

Croydon Council

REPORT TO:	Local Pension Board 11 January 2018
SUBJECT:	Administration Update
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: this report considers the improvements and efficiencies for the administration of the Fund.	
FINANCIAL SUMMARY: there are significant fines for non-compliance with regulatory requirements.	
FORWARD PLAN KEY DECISION REFERENCE NO.: N/A	

1 RECOMMENDATIONS

- 1.1 The Board is asked to note the contents of this report.

2 EXECUTIVE SUMMARY

- 2.1 This report reviews the systems and processes that have been put in place to improve efficiency and performance of the administration of the Fund.

3 DETAIL

- 3.1 In November 2016 the pensions teams reviewed and revised many of the systems and processes in place with the view to improving efficiency and performance.
- 3.2 One of the changes made was to introduce Business As Usual (BAU). This involved putting cases outstanding as at 6 November 2016 in to "Backlog". All new cases received are placed in BAU.
- 3.3 This has enabled the team to manage their workload more effectively and help ensure all BAU cases are processed in line with our KPIs.

3.4 It will become a mandatory requirement for Administering Authorities who employ more than 250 people, or who process sensitive personal data (about members' health or family circumstances), to maintain records of all personal data processing activities. The records may have to be presented to the Information Commissioner's Office (ICO) on demand.

3.5 The backlog cases are prioritised and processed accordingly. There are no death or retirement cases in backlog. The tables below illustrates our performance against the KPIs for our priority cases deaths and retirements. It all shows the total number of cases processed by the team.

BAU

Case type	Month	KPI	Total cases processed	Average days taken to completed case	% with target	Total cases processed*
Deaths	APR	5	20	4	100	
Retirements	APR	10	39	5	97.5	
Total cases processed	APR					1086
Deaths	May	5	15	8	93.33	
Retirements	May	10	29	7	96.55	
Total cases processed	May					1229
Deaths	June	5	19	7	89.4	
Retirement	June	10	28	5	92.8	
Total cases processed	June					504
Deaths	Jul	5	15	4	87.5	
Retirement	Jul	10	32	3	100	
Total cases processed	Jul					1082
Deaths	Aug	5	22	3	95	
Retirements	Aug	10	25	4	100	
Total Cases	Aug					1233
Deaths	Sept	5	30	4	87	
Retirements	Sept	10	34	6	97	
Total Cases	Sept					1241
Deaths	Oct	5	20	3	90	
Retirements	Oct	10	39	4	100	
Total Cases*	Oct					1532
Deaths	Nov	5	15	3	100	

Retirements	Nov	10	39	4	100	
Total Cases*	Nov					1720
Deaths	Dec	5	23	3	100	
Retirements	Dec	10	26	5	100	
Total Cases*	Dec					1270

*total cases processed by team in month (all categories)

Backlog

	Deferreds	Transfers	Combined	Misc	Total
APR	1,381	462	271	274	2,388
MAY	1,356	431	271	261	2,319
June	1,333	392	271	185	2,181
July	1325	385	268	181	2,159
August	1302	358	264	163	2,087
Sept	1287	352	259	144	2,042
Oct	1,258	318	258	134	1,978
Nov	1,251	301	255	36*	1,843
Dec	1,240	281	252	35	1,808

- GMP cases being dealt with as part of the Reconciliation exercise and as part of the Payroll data cleanse

- 3.6 The team continues to be busy. Our performance against the KPIs is good but with some room for improvement. There continues to be high volumes of work but our revised processes are helping us keep on top of the workload.
- 3.7 The pensions team does carry out a number of “employer” functions mainly around ensuring the pay used for calculating benefits is correct. There are also some historic data issues which means the time taken in dealing with a case is longer than ideal.
- 3.8 We have done a lot of work on developing Iconnect. This will streamline the new starter process as well as identify leavers much earlier than was previously the case. We are using Iconnect for the Council (Oracle) with the view to a managed role out to other employers throughout the year.
- 3.9 The backlog cases have reduced each month but there is still plenty of work to do. We have plans in place to reduce the outstanding cases but volume of work together with progressing a number of projects will have an impact on the timescale. The high number of cases processed in April and May mainly reflects the missing starters that have been identified by the year end- process.

4. PROJECT UPDATE

Pensions Payroll

- 4.1 First live payroll run happened in November. Only one issue which was around bank accounts that require a roll number. Although we had a number of BACS rejections, the pensions were paid either by BACS or CHAPS a few days late. Overall a great success.
- 4.2 The next stage is to merge the Altair administration record with the Altair payroll record. It is intended this will take place in Jan or Feb 2018.

GMP Reconciliation

- 4.3 The Guaranteed Minimum Pension (GMP) reconciliation project is progressing. This has an HMRC deadline of December 2018 so the progress is monitored carefully. Failure to complete the project would result in the pension fund being on the hook for pension liabilities that we are not responsible for.

Iconnect

- 4.4 We started using Iconnect for the council (Oracle). This has caused considerable work for the pensions team as we are resolving the data issues that would normally fall to the employer. Although this causes short term additional administration, it is hoped that we will soon see the benefits.
- 4.5 It will be rolled out to other fund employers once we are sure that we have the necessary resources available to provide similar administration support for each employer.

CONTACT OFFICER:

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