

<b>Date:</b>	<b>19<sup>th</sup> March 2020</b>
<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>Pension Administration Update</b>
<b>Report of:</b>	<b>Sarah Hay, Pensions Officer 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. Introduction**

1.1 This report provides a summary of the performance of Surrey County Council (SCC) with the Key Performance Indicator (KPI) for the period January 2020. The detailed KPIs are shown in Appendix 1. There is an update on the overseas suspended pensioners in Section 4 and an update on the 101 negotiations and the relationship with Surrey in Section 5. The data issues will be covered in a separate paper at this meeting.

## **2. Executive Summary**

2.1 The Pension Administration KPIs are for the period January 2020. The February KPI's were not available at the time of drafting this report. The December 2019 KPI data has been included for comparison.

2.2 The 17 pensions that were suspended following the ending of last year's existence exercise have now been added to the address tracing exercise that the Interim Pension Specialist is leading.

2.3 A draft new 101 agreement has been sent to Surrey for review and we are waiting for their response to our draft service proposal. Discussions on our future pension service continue with the newly appointed pension manager in Surrey Mr Nick Weaver.

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

- 3.1 This paper covers the period January 2020, December data is in the appendix for comparison. Overall the performance as reflected in the KPIs was good.
- 3.2 KPI performance in appendix 1 is summarised below:
- 3.3 I am pleased to report that overall the KPI's were positive in January. There was one late processing of a retirement by two days. Additionally, due to the implementation of a robot that is sending out letters to members who have a deferred benefit that is due to come into payment, the timescale has been reduced to one month from two. We have therefore recorded that as a 100% KPI failure but we do believe that automation should be explored for the fund to benefit from future administration efficiencies. We will work with Surrey to ensure that they move back towards sending these letters two months before payment is due, pending automation.
- 3.4 The Pensions Officer has been talking to Surrey about the need to provide WCC with more detailed data on our workloads and other data impacting our fund going forward in addition to the KPI data. This is to help ensure that the Pension Officer, WCC management and then the Pension Committee and Pension Board have a clear picture of the whole situation. We are working with Surrey to build a Monthly Administration Report to include further detail, for example on our mortality screening and further detail on the cases in progress. If the committee would like to see specific information provided, please advise and we will see if this can be included.

### **4. Overseas Suspended Pensions**

- 4.1 Following the previous committee the seventeen pension records that were still suspended following the Western Union existence exercise were referred to our tracing service with Target. At the time of writing this report two of those pensioners had a trace completed that links them to the address we already had. A further pensioner has been traced to a different address to the one we had on record. We are taking steps to reinstate those pensions and try and find out why the individuals where we had the correct address did not respond to the existence checks. The remaining fourteen are still going through the checking process.

### **5. 101 Administration Agreement with Surrey / Heywood Software and I Connect**

- 5.1 A new draft 101 agreement has been sent to Surrey for their review. We are keen to ensure that our new 101 agreement provides a tight framework that matches resources and workloads and to include some financial penalties for poor performance. We are working towards agreeing a new 101 with effect from the 1<sup>st</sup> of April 2020.

- 5.2 We have now commenced a procurement for the fund's pension administration software and are due to attend an IT Gate to discuss the best options for the fund. Our current contract for administration software runs out in November 2020. We are also investigating the possibility of adopting a monthly data interface, this is to help ensure that data issues going forward can be picked up immediately and should therefore help reduce longer term data problems.

## **6. Summary**

- 6.1 We are content with the KPI data for January whilst the delay in sending out letters to people with preserved pensions with payment due is disappointing, we are keen to embrace the robot technology to automate processes where possible. Although our KPIs are relatively good we remain aware that the data improvements that we have made in the last eighteen months need to continue at a pace following the 2019 valuation. We are working with Surrey on agreeing a new 101 agreement with additional resourcing and a tighter framework with penalties for future non-compliance. We are talking to Surrey about increasing the monthly data sent to the senior pension officer to include a wider remit of WCC fund work than just the agreed KPIs. We want to ensure that our view of our data and work position going forward is comprehensive.