

Date:	29 November 2016
Classification:	General Release
Title:	Surrey Pension Administration Performance
Report of:	Lee Witham, Director of People Services
Wards Involved:	All
Policy Context:	Service Delivery
Financial Summary:	Limited

1. Executive Summary

- 1.1 Following on from the report submitted at the previous Board meeting on 23 August 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 approach of Westminster City Council's (WCC) People Services team 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 At the September Committee Meeting Key Performance Indicators (KPI's) were presented by the Director of People Services for the period April 2016 - July 2016. The KPI's were highlighting some areas of concern that WCC officers had: firstly retirement options were being issued late to some members and secondly the processing of the retirements thereafter were also not within the 5 working days required. The KPI report also indicated that the combined achievement for June and July 2016 for sending out member option forms on retirement was 77% accurate with 3 cases completed late. The new retirement benefits processed for

payment had an accuracy figure of 82% with 4 cases completed late in the same period.

- 2.3 Surrey have now provided the updated KPI information adjusted to cover the 2nd Quarter, July to September 2016. These are shown in Appendix 2. Specifically on the retirement KPI's that were referenced in paragraph 2.2 above there has been a slight improvement in the percentage of cases processed within timescale: sending out members option forms within 5 days rose from 77% to 80%; and paying member benefits within 5 days increased from 82% to 85%. Surrey have been challenged that this KPI needs to improve further.
- 2.4 Jason Bailey the Surrey Lead Pensions Manager has provided additional information, in Appendix 1, to accompany the KPI report for Quarter 2. This acknowledges the need to improve and also calls out a number of issues they are experiencing from BT's end of the process that are impacting them.
- 2.5 In September the Committee highlighted their concern to officers that members should be receiving their pension payments in a timely manner. The Committee also instructed the Director of People Services to review the KPI's that Surrey were producing with the aim of producing a new KPI framework to provide data that WCC needed to better monitor the performance of Surrey.
- 2.6 The Director of People Services requested help from procurement in reviewing the KPI framework. Further he tasked Jo Meagher (Head of Operational People Services) and Kim Edwards (Senior Payroll, Pensions and Establishment Advisor) to address with Surrey the underperformance issues and to agree a new KPI regime.
- 2.7 Jo, Kim, Sarah Hay (Pensions Officer) along with Christopher Smith, Unison and Pension Board representative, visited Surrey on 26th October to address the above concerns.
- 2.8 A WCC officer from the procurement team, Harbinder Manku, dialled into the meeting section of this visit to discuss the KPI's. WCC requested that KPI's be presented on a quarterly basis to run in conjunction with the Pension Fund Committee meetings. This will marry the administration data to the reporting periods that the Committee have from finance.
- 2.9 WCC requested that some additional KPI's be added to the existing framework to ensure they more accurately reflected the actual pension member experience of the service. In particular, WCC requested additional information on deferred members, those members who have left without an immediate payment of pension. WCC have also asked Surrey to report on any changes that materially affect a member's benefit being processed within 30 days. WCC have agreed that in some cases where large numbers of redundancy calculations are requested at one time that a revised (customer acceptable) timescale maybe agreed with Surrey as opposed to the 10 day maximum turnaround time in the current framework to enable delivery within set Council restructuring timescales.

- 2.10 WCC have further requested that Surrey provide volume details: the numbers of cases being processed in each area being monitored. This should give both WCC and Surrey context for each KPI. For example a 100% KPI achievement where there have been no cases processed is meaningless data.
- 2.11 In addition, WCC have requested additional information is provided where there is any issue that impacts a particular KPI. Where members benefits are delayed as a result of Surrey's under performance WCC have requested names and details of the reason for the delay to be provided. The Proposed KPI format will take effect from December as Surrey need to amend their reporting systems to pick up the new data WCC have requested.
- 2.12 An example of the new proposed KPI framework, which covers the points made in 2.9, 2.10 and 2.11 is shown in Appendix 3. This will become operational in December 2016 when the required reporting changes have been implemented.
- 2.13 WCC are still waiting for the final audit report from Grant Thornton. Early feedback has indicated that sample testing of calculations shows that benefits are being calculated correctly. However we have yet to see the final report where we have asked them to review Surrey's performance in meeting the agreed timescales on processing certain priority cases.

3. Summary

- 3.1 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.