

Pension Fund Committee

Date:	15 November 2016
Classification:	General Release
Title:	BT Managed Services Improvement Plan
Report of:	Lee Witham, Director of People Services
Wards Involved:	All
Policy Context:	Service Delivery
Financial Summary:	Limited

1. Executive Summary

- 1.1 BT presented a “Service Improvement & Recovery Plan” to the Tri-borough Chief Executives on the 8th July 2016. The plan includes the following:
 - Outstanding programme deliverables.
 - Recovery plan for payroll service including a root cause analysis to prevent recurring issues.
 - Quality improvement plan for all services.
 - Performance measures.
 - Resource profile plan to complete the remedial work which does not place dependences on operational resources in the BT Shared Service Centre (SSC).
- 1.2 The Westminster City Council (WCC) Enhanced ICF team, BT programme and BT SSC are working jointly together to deliver the outstanding activity and to improve the quality of the service across all the functions of Finance, HR & Payroll and service support.
- 1.3 Payroll and Pensions has been the agreed priority for the Recovery and Improvement Plan, both stabilisation phase (including control / exception reports) and long term sustainability of build.
- 1.4 The Pensions Fund Committee requested that a representative from BT attend the next Committee meeting and Craig Anderson, BT Service Delivery Director, will be attending to answer member’s questions.

2. Current Position

The main problems impacting operational performance of pensions from WCC's perspective are as follows:

- 2.1 No system report or interface is currently available detailing starters and leavers and other material changes for pension purposes. This means that the work needs to be undertaken manually by BT staff. This is slow, reliant on very limited skilled resource and is open to human error.
- 2.2 Leavers - we are aware that the manual reporting of leavers is not happening in every case and certainly not within the expected timescales. This is affecting Surrey County Council's ability to release pensions and issue deferred pension statements.
- 2.3 Starters & Changes - Surrey has yet to receive any interface files of joiners data from BT in the current financial year. This means significant numbers of pension records are out of date or absent. In extreme cases, a member could have joined and left the scheme with Surrey having no record of that member. WCC have requested that Surrey are work collaboratively with BT to help reach a swift resolution to the missing information.
- 2.4 Auto enrolment – Despite BT confirming that they had re-enrolled individuals who opted out of the LGPS it appears that this did not happen. Letters were sent to employees but a bulk upload did not run. BT has agreed to write to those affected employees again and notify them that they can opt out before the auto enrolment takes place.
- 2.5 Annual Benefits Statements (ABS) – there are approximately 250 individuals who have not received their ABS this year as they were absent in 2015/16, for example as a result of sickness or maternity. We are still awaiting an update from BT on when correct data will be sent to Surrey. We are also aware that there are a small group of people whose pay figures provided to Surrey do not align with their Agresso pay record. BT is currently investigating these cases.

3. Progress

- 3.1 There is much concern over BT's ability to fully resource this project with the required skilled resource. This is having a large impact on the very small retained resource within WCC People Services that have to do a lot of extra work as a result. This work is purely cost of failure and is extremely inefficient.
- 3.2 A joint review of the redundancy process was held on the 20th October and the redundancy form has been simplified as a result. It is envisaged that this will improve the process for obtaining estimates.

4. Summary

- 4.1 People Services will continue to 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.