

Croydon Council

REPORT TO:	Local Pension Board 20 April 2017
AGENDA ITEM:	11
SUBJECT:	Key Performance Indicators for the Local Government Pension Scheme
LEAD OFFICER:	Nigel Cook, Head of Pensions and Treasury
CABINET MEMBER	Councillor Simon Hall Cabinet Member for Finance and Treasury
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: Sound Financial Management: The Pension Board is charged with helping deliver the effective administration of the Local Government Pension Scheme. These Key Performance indicators provide a measure of how well that administration works.	
FINANCIAL SUMMARY: Poor administration may ultimately lead to incorrect calculation or payment of benefits or indeed financial penalties.	
FORWARD PLAN KEY DECISION REFERENCE NO.: N/A	

1 RECOMMENDATIONS 1.1 The Board is asked to note the Key Performance Indicators set out in this report.

2 EXECUTIVE SUMMARY

- 2.1 This report sets out Key Performance Indicators for the administration of the Local Government Pension Scheme.

3 DETAIL

- 3.1 Good governance suggests that periodically the performance of the administration of the Local Government Pension Scheme should be monitored. The standards by which performance can be assessed are set out in the Administration Strategy and published on the Scheme's website so as to be available for scrutiny by stakeholders, who include members and other Scheme employers.
- 3.2 Development of an administration strategy, as allowed for by the Local Government Pension Scheme, is seen as one of the tools which can help in delivering a high quality administration service to the scheme member and other interested parties. Delivery of a high quality administration service is not the responsibility of one person or organisation, but is rather the partnership of a number of different parties.
- 3.3 The aim of the Administration Strategy Statement is to set out the quality and performance standards expected of the Council in its role as administering authority and scheme employer, as well as all other scheme employers within the London Borough of Croydon Pension Fund. It seeks to promote good working relationships, improve efficiency and enforce quality amongst the scheme employers and the administering authority.
- 3.4 The Fund comprises of 90 scheme employers and approximately 21,900 members, this includes active, deferred, pensioner and dependent members of the LGPS. The efficient delivery of the benefits of the LGPS is dependent on good quality data and sound administrative procedures being in place between a number of interested parties, including the administering authority and scheme employers. The strategy statement sets out the expected levels of performance for both the administering authority and the scheme employers within the London Borough of Croydon Pension Fund, as well as details on how performance levels will be monitored and the action that might be taken where persistent failure occurs.
- 3.5 This report is only concerned with the performance of the administration team. It would be a more challenging exercise to measure the performance of other Scheme employers in discharging their responsibilities. Nevertheless on those occasions when the administering team become aware of issues around the administration of the Scheme by other employers, such as failing to enroll staff or pay over contributions collected, there are a range of remedies available and these are deployed as appropriate. These include engaging with employers to educate and encourage through to sanctions such as reporting cases to the Pensions Regulator and levying fines.
- 3.6 This report considers performance against a focused group of key indicators. The Administering Authority has met all of the targets relating to liaison and communication and Fund Administration. Measures relating to the Scheme

Administration are recorded on the software system that maintains members' records and calculates benefits and entitlements. The Key indicators are:

Internal Dispute Resolution Process, Stage 1	No cases at present.
Internal Dispute Resolution Process, Stage 2	No cases at present.
Cases referred to the Ombudsman	No cases referred.
Death notifications: Respond and commence action within 2 working days following notification of death	See table below.

Payment of retirement benefits (including any interest due as a result of the late payment of benefits): Commence payment within the next pension payroll following commencement of pension entitlement. Thereafter make payment on the pension pay day of each month. Any lump sum payments to be paid into the member's account within 5 working days after last day of membership and receipt of all relevant information.

228 cases. 91% put into payment within 5 working days after last day of membership. See table below for payment of lump sums.

Scheme member to be set up on to pension administration software system: 7 working days of receipt of all necessary information

See table below.

This last measure relates solely to the period of time taken to set up the scheme member. Further work is required to identify the number of days of delay caused by waiting for information, forms to be completed, replies, and so forth.

More detail is provided in the additional table below. For each period where it has been possible to extract data from the system the percentage of cases completed within the target is shown, together with the number of cases that represents. It is clear that there is a significant variance from month to month in numbers of cases.

Activity	April to November 2016		January 2017		February 2017		March 2017	
Starters	49%	617	46%	106	89%	141	77%	75
Deaths	97%	104	45%	42	62%	21		
Deferred Benefits			83%	28	86%	41		
Refund calculation and payment			100%	22	61%	18		
Retirements lump sum paid			95%	21	92%	30		

- 3.7 Members should note that these measures are often reliant upon information being made available in a timely fashion, be that from the Scheme member themselves, from their employer or from a dependent.

4 CONSULTATION

- 4.1 Officers have fully consulted with the Pension Fund's advisers in preparing this report.

5 FINANCIAL CONSIDERATIONS

- 5.1 This report provides information relating to the administration of the LGPS. Poor performance from the administering authority may result in financial penalties or incorrect calculation and payment of benefits. Failure on behalf of other Scheme Employers to meet the requirements of the administration strategy can result in the levying of fines.

7 FREEDOM OF INFORMATION/DATA PROTECTION CONSIDERATIONS

- 7.1 This report does not contain any information which will not be made publically available by being published on the Council's Pension Fund website.

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