



Committee and date  
Pensions Committee

20 September 2013

10.00am

Item

**11**

Public

## PENSIONS ADMINISTRATION MONITORING REPORT

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### 1. Summary

The report provides Members with monitoring information on the performance of and issues affecting the Pensions Administration Team.

### 2. Recommendations

- 2.1 Members are asked to accept the position as set out in the report.

## REPORT

### 3. Risk Assessment and Opportunities Appraisal

#### 3.1 Risk Management

Performance is considered and monitored to ensure regulatory timescales and key performance indicators are adhered to.

#### 3.2 Human Rights Act Appraisal

The recommendations contained in this report are compatible with the Human Rights Act 1998.

#### 3.3 Environmental Appraisal

There is no direct environmental, equalities or climate change consequence of this report.

#### 3.4 Financial Implications

There are no direct financial implications arising from this report. Managing team performance and working with other Administering Authorities ensures costs to scheme employers for Scheme Administration are reduced.

### 4. Performance and Team Update

- 4.1 The team's output and performance levels to the end of August 2013 are attached at **Appendix A**.

- 4.2 The team have been involved in the calculations generated by Shropshire Council's Voluntary Redundancy exercise. Pension Administration Work is being prioritised but some is still backlogging at present.
- 4.3 The chart (Appendix A) demonstrates the effect the Council's VR exercise has had on the team especially during July and August where it can be seen that the procedures completed (brown circle) dropped first to 636 in the month then further to 440. The procedures outstanding (pink) has increased as would be expected.
- 4.4 The team have provided quotes for Shropshire Council for redundancy payments as well as pension benefits for those employees over age 55. Individual letters have been issued to individuals and figures for costings have been provided to Human Resources. The team were not able to include these calculations in the electronic work flow system as there has not been time available.
- 4.5 The team have also had to process this extra workload during the holiday period, when staffing levels have been at their lowest. This was unavoidable as there had been an embargo on Annual Leave during February to July due to the work already scheduled in for the Fund Valuation.
- 4.6 Service to all other scheme employers is being disrupted as little as possible during this time. However, at the time of writing an approach has been received from our other large employer regarding their launch of a Voluntary Redundancy process also. This will further stretch the team.

The following chart shows the % of measurable benefit quotes, over the last 3 months

Month ending	% Retirement Quotes Processed within 7 days (Target 85%)	% Procedures Completed to agreed timescale (Target 75%)
June 2013	87.04%	73.52%
July 2013	79.81%	77.20%
Aug 2013	46.88%	63.41%

This chart is also reflective of the way the team have prioritised and backlogged work.

- 4.7 Following the departure of Karl White (team leader) in August the team has been restructured and the new structure chart is attached at **Appendix B**. You will see that there are now two specific teams, one dealing with day to day operations whilst the other deals with the System and Support which includes the help desk. The Team Leaders and Commnications Officer report directly to the Pensions Administration Manager. As the new 2014 Scheme evolves and to

strengthen governance the team will need to recruit to the current vacant posts. The new roles will be decided upon during the next 6 months.

- 4.8 It should be acknowledged that the team have coped admirably under extreme pressure with the workload during the last 8 months. They have been very accommodating working flexibly to suit the workloads. They have worked additional hours where possible whilst working under pressure for an extended period of time. During all this time they have continued to provide the very high standard of service which is expected from them.

## 5. Help Desk Statistics

- 5.1 The following chart shows the number of queries received through the helpline number and the number of emails received by the Pensions generic email inbox.

	June 2013	July 2013	August 2013
<b>Telephone calls answered</b>	682	1027	1254
<b>Queries dealt with by helpdesk at first point of contact %*</b>	94%	83%	88%
<b>Emails received and responded by the helpdesk</b>	329	265	381
<b>Hits to the Pension Fund website</b>	13,429	7,570	6,978

\* Where queries have not been dealt with by helpdesk, this will usually mean that the calls have been picked up by the rest of the team outside of the helpdesk.

- 5.2 You can see from the above chart how the calls and emails have increased particularly during August. These can be attributed mainly to the work generated by Shropshire Council's VR process and the decision to extend the time limits on "unfreezing" previous pension benefits.
- 5.3 The team have also seen an increase in the number of visits to the office with 43 visits being taken in June, 52 in July and 60 during August.

## 6. Communications

- 6.1 Benefit statements were issued to all Deferred Pensioner Members at the beginning of July. This was a joint project with Warwickshire, Staffordshire and Cheshire.

- 6.2 Benefit statements have been issued to all Active Members week ending 6<sup>th</sup> September 2013, this included a joint newsletter produced with Warwickshire, Staffordshire and Cheshire.
- 6.3 A working party has been set up for the New 2014 Scheme – monthly meetings are scheduled for the coming months and work can gather pace on this when the Regulations are published.
- 6.4 INTOUCH the retired members' magazine will be issued to pensioner members at the beginning of October 2013, this will include an invitation to the Annual Meeting. These will be emailed where an email address is held, otherwise posted out.
- 6.5 Consultations with Scheme employees have been held at Shrewsbury College of Arts and Technology.
- 6.6 Team Members have also supported 4 drop in sessions organised by Human Resources at Shropshire Council for the VR exercise. These were very heavily attended and employees were able to ask specific questions in relation to the figures they had already received.
- 6.7 A new pension website including a secure employers area is currently being developed. A launch date is hoped for later this year for the main site and early 2014 for the employers area.

## **7. Pensions Administration System**

- 7.1 Payment has been made and the contract signed for the implementation of the new pensions system Altair.
- 7.2 A project team is in place and the Project Initiation Document (PID) has been agreed. Key milestones have been scheduled during September and October. Go live is scheduled for mid-November. There is a quick turnaround time for this project.
- 7.3 The Technical Survey and Functional survey were completed. The Technical survey highlighted that there was a small sum of investment needed on the Hardware.
- 7.4 Members of the team attended the CLASS AGM which covered Fire, Police and LGPS in early September. They attended demonstrations and presentations on Altair, Self Service and the 2014 New Scheme, including CARE.

## **8. Annual Meeting 2013**

- 8.1 The Annual Meeting will take place on Tuesday 5 November 2013. This year 2 meetings will be held at The Place, Oakengates at 10.30am and at 2pm at Theatre Severn Shrewsbury.

- 8.2 If you are able to attend one of the meetings, please let a member of the Pensions Team know by calling 01743 252130 or emailing: [pensions@shropshire.gov.uk](mailto:pensions@shropshire.gov.uk).

## 9. Valuation 2013

- 9.1 All data was submitted to the Scheme Actuary on time and so far very few queries have been received from them. This seems to indicate that the data has been good.
- 9.2 John Livesey from Mercers will attend the Pensions Committee Meeting and an Employer Meeting both in November to report on the initial Valuation findings.

## 10. Local Government Pension Scheme 2014

- 10.1 A further round of consultations by DCLG concerning the benefits arrangements for the new LGPS was issued in June. A response was sent on behalf of the Committee which built on earlier submissions. The response is at **Appendix C**.

### List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Pensions Committee Meeting 18 June 2013 Pensions Administration Report

#### Cabinet Member (Portfolio Holder)

NA

#### Local Member

NA

#### Appendices

Appendix A – Performance Monitoring

Appendix B – Pensions Administration Team Structure Chart

Appendix C – Consultation Response