

Division(s): N/A

PENSION FUND COMMITTEE – 2 SEPTEMBER 2016

PENSIONS ADMINISTRATION – SERVICE PERFORMANCE

Report by the Chief Financial Officer

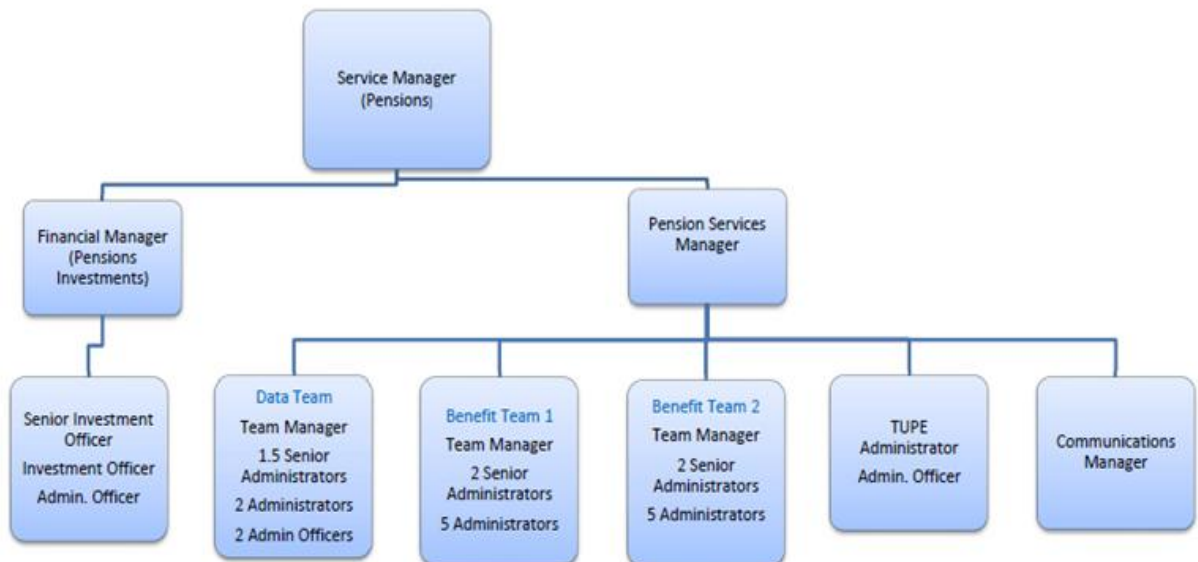
Introduction

1. This is the annual report to update members on the service performance of the administration team during the year to March 2016.

Team Structure & Staffing

2. In December 2015 this Committee agreed a revised structure for Pension Services to meet the challenges of increased complexity of the scheme regulations along with an increasing number, and size, of scheme employers all of which were significantly impacting on the volume and quality of data being received.

The proposed structure was:



3. Internal changes, promotions and moves means that recruitment has been in progress since this report was approved. The current situation is:

| | Data Team | Benefit Team 1 | Benefit Team 2 | TUPE | Communications | Assistant |
|---------------------------------|-----------|----------------|----------------|-------|----------------|-----------|
| Manager | 1.00 | 1.00 | 1.00 | | 1.00 | |
| Actual FTE | 1.00 | 1.00 | 0.74 | | 1.26 | |
| Difference +/- | 0.00 | 0.00 | -0.26 | | 0.26 | |
| Senior Administrator | 1.50 | 2.00 | 2.00 | | | |
| Actual FTE | 1.63 | 1.65 | 1.70 | | | |
| Difference +/- | 0.13 | -0.35 | -0.30 | | | |
| Administrator | 2.00 | 5.00 | 5.00 | 1.00 | | |
| Actual FTE | 3.04 | 2.63 | 4.01 | 0.76 | | |
| Difference +/- | 1.04 | -2.37 | -0.99 | -0.24 | | |
| Administration Assistant | 2.00 | | | | | 1.00 |
| Actual FTE | 0.00 | | | | | 1.00 |
| Difference +/- | -2.00 | | | | | 0.00 |

4. Recruitment is ongoing and it is hoped that the benefit team administration will be shortly be at, or very near to strength. The additional administrator in the Data Team is being funded by non-recruitment of two administration assistant posts.
5. Overall vacancies have been carried throughout the year due to issues with recruitment and maternity leave. Added to this is the internal movement / promotion of staff resulting in continual balancing of incoming work against skills and training.
6. The end of the year the FTE was 20.50, which was slightly down on the previous year of 21.2.

Data Returns

7. Members will be aware from reports during the year of the issues with scheme employers either not providing data, or providing incorrect data. Unfortunately this affected many of the larger scheme employers, and so a high proportion of the active scheme membership.
8. In terms of the monthly data returns the biggest issues was that of data for the County Council provided by the Integrated Business Centre (IBC) at Hampshire which either was not forthcoming or incorrect when received. The necessary returns were not received until March 2016 (from July 2015) which then put huge pressure on the team to validate and load this information to Altair.

9. There were also issues with monthly data returns from Oxford City; Academy Schools who outsourced payroll to Kier; Oxford Diocesan Schools Trust and Carillion.
10. On the plus side Activate Learning worked consistently with our team to resolve outstanding data queries.
11. From a team perspective, the increasing number of employers and returns, along with the juggling to cover staff vacancies has made this extremely difficult to manage.
12. End of Year returns – there was an improvement in the number of returns received by deadline but employers often did not carry out basic checks ahead of submitting data which meant these had to be sent back. Again, some of the larger scheme employers had issues with making these returns, which not only has put them to the back of the queue for production of annual benefit statements, but in some cases impacted on other linked scheme employers.
13. An update of the number of annual benefit statements issued by 31 August 2016 will be given at the Committee meeting.

Service Performance

14. Members will note from the statistics in the table below that performance has decreased in all areas and it does not meet our internal targets of between 95% - 97%.
15. The impact of the 2014 scheme introduction is still a major contributing factor since during the year work has had to be stockpiled for clarification of regulations or waiting for the changes to the factors used in calculations. Obviously this also affected our software suppliers meaning that there had to be a much higher number of manual calculations and increased checking procedures to test software.
16. There is a continuing learning curve for team members as many tasks mean working across three sets of regulations due to the protections in place. All of which slows down the task completion rate.
17. All of which is impacted by data quality and delays.

Performance Data

18. The key performance indicators, set in our service level agreements, are monitored and reported monthly, with any variations from specification being investigated. The performance in comparison with industry standard targets is shown below:

| Industry Standard PI's | OPF Target Days | OPF Achieved | Against LGPC Target |
|--|-----------------|--------------|---------------------|
| Letter detailing transfer in quote | 10 | 61.20% | 61.20% |
| Letter detailing transfer out quoted | 10 | 73.20% | 73.20% |
| Process and pay refund* | 10 | 78.00% | 41.00% |
| Letter notifying estimate of retirement benefits | 10 | 56.80% | 56.80% |
| Letter notifying actual retirement benefits.* | 10 | 66.50% | 39.10% |
| Process and pay lump sum retirement grant* | 10 | 82.20% | 43.30% |
| Initial letter acknowledging death of active / deferred / pensioner member | 5 | 94.20% | 94.20% |
| Letter notifying amount of dependant's benefits* | 10 | 91.80% | 86.60% |
| Calculate and notify deferred benefits* | 40 | 46.90% | 27.80% |
| Note: Lines marked with an * indicated LGPC target of 5 days – final column shows performance against that standard. On final line LGPC target is 10 days. | | | |

Formal Complaints

19. If a scheme member wishes to complain about a decision regarding their pension they are encouraged to contact Pension Services to discuss the matter since many complaints arise as a result of misunderstanding or incorrect information.
20. However, if a complaint cannot be resolved informally the regulations set out a formal procedure, The Adjudication of Disagreements Procedure (AoD). During the calendar year 2015 (the last full year recorded) a total of 18 complaints were received. These are summarised below:

| Employer | Referred To | Summary | Decision |
|----------|---|--|---------------------------------|
| OCC | AoD.1 - Scheme Employer | Deferred member requested payment of pension on grounds of ill-health in October 2013, this was subsequently approved in November 2014. Member is unhappy with length of time to make decision and lack of detail in the report. | Not Upheld |
| VWHDC | AoD.1 – Scheme Manager And AoD.2 - Ombudsman | Member completed early choice form for pension benefits to be paid from October 2014. However, member left | Not Upheld – stage 1 Not |

| | | | |
|-------------------|----------|---|------------------|
| | | employment in September 2014 and believed payment should be made from the date employment ceased. Member not happy with this decision and so referred complaint to stage 2. Member has now referred case to Pension Ombudsman | Upheld – stage 2 |
| WODC | Internal | Member left employment on 31.08.14 but information re deferred benefits not provided until 03.02.15. Member unhappy with lack of response to queries. Have provided DB & written to member. | Upheld |
| Sovereign Vale | Internal | DB since 1995 - no ABS issued - member has been contacting PS for a year without result. File was not scanned, so had to be located & record updated. ABS now provided. | Upheld |
| Oxford City | AoD.2 | Member after first complaint was awarded tier 3 ill-health which was subsequently uprated to tier 2. He believed that ill-health retirement at tier 1 should have been granted at time of leaving employment. Not found. | Not Upheld |
| OCC | AoD.1 | Projected death benefits given to member reduced due to changes in regulations - spouse has queried this. Amending regulations received which revised calculation to pre 2014 levels | Upheld |
| OBU | AoD.1 | Member applied to former scheme employer for early release of deferred benefits. Employer policy does not allow for this where there is a cost to the employer. | Not Upheld |
| Swalcliffe School | Internal | Member left employment & was contacting team about a refund of contributions. However, found scheme employer had not provided starter / pay information. We contacted | Not Upheld |

| | | | |
|-------------|----------|---|---------------|
| | | <p>scheme employer to obtain data and a refund was made on 03 July 2015.</p> | |
| SODC | Internal | <p>Member 'phoned to query SB ABS - said person who answered 'phone made light of her query & so she felt that her questions / concerns were being dismissed. On investigation understood that whilst member had been unhappy with first telephone response, she had 'phoned back & all had been put right - a written response, to this effect, was sent. Member then 'phoned to say there had been some confusion since she had not made a second telephone call. We discussed the matter fully & member was happy with response and proposed action.</p> | Upheld |
| Oxford City | AoD.1 | <p>Member with regulation 10 protections - quotation for benefits incorrectly calculated - lengthy correspondence - member now seeking compensation for distress caused. Stage 2 confirms that payments are now being correctly made in line with regulations. However, distress acknowledged & a payment of £250.00 proposed. Awaiting response from member. 25.09.15 - Member confirmed acceptance of payment - passed for processing.</p> | Upheld |
| OCC | AoD.2 | <p>Requesting further consideration of application for ill-health retirement benefits. Stage 2 has referred matter back to scheme employer to ensure that the correct questions have been asked / answered by IRMP</p> | Partly Upheld |
| WODC | Internal | <p>Member unhappy at the delay in</p> | Partly Upheld |

| | | | |
|-------------|---|--|--|
| | | providing information on deferred benefits & options available. Once information was provided member then said they had left employment on grounds of ill-health - information provided about process & member referred back to scheme employer. | |
| OCC | AoD.1 | Deferred member requesting payment of pension on grounds of ill-health. Employer has turned down request - member unhappy with process & wishes to challenge decision / process. Employer has review process & is arranging for a new review of all medical information. | Upheld |
| Oxford City | AoD.1 – scheme employer and AoD.2 – scheme manager | Member signed early choice form on 26.01.15 requesting payments to be brought in to payment on 11.04.15. Letter sent confirming earliest date was 27.04.15....now in payment member is disputing the date & asking to be reimbursed for period 11.04.15 - 26.04.15. | Not Upheld – stage 1 Not Upheld – stage 2 |
| OCC | AoD.2 – Scheme manager – previously reviewed by Pension Ombudsman | Member seeking release of benefits on grounds of ill-health. PO determination was for scheme employer to review their process / decision. This has been done & member has been told that they do not qualify for ill-health benefits. However, still not happy with process - having consulted with office of PO this has now been accepted under stage 2. | Upheld. |
| | | | |

21. Overall this has been a tough year for the team on top of which there is the uncertainty around the office move. However, they remain professional and committed to offering an excellent service to employers and scheme members

despite these challenges. As such, they are a credit to the Oxfordshire Pension Fund.

RECOMMENDATION

22. The Committee is RECOMMENDED to note the report.

Lorna Baxter
Chief Finance Officer

August 2016

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