

PENSIONS ADMINISTRATION MONITORING REPORT

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1. Summary

- 1.1 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. Administration risks are identified and managed and are reported to committee on an annual basis.

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

Managing team performance and working with other Administering Authorities ensures costs to scheme employers for Scheme Administration are reduced. However, it must be noted that the introduction of the 2014 LGPS and the increased governance introduced by the Public Services Pension Act 2013 has increased the resources required by the administration team. Reconciling the Funds Guaranteed Minimum Pension Liabilities with HMRC will have a direct

cost for the Fund but if this is not undertaken the Fund risks taking on financial liabilities it didn't need to and having its data called into question by the Fund Actuary. LGPS having to fully index GMP's will increase costs for the Fund going forward. Further compliance with TPR code has highlighted areas where further costs could be incurred.

4. Performance and Team Update

- 4.1 The team's output and performance level to the end of **July 2017** is attached at **Appendix A**. The chart shows that numbers of outstanding procedures at the end of the month has remained at a constant level. However, the number processed on time has improved and is at a much higher level than earlier in the year. This is down to improved workflow processes now being measured against set target dates and good output from the team. It is also worth noting that all work on year end data processing and checking together with work on Annual Benefit Production is not reflected in these figures as these particular projects are not individually tasked through workflow.
- 4.2 It was reported to June committee that the systems team had been working closely with those employers who were not yet live on the iConnect service. It can now be reported that all scheme employers do now use this system which means that all data is submitted electronically directly into the Pension Administration System.

5. Help Desk Statistics

- 5.1 The following chart shows the number of queries received through the helpline number.

	May 2017	June 2017	July 2017
Telephone calls received	798	764	644
Queries dealt with by helpdesk at first point of contact %*	92.79%	91.39%	92.40%
Users visiting the Website	2,609	2,263	2,463

* 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.

6. Communications and Governance

- 6.1 This year's Annual Benefit Statements have been issued to all active members as at 31 March 2017 and were issued by the regulatory deadline of the 31 August. The statements for both active and deferred

members were issued electronically this year via the Funds secure website area 'My Pension Online'. Any member who has opted out of electronic communication received a hard copy of the statement. Only 279 active members and 357 deferred members requested a paper statement.

6.2 As at the 31 July the Fund had 35.9% of active members and 27.6% deferred members registered for 'My Pension Online'. It has been reported in the pension's media by Hymans Robertson Ltd that a 20% member sign up rate is average across Pension companies. Further work is planned throughout the Autumn to target the Fund employers with low member sign up rates.

6.3 An employers meeting has been organised for 9th October 2017. The agenda is still being finalised but employers have been notified of the event and to request any topics that they would like to be covered in the training.

7. Scheme Advisory Board

7.1 On 26 May, the Scheme Advisory Board commenced a survey to test the effectiveness and operational efficiency of the new governance arrangements, with particular emphasis on the role and function of local pension boards and interaction with their administering authority.

7.2 This survey was circulated to the chairs of the pension board and the pension committee as requested. The survey deadline date has been extended to 29th September 2017. This Scheme Advisory Board have reminded administering authorities that both the administering authority, on behalf of their section 101 pension's committee, and their local pension board are invited to complete the survey independently.

8. Data Accuracy

8.1 The results of the Pension Regulator's 2016 governance and administration survey of public service pension schemes were reported to committee in June 2017. The Fund has previously highlighted that it is working to meet the requirements set out in The Pensions Regulator's (TPR) Code of Practice 14, by undertaking a compliance review. The results of the Regulator's 2016 governance and administration survey of public service pension schemes highlighted that TPR expect all schemes to undertake an annual data review and put an improvement plan in place (if required). TPR will consider enforcement action where scheme managers fail to demonstrate that they are taking appropriate steps to improve their records where gaps had been identified.

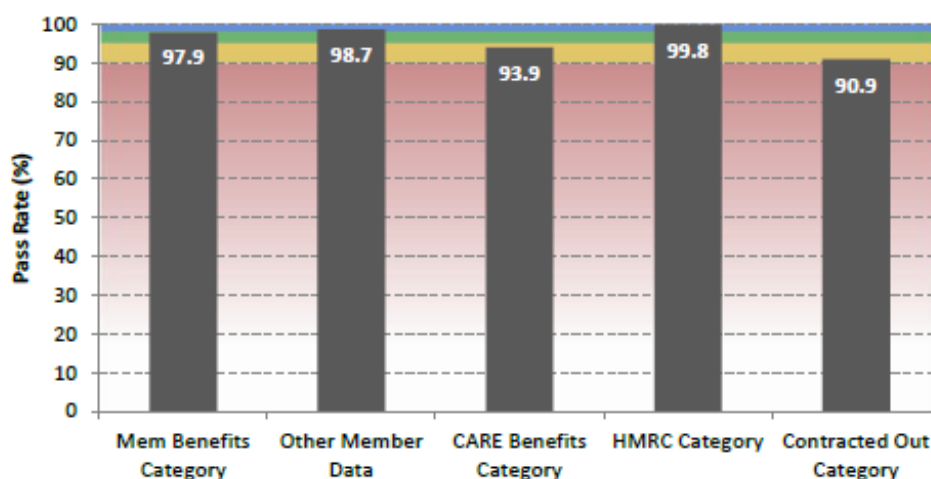
8.2 To meet the requirements set out by the regulator the Fund has joined with the Fund's Administrator Software Provider to pilot a Data Quality Review. The exercise has provided a detailed report on the quality of the Funds data and benchmarked against TPR common and

conditional data guidelines. It has also provided a suggested high level correction plan.

- 8.3 The pilot is now completed and the Fund has been provided with the results. As part of the exercise, two data review reports were run; a common data report and a conditional data report. The specific targets set for data deemed as 'common' are set by the Pensions Regulator. The Pensions Regulator also outlines the targets for the 'conditional' data but does not set prescriptive targets as the data is deemed to be scheme-specific. The Summary of both conditional and common data reviews can be found in 8.7 and 8.8 below.

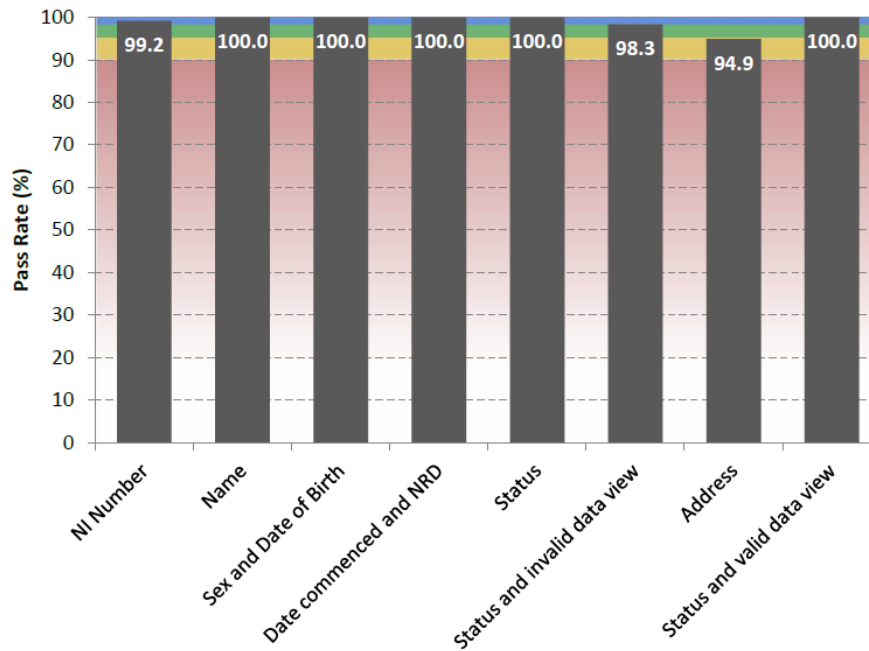
8.4 **Summary of Conditional Data Results**

The graph below shows the Fund's performance against each data category looked at as part of the conditional data review. The results presented are generated from data extracted from the Fund records on the 17th July 2017.



8.5 **Summary of Common Data Results**

The graph below shows the Fund's performance against each data category looked at as part of the common data review. The results presented are generated from data extracted from the Fund records on the 14th June 2017. TPR have set targets of 100% accuracy for data created after June 2010 and 95% accuracy for data created before this date. The review the Fund undertook measured data as a whole as updates for many members are continuous and alter the last updated date on the system.



- 8.6 The results from both the common and conditional data reviews are currently being analysed and a data improvement plan will be put in place which will be reported to members at a future committee meeting.

9. GMP Reconciliation Update

- 9.1 The Fund is due to contract with a Third Party Provider to complete the Contracted Out Reconciliation and Rectification exercise. This will be procured by calling off from a National LGPS Framework. This will

ensure that the Shropshire Fund has completed its reconciliation and Rectification by December 2018. The deadline set by HMRC.

- 9.2 Rectification of Pensioners pension payments will follow guidance from the LGA. This includes non-collection of any overpayment due to the fact that the pensioner is unlikely to have known the payment was wrong because of the complex nature of pension increases due to the Guaranteed Minimum Pension complexities.

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

Pensions Committee Meeting 23 June 2017 Pensions Administration Report

Cabinet Member (Portfolio Holder)

NA

Local Member

NA

Appendices

Appendix A – Performance Monitoring