

PENSION FUND COMMITTEE – 8 JUNE 2018

ADMINISTRATION REPORT

Report by the Director of Finance

Introduction

1. This report is to update members on scheme administration data and issues.

Staffing

2. The overall staffing is currently recording as -6.95 FTE against our full establishment which includes the two additional posts agreed by Committee in March. The shortfall of 6.95 FTE includes 1 FTE on long term sickness absence and .85 FTE for a team member currently on maternity leave which is due to end in June.
3. Work is in progress to recruit to the remaining vacancies.

Reporting

4. The attached annex has four tabs detailing workload not only to show completion rate against the SLA but to start recording trends; an overview of projects within the team; details of the complaints received and finally, the number of data breaches being recorded under GDPR. This reporting will be further developed in the coming months.

Workload

5. The key issues arising from the data shown are:
 - a. The first block of data is recording the flow of monthly payroll data and payments in to the Fund; how much of this is being returned for query and our processing of this incoming data, which slowed in March as additional time was spent dealing with returns from new scheme employers and late / old returns from existing employers. Outstanding returns were also chased as any missing data will impact on the end of year processes / production of Annual Benefit Statements.
 - b. The member related work for LGPS falls under the Benefit Administration team, who with the recent recruitment have are now starting to address the issues of not having has sufficient experience and cover for all subjects and so are now in the process of training and moving team members on to more complex subjects. There is a similar situation in the System Team which covers both FIRE and payroll.

- c. There has been a high level of system errors and issues causing delays, freezing systems, slow systems. This coupled with issues arising from the uploading of pension increase created extra manual work and extra checks to put things right, all of which slowed down processing time.

6. At the time of writing this report the end of year return statistics are:

178	Number of returns due
8	Missing – fines have been issued to these employers
170	Returns received, of which:
63	Are being queried with scheme employer
56	Are in process
51	Completed and ready to issue ABS

Projects

7. Members will be aware that there are a number of projects in progress throughout the team some of which have generated additional telephone and email enquiries.
8. Projects at status Green are:
- Backlog of work – outsourced to ITM – it should be noted that this project has taken up a huge amount of time and many of the team have been helping with checking and queries and finding missing data that hasn't made it onto the system to process.
 - Implementation of MSS – activation codes have now been sent out to deferred members and will be sent to active members at end of May.
 - Address checks for DBs – in process
 - Project plan put in place for the clearing down of outstanding end of year queries and the production of 2018 ABS
9. Projects at status Amber are:
- NFI – details of over payments to be passed on to recovery team
 - Implementation of ERM – now working on uploading of data to create basic database for team reference
 - TPR Data Quality – reports received and project plan being written
 - GMP reconciliation – outsourced to ITM
 - Implementation of GDPR – some recent delays have moved status to amber but this will be resolved shortly
10. Officers will be meeting with ITM in June to review progress and what further queries need to be raised with HMRC ahead of the final deadline of 31 August 2018 for the submission of any further queries. Once this is done then the next stage, in correcting the records, is to identify where there has either an under or over payment of pension due to incorrectly recorded GMP.

11. The advice from the Local Government Association is that once identified, Funds should correct and make payment of any arrears in the case of underpayments and correct but not recover any overpaid pension in the reverse cases. A more detailed report will be brought back to the next meeting of this committee to seek members views.
12. Projects at status Red are:
 - Implementation of administration to pay – software suppliers identified issues which prevented implementation. At time of writing report still awaiting confirmation that these issues have been resolved.
 - Implementation of I-connect – all ICT / cyber security issues resolved and can now move to planning implementation
 - Changes in regulations which are currently on hold

Complaints

13. At the time of writing this report four complaints had been received in 2018.

Write Offs

14. 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

15. 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.
16. In the current period, the Pension Services Manager has approved the write off of £9.77 chargeable to the pension fund in respect of four cases where the member has died.
17. In the period June 2017 to March 2018 a total of £125.06 has been written off, in respect of 23 cases where the member has died.

RECOMMENDATIONS

18. The Committee is RECOMMENDED to note the report

Lorna Baxter
Director of Finance

Background papers: None
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