

Division(s): N/A

PENSION FUND COMMITTEE – 15 SEPTEMBER 2017

ADMINISTRATION REPORT

Report by the Director of Finance

Introduction

1. This report is to update members of current administration issues within the Pension Services team from both management and operational perspectives. It also sets out the latest position in respect of the employers within the Oxfordshire Fund.

Performance Data / Data Quality

2. At the previous meeting member asked for reports to give a clearer indication of the workloads and progress in meeting targets. Having reviewed the reporting from Altair I have found that there are inconsistencies between the reports showing overall workloads and the reports looking at how that workload is processed in line with the service level agreement. This has been raised as an issue with our software supplier Heywood but will take some time for corrections to feed through to the output reports.
3. It is intended that as more robust reporting / data extraction is available from Altair that a more comprehensive set of tables will be provided to this committee.

The current workload stands at:

	April	May	June	July
Workload B/F	7950	8249	8278	8739
Workload Received This Month	1271	1040	1306	1306
Workload Completed	972	1011	845	881
Workload C/F	8249	8278	8739	9164
Net Increase / Decrease in Workload	299	29	461	425

4. The increases over the past two months are almost wholly attributable to the number of leavers, including retirements from the scheme.
5. Given that not only is this the holiday period but some team members have been helping with the processing of end of year the management of the workload has prioritised any task which relates to the payment of a benefit.

6. For End of Year returns the data, as at 15 August 2017, shows:

*Updated figures will be brought to the Committee Meeting

Number of employers – returns:-	
Received	159
Outstanding	25
No active members	6
Completed	53
Number of ABS Statements – 40.30%	7967

7. Members will be aware that the team focus has been on the processing of employer's annual returns and the issuing of annual benefit statements, which is being closely monitored by The Pension Regulator.

8. Both sets of data above are reflective of two main issues: -

- The first is that despite earlier and more frequent communication about end of year processes, the need for accurate and timely data returns and employer responsibilities, there is a frustration that the same issues are being raised with the same employers. That many employers do not take responsibility for their data submissions even to the extent of not making the most basic checks ahead of submission has a huge impact on the Pensions Team.
- The second issue is that the staffing levels / team structure agreed by the previous committee in December 2016 has not yet been fully implemented due to difficulties in recruiting, compounded by long term sickness; performance issues; maternity leave and further resignation.

Project Work

9. The table below shows both current and planned project work for the team:

Implement Administration to Pay	For instructions and records to be passed from Benefit to Payroll team without need for paper	on hold
Implement Member Self Service for Active and Deferred Members	To allow members online access to their pension records and update certain data	on hold
Implement Tell Us Once	Allows Pension Services to have access to information reported to Registrars	Overdue
GMP Reconciliation	Reconcile fund records	In progress

	with those of HMRC to determine where liability rests – work to be outsourced to a third party for action	
Backlog of Work	Number of cases not processed - work to be outsourced to a third party for completion	In progress
Implementation of i-Connect	This additional module would allow scheme employers to upload data directly from their payroll system to Altair	Meeting scheduled for October to discuss how & when to implement
Implementation of Employer Relationship Management System	To have employer details recorded on system for better control & reporting	Investigating available systems and options
Implementation of GDPR	New data protection regulations to be implemented	In progress
Re-tendering of Actuarial Contract	Actuarial contract ends 10.12.17 so need to re-tender	In progress

10. Of the above, the key projects are:

- Implementation of Tell Us Once which has not been finalised due to IT issues
- The reconciliation of the GMP values with HMRC, which has been linked with the backlog of work to be cleared, with both projects being supported by additional resources procured under the LGPS National Framework
- The re-tender of the actuarial contract

Meetings scheduled over next few weeks will determine the priorities and deadlines for the remaining projects

Write Offs

11. In line with the Scheme of Delegation Policy (last reviewed in June 2017), the approval for writing off outstanding debts is given by:

Pension Fund Committee	For amounts above £10,000
Service Manager – Pensions (in conjunction with Director of Finance)	For amounts between £7,500 and £10,000
Service Manager – Pensions	For amounts up to £7,500
Pension Services Manager	For amounts up to £500

12. All debts below £10,000 need to be reported to Committee following write off. This report provides the details of those debts written off in the last quarter.
13. In the current period, the Pension Services Manager has approved the write off of £49.23 chargeable to the pension fund in respect of seven cases where the member has died.
14. In the period December 2016 to September 2017 a total of £10,861.90 has been written off, in respect of 28 cases where the member has died plus one case of non-repayment.

Employer Changes

15. In previous reports these employer changes have been listed in detail. However, the LGPS Regulations set out the criteria for admission which does not include any requirement for approval by the Pension Fund Committee, therefore providing the correct steps have been taken to mitigate any costs / risks to the Fund this is just an administrative process. The most challenging issue (administratively) is getting confirmation of pass through agreements since there seems to be a general lack of understanding around this issue.
16. There is, at the moment, a high volume of movement among scheme employers, of around 50 new cases, whether this is through conversion to academy status; merging of existing academies or the in /out sourcing of scheme employer functions.
17. The majority of the cases relate to the outsourcing of either catering or cleaning contracts which generally affects one or two scheme members. Some of the outsourcings are significant in terms of number of members and the potential impact to the fund as noted in the Business Plan report, which would be updated accordingly in future.

Fire Service Pension Schemes

18. Pension Services also provide administration services to Oxfordshire Fire & Rescue in respect of the Fire Service Pension Schemes

	April	May	June	July
Workload B/F	162	161	169	154
Workload Received This Month	12	21	23	10
Workload Completed	13	13	38	38
Workload C/F	161	169	154	126
Net Increase / Decrease in Workload	-1	8	-15	-28

RECOMMENDATION

- 19. The Committee is RECOMMENDED to note the report.**

Lorna Baxter
Director of Finance

Background papers:
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August 2017