednesday the 3rd of August. In addition to the Chair of the committee and Jason Bailey, George Bruce and Nikki Parsons attended from finance and Carmel Millar and Sarah Hay from People Services.

- 2.4 At the meeting Jason Bailey presented the Chair with updated KPI data for June and July 2016. The KPI data is attached at the back of this report. The main area for concern is the processing of retirements as members face delays to receiving their pension. The KPI data indicated that 3 cases for June / July were processed outside of the 5 day timescale set down by our 101 agreement.
- 2.5 Jason Bailey explained some of the problems that SSC had experienced in the previous year that contributed to the service problems. In addition to the points outlined in the above paragraphs, Jason advised the Chair that two key members of his staff had been off on long term sickness absence during the period and this had a direct impact on the service. In addition incorporating the additional work in their workstack meant a restructure was required. This has now been completed.
- 2.6 The Chair asked if SSC had plans to take on additional pension administration work. Jason Bailey confirmed that they were in talks with other parties but that in the event that new agreements were reached this would not impact WCC as SSC had learned lessons from the transfer of LBHF and RBKC work.
- 2.7 The Chair expressed that he wished People Services to more proactively Manage SSC and to visit them more to do checks on overall response times.
- 2.8 The new Director of People Services is undertaking to ensure both BT and SSC meet their obligations to WCC members. There is a commitment from senior management that staff should expect a smooth process when they retire. Leaver forms must be completed by BT within 5 days of the last pay period for the member and SSC will also commit to that timescale for sending out retirement forms and for processing forms once returned by the member so that people are not waiting several months for their entitled payments.
- 2.9 Grant Thornton the auditors are going to review a number of case types identified by the Pension Officer as a potential concern, particularly retirements. They have met with Surrey CC but are still waiting for reports to sample check ahead of a visit to the administrators. At the time of writing this report it was expected that Grant Thornton would be visiting Surrey before the end of September 2016.
- 2.10 The Senior Payroll, Pensions and Establishment Officer, Kim Edwards will be accompanying the Pensions Officer on a visit to Surrey on the 26th of October. The purpose of the visit will be to investigate and review the data that produces the monthly KPI supplied and to highlight any issues or concerns raised by Grant Thornton at that point. Waiting until the 26th of October should give officers chance to digest any feedback from Grant Thornton prior to the visit.

3. Summary

- 3.1 People Services will work with both BT and Surrey County Council to improve the pension service to members going forward and will keep the Committee informed of progress.