

Division(s): N/A

PENSION FUND COMMITTEE – 5 DECEMBER 2014

PENSION ADMINISTRATION – UPDATE

Report by the Chief Financial Officer

Introduction

1. This report is to update members on issues arising since the report submitted last quarter.

Team Structure & Staffing

2. In September it was reported that the overall staffing levels had reduced by one FTE, which was as a result of the general move towards part time working. Since then one other administrator has left the team and one of the recently recruited administration assistants has also resigned.
3. In line with current recruitment practices these vacancies have been internally advertised. However, it has been agreed that if this is unsuccessful then external advertisements can be placed. In the interim period it is intended to employ temporary staff to cover the administration assistant role, although this is not possible for the administrator roles.
4. Autumn is one of the times when there is an increase in the workload of the team which is illustrated by the table below: -

	BF Open	New In	Total	Completed	Balance
April	3186	1018	4204	1036	3168
May	3168	993	4161	986	3175
June	3175	1110	4285	1234	3051
July	3051	1098	4149	1191	2958
August	2958	885	3843	849	2994
September	2994	1976	4970	1399	3571
October	3571	1286	4857	1025	3832

5. Therefore a review of what changes can be made as a result of the reduction in working hours of experienced staff; the introduction of a training plan for new team members; current workloads; stockpiling of work due to implementation of 2014 and planned system changes to ensure that work does not backlog, has been undertaken. It is proposed that:

- The main KPI for payment of retirement benefits; death grants; transfers out and divorce are reinstated at 95% (had previously been increased to 97%) within 10 days.
 - Other KPI targets which currently set at 95% are reduced to 90% within the specified timescale.
 - Overtime, funded by vacant posts, will be available to team members to clear leaver files.
 - The administrative assistant post will be covered by a temporary member of staff.
 - Administrator vacancies have been advertised with only one application received and so will now be advertised externally
6. The administration strategy, which is discussed below, has been amended to reflect these changes to the service level agreement.

Monthly Administration Returns (MARS)

7. LGPS 2014 caused many of Pension Services processes to be reviewed and updated in line with the new regulatory requirements. As a result of the move to a CARE scheme employers were asked to provide pension data on a monthly basis so that this could be accurately recorded on each member record and allow Pension Services to answer queries more accurately.
8. It was anticipated that this change would take several months to work efficiently. The latest review of the returns received to date show that:
- Six employers have yet to make a return.
 - Twenty one employers have made between two and five returns.

Pension Services are contacting all employers to request outstanding returns and resolve any queries.

Administration Strategy

9. The consultation period had been extended to allow scheme employers to comment on the proposed administration strategy; however this has not resulted in any further comments being received.
10. Three employers commented as follows:
- A query about the basis of the proposed charges where an employer fails to provide information requested within 10 working days. This was originally shown as a single payment of £50. The scheme employer suggested that this should be £50 per day.
 - Another employer contacted Pension Services saying that they did not want to have a single point of contact for pension issues within their organisation.
 - One employer asking for confirmation of the administration strategy to include in a report to their councillors.

11. Internally there have been several comments and as a result the format of the administration strategy document has been amended and now includes the service level agreement. This has also been amended to reflect the changes set out in paragraph 5 above.
12. Subject to members approving the strategy it is intended this will be sent to all scheme employers to sign by 31 December 2014, with the strategy becoming operational from 1 January 2015

A copy of the administration strategy document is attached at Appendix A.

RECOMMENDATION

13. **The Committee is RECOMMENDED to:**
 - (a) agree the changes to the service level agreement;**
 - (b) note the current level of MARS Returns; and**
 - (c) agree the Administration Strategy.**

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Chief Finance Officer

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November