

# Pension Fund Committee

<b>Date:</b>	<b>12<sup>th</sup> October 2017</b>
<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>Pension Administration Update</b>
<b>Report of:</b>	<b>Lee Witham, Director of People Services</b>
<b>Wards Involved:</b>	<b>All</b>
<b>Policy Context:</b>	<b>Service Delivery</b>
<b>Financial Summary:</b>	<b>Limited</b>

## **1. Executive Summary**

**1.1.** This report provides a summary of the performance of the City Council, Surrey County Council, BT and admitted bodies' payroll providers. This report also gives an update on the performance of the pension administrators Surrey County Council (SCC) for the period June 2017 to August 2017. The detailed key performance indicators (KPIs) are shown in Appendix 1.

## **2. Surrey County Council (SCC) Performance**

**2.1.** The scope of the KPIs in this report have been agreed between WCC and SCC based on the section 101 agreement, however they will continue to be reviewed on feedback from all parties, including committee members.

**2.2.** This paper covers June, July and August 2017, with the previous 6 months also shown for comparison.

**2.3.** People Services continue to hold regular meetings with SCC to discuss both day to day issues plus any future matters that need to be planned for, such as pension workshops, future re-organisations which may result in bulk leavers/retirements as well as performance against KPIs. We have previously highlighted areas where a need for improvement has been identified and these are reviewed again here against the June to August KPIs. The last review meeting was held on 14 September 2017.

- 2.3.1. Retirement options issued to members** – After a big improvement between January and May there has been a slight dip in this area in the June - August reporting period. Whilst still within an acceptable level it remains an area that will be closely monitored.
- 2.3.2. Deferred benefits and payment of lump sums** - This area has improved from 85% in the last report up to 100% for the June-August period.
- 2.3.3. Transfers out of non LGPS schemes** - This KPI has also improved for both quotations and payments, now both showing at 100% for the last quarter.
- 2.3.4. Transfers in and out of LGPS** - This is a new KPI that was introduced in February and after a small dip in performance earlier this year this has remained at a constant 100%.
- 2.3.5. Pension/Redundancy estimates** – In the last quarter there have been very few requested and those that have were completed on time, this KPI is now at 100%.
- 2.3.6. Responding to member's correspondence** – This KPI is now showing at 100%. Jason Bailey SCC Pension Manager has previously advised the committee that they were looking at the re-distribution of work at SCC and we believe the improvement in this KPI is as a result of this change in process. We will however continue to monitor.
- 2.4.** The Annual Benefit Statements (ABS) were made available on line for the first time this year by the deadline of 31st August 2017. Credit must be given to the SCC team who despite only receiving the information from BT on 15<sup>th</sup> August (rather than 30th April) still managed to successfully upload by the deadline.
- 2.5.** Employees were contacted in a number of ways to advise them of the new process with details of how to register for access to the ALTAIR self-service system. Any staff for whom Surrey did not hold an e-mail address were sent a paper ABS with a covering letter advising them how to register for the self service system for future years ABS's.
- 2.6.** An advertising campaign was also conducted on the council's Intranet and Yammer pages, which was undertaken by the in house pensions team to strengthen the message that ABS's would be available on the ALTAIR self service system the end of August.
- 2.7.** Employee access to ALTAIR will also allow individuals to check personal information held by SCC, such as address, death grant nominations and will also allow employees to run pension estimates.
- 2.8.** General feedback on these changes have been positive. SCC have advised that an upgrade to the system will take place in October to improve the appearance of the ABS and enable mobile and tablet access.

### **3. BT Performance**

- 3.1.** At the last committee it was reported that BT had presented a LGPS recovery plan on 3<sup>rd</sup> June which indicated that they would not be able to provide the requisite data in order for SCC on behalf of WCC to issue the ABS by the statutory deadline of 31<sup>st</sup> August. They were advised at the time that this was not acceptable and a revised plan was issued to ensure that WCC were able to fulfil their statutory requirement. However, it should be noted that although the quality of the file was an improvement on the previous year's file (where we failed, as previously reported to issue a number of ABS statements on time) it still required considerable involvement by both tri borough in-house pension teams and SCC to ensure the data was of sufficient quality to meet the deadline.
- 3.2.** The monthly interface reports detailing starters/leavers and changes have now gone live, some 18 months after the BT contract commenced. However the manual leavers forms, detailing pay information that BT are also required to complete when notifying SCC of a leaver, are still not being actioned in a timely manner. Currently the in house team are completing these forms when the employee is entitled to immediate benefits, to avoid any delay in payments to the individual.
- 3.3.** It was reported at the last committee that the outstanding and inaccurate ABS for the 2015/2016 were to be issued by the end of June. I can confirm that these were issued to the affected employees with a written explanation.
- 3.4.** The matter regarding the correction payroll for previous year's errors, including pension contributions is still outstanding and high level discussions are still ongoing between BT and Directors of the 3 boroughs.

### **4. Issues Log**

- 4.1.** People Services continue to meet on a regular basis to review any pension matters that have been referred to the in house team by individuals, Unison, BT or Surrey.
- 4.2.** There are currently 6 issues on the log and no new cases have been raised in over a month. One ill health case has been closed, 2 cases have gone to IDRP, one of which has had a full response under this process, the second one is close to closure, the other cases cover transfer ins and also teachers pensionable service queries.

### **5. Risk Register**

- 5.1.** Finance will be presenting the risk register to committee however it should be noted that Operational Administration reference 25 is now showing as Amber as both the interface and EOY files have now been provided to SCC by BT.

## **6. Pension Administration Strategy (PAS)**

- 6.1.** A Pension Administration Strategy (PAS) sets out the expectations and requirements of all parties involved in the administration of the LGPS, giving clear guidelines to meet both statutory and financial regulations.
- 6.2.** Following advice it has been recommended that the PAS should come under the remit of the Pensions Committee rather than the Pension Board.
- 6.3.** The PAS is therefore attached at appendix 2 for consideration by the committee. It is recommended that this strategy has a 'soft roll out' to the relevant parties, with written warnings rather than fines being issued until a full go live date of 1<sup>st</sup> April 2018.

## **7. Summary**

- 7.1.** There have been improvements by both SCC and BT and People Services will continue to work with both to improve the pension service to members.
- 7.2.** The Committee is asked to agree the implementation of a Pension Administration Strategy.