

REPORT TO:	LOCAL PENSION BOARD 6 July 2017
AGENDA ITEM:	9
SUBJECT:	Local Pension Board Administration KPI's Report
LEAD OFFICER:	Richard Simpson, Executive Director of Resources (Section 151 Officer)
LEAD MEMBER:	Councillor Andrew Pelling, Chair of Pension Committee
PERSON LEADING AT THE BOARD MEETING:	Nigel Cook Head of Pensions and Treasury

1. EXECUTIVE SUMMARY

- 1.1 This report updates the Board on the performance statistics for the Local Government Pension Scheme Administration team for the quarter to the end of May 2017 and the progress of the exercise to clear the backlog.

2. REPORT

- 2.1 These performance statistics have been compiled from Altair, which is the Local Government Pension Scheme Pension Administration system.
- 2.2 The team's activities can be said to fall into two categories: Business As Usual (BAU) and Backlog. BAU refers to casework received after 5 November 2016. Backlog refers to all cases that were received prior to this date that have yet to be completed. Although it may sound alarming that there are outstanding items of work dating back over such a period of time much of this work relates to deferred employees, that is to say ex Croydon staff who are no longer in the Scheme. A large number of these cases were inherited when the outsourcing arrangements were ended.
- 2.3 Key Performance Indicators (KPI's) relate to the BAU casework and the team's performance is measured against them.
- 2.4 The main case types are as follow:
- 1) Starters - employees joining the scheme;
 - 2) Deferred benefits - members leaving the scheme but before pension age;
 - 3) Retirements - members leaving with an immediate entitlement to benefits;
 - 4) Transfers - members transferring in or out their pension benefits; and
 - 5) Deaths - Deceased members including survivor benefits.

Retirements and deaths are considered to be the main priority.

2.5 The table below shows the results for BAU Retirements and deaths; as well as a snap shot of the outstanding cases in Backlog.

2.6 The starters will in future be processed by Iconnect, which members of the Board will recall is the system that allows other Scheme employers to input membership data directly from remote locations. This is currently being introduced for the Council and will be rolled out to other employers throughout the year. This means all starters will be processed at the end of each month.

2.7 The June figures in BAU are as 8th June.

Table 1: Results for BAU

Case type	Month	KPI - days	Total cases processed	Average days taken to complete case	% within target
Deaths	April	5	20	4	100
Retirements	April	10	39	5	97.5
Deaths	May	5	15	8	93.33
Retirements	May	10	29	7	96.55
Deaths	Jun	5			
Retirements	Jun	10			
Deaths	QTR	5	6	7	50*
Retirements	QTR	10	7	4.5	100

*2 cases were 1 day overdue

2.8 The backlog has accrued over the years for a number of reasons including: performance issues when the pensions administration was previously outsourced; data issues not being resolved following various migrations to different payroll systems; delays in the publication of regulations (particularly affecting transfers); and volume of work that resulted in lower prioritised work being left.

2.9 There are currently over 100 employers in the Fund. They have varying experience in providing pension data. Many have also outsourced their payroll which again means the standard of data can vary enormously. All this adds to the time it takes for the pension's team to process cases. A significant part of that time is carrying out "employer" duties often because the pension's team is best placed to do the work. However, this reduces the time available on pure "pensions" work.

2.10 The main issue to be considered is that cases that are not processed results in poor member experience. In addition, delays will result in potential breaches of

the Disclosure regulations. There is an additional concern that the Pensions Regulator oversees data quality. Any backlog is likely to fall short of their expected standards. Another big factor is the effect on staff morale.

2.11 Over the last 6 months the team has reviewed its processes and systems to ensure that they are as efficient as possible. However, there are historic problems with the data which means clearing cases accurately and therefore ensuring members receive the benefits that they are entitled to takes longer than the ideal target. There are plans to reduce the backlog, however, volume of work, together with resource requirements to action other current projects - GMP reconciliation, move of pensions payroll from Oracle to Altair as well as rolling out Iconnect does mean it is a medium / long term ambition to clear the backlog. The table below shows the progress that has been achieved.

Table 2: Progress against backlog

	Deferreds	Transfers	Combined	Misc	Total
APR	1,381	462	271	274	2,388
MAY	1,356	431	271	261	2,319

3. RECOMMENDATIONS

3.1 To note the content of the Administration KPI's Report.

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ATTACHMENTS: None