

## **PENSION FUND COMMITTEE – 10 JUNE 2022**

### **ADMINISTRATION REPORT**

#### **Report by the Director of Finance**

#### **RECOMMENDATION**

1. **The Committee is RECOMMENDED to**
  - a) **approve the temporary increase to establishment of 6 temporary FTE**
  - b) **agree that current standards are moving towards an acceptable level, and that the additional staffing sought should be reasonable to address the shortfall in performance.**
  - c) **agree the write off of £16.78**

#### **Executive Summary**

2. This report updates the Committee on the key administration issues including the iConnect project, service performance measurement and any write offs agreed in the last quarter.

#### **Administration**

##### Staffing

3. As reported last quarter the previous recruitment process to appoint 4 new administrators was not wholly successful and so further recruitment needs to be undertaken. In addition to these vacant post officers have reviewed requirements to deliver the work set out in the business plan against current staffing levels and determined that the establishment will need to be temporarily increased by a further 6 FTE as follows:
  - 2 FTE to deal with McCloud
  - 1 FTE for AVC review
  - 1 FTE to work in employer team
  - 2 FTE to work in benefit administration team
4. Work has started on recruitment using traditional recruitment methods but given the lack of response to the last two advertisements officers have also looked at using a recruitment agency. Unfortunately, this was no more successful in that only one candidate was identified and having agreed arrangements decided, on the morning that they were due to start, that the job was not right for them.
5. The other option which is being explored is using a third-party provider. At the time we approached the framework it was just coming to an end and so there

was insufficient time left to procure staff through this method. Another framework is due to be launched, in May, and we are waiting for details of this framework to be published.

6. The team is also carrying two vacancies for administration assistants and advertisement of the roles has generated one response. An interview is currently being arranged so, again a similar situation to above.
7. It should also be noted that there are some individual issues of under performance in the team which are being actively managed.
8. On the plus side one of our senior administrators has been appointed to job share the team leader role.

#### Performance Statistics

9. The number of outstanding returns to be vetted for 2021/2022 stands at 19.80% as these must be completed ahead of the submission of the valuation data they are being picked up and cleared as part of the end of year process. In addition, 0.59% of returns are for scheme employers still in the admission process.
10. The number of tasks to do in the employer team has risen in the last month by a further 701 cases to 1726. This increase is attributable to the pay award in March and back dated to April 2021. All outstanding tasks are being cleared as part of the end of year process.
11. There are 27 admission agreements to be finalised of these the majority have stalled towards end of process when new employer is required to provide contact details and details of their discretionary policies. The team leader is looking at ways to remove any issues causing these admissions to stall.
12. At the last meeting of this committee members agreed that the benefit team could continue working to a reduced SLA standard until March 2022. However, this committee did not want to continue with reduced SLA standards after March 2022. This was confirmed at the recent strategic planning meeting in February, with the committee acknowledging that additional resources may well be required to meet normal SLA. The current statistics below are showing progress towards meeting SLA, but unfortunately indicate that we have not yet met our target level of performance:

	SLA Overall %	Statutory Overall %	Total Cases Completed
April	57.14	54.22	1365
May	67.83	64.01	1085
June	69.37	65.12	1536
July	74.88	62.91	2047
August	91.47	73.73	1804
September	86.97	68.81	1682
October	82.87	69.49	2064

November	84.79	79.75	1789
December	85.01	82.03	1316
January	85.54	90.75	1363
February	87.01	78.83	1490
March	88.67	94.69	1892
April	82.67	93.50	1274

Annex 1 gives full breakdown of the statistics.

13. Looking at the individual subjects there is an overall drop around estimates, transfers and leavers. There are several contributing factors to not meeting SLA including.

- There were a number of Administrators on annual leave for half term, which coincided with payroll deadline so most available administrators and senior administrators focused on payments being made on time, leaving other subjects behind. Changes within the team will limit numbers of people off at any one time.
- Managers have realigned teams moving some subjects around based on training and ensuring enough cover, meaning there are a lot of administrator training and further support for queries needed. Error rates are higher, so recalculations are necessary all of which contribute to the files taking longer to process and falling out of SLA. This is being addressed with senior administrators making more time to support administrators, and with practice and good support this will decrease meaning statistics will improve as administrators become more competent in their subject field.
- Managers are looking at the Altair system and team processes particularly around pending cases where further information is required as this has also been a contributing factor to cases falling out of specification. Focus is on areas where cases can be closed down thereby reducing administrator time on chasing information which is not essentially required but has been requested. This will give team more time to focus on cases which are required and have a clear escalation process so that cases keep moving and are completed as opposed to sitting as an outstanding task waiting for information or decisions. This is an ongoing process which will take some time but will contribute to the improvement to our performance.

14. Additionally, the inability to recruit staff, even on a temporary basis and the ongoing training to ensure that all subjects can be covered are also factors. The training plan is detailed at Annex 2, And, as noted above work is continuing to address the recruitment issue.

### Complaints

15. For the year 2021/2022 the team received 50 informal complaints of which 5 remain open. The reasons for these complaints can be summarised as:

- Having to give 3 months' notice of intention to take pension (regulatory requirement)
- Not being regularly updated of progress with case
- Use of egress in sending emails
- Additional contributions

16. In addition, there are the formal complaints received by the fund. There is one outstanding case where a member feels that the information provided on fund's website was misleading and inconsistent with how the regulations are being applied to payment of pension benefits.

17. Fire Service

Immediate Detriment calculations were done in April, and member queries increased, leading to some cases falling out of specification. It is anticipated that team will be back in specification by end of the month.

	SLA Overall %	Statutory Overall %	Total Cases Completed
April	77.68		49
May	83.93		41
June	89.12		56
July	91.25		52
August	92.19		36
September	93.33		70
October	88.89		42
November	98.15		45
December	100.00		52
January	98.61		29
February	100.00		39
March	99.31		56
April	97.78		47

18. As at the end of April there are 29 open cases – these will be completed by 31 May at the latest. Member enquiries have increased due to the ongoing changes to the schemes and a future backdating exercise for on-call firefighters.

Data Quality

Common Data

Scheme	Total records tested	Records without a fail	Pass Rate	TPR Pass Rate
001 + 101	92260	84599	91.7%	94.3%

19. This compares to 2021 figures of 99% (91.7%) and TPR 95.6% (94.3)

## Scheme Specific Data

Scheme	Total records tested	Records without a fail	Pass Rate	TPR Pass Rate
001 + 101	116814	78497	93.14%	97.87%

20. This compares to 2021 figures of 98.5% (93.14%) and TPR 97.8% (97.87). This is the first time of running these reports using Insights which has raised some queries which we are discussing with the system provider.

### Contribution monitoring

21. This process sits within the Investment team who monitor incoming payments by scheme employers to ensure that the correct contributions are received by 19<sup>th</sup> month following payroll. There have been some late payments of contributions, mainly by smaller scheme employers. No fines have been issued.
22. As reported during the last two quarters APCOA was reported for being consistently late in making payment. Payment has now been received for both 2020/2021 and 2021/2022. A reminder has been sent for the payment due in April for 2022/2023.

### Projects

23. The work that has, so far been identified as project work is:
- Historical death cases where there is outstanding information which is needed to enable files to be finalised. This work is being scheduled as a project.
  - AVC – review of data held by Fund vs data held by Prudential
  - A2P – review of processes to incorporate these changes
  - Review of pension software. Discussions have taken place with Hymans who are able to help with the initial planning of the project and gap analysis. Officers are also looking to identify any alternative providers for this process.
  - The I-connect project is in the final stages. Oxfordshire County Council has now submitted the first live data file. The data is being monitored as this file is processed given that this is our largest scheme employer.
  - Cyber security review – Hymans have reviewed both the funds and county documents. And initial training session for the whole team was held in early May and this was followed up by a workshop late in May for fund officers; ICT and OCC data management to explore the fund's business continuity plan in the event of a cyber incident and to explore the policies and procedures in place which are designed to reduce the likelihood or impact of a cyber event occurring.

### Cyber Security

24. The findings from the workshop were:

- The Fund has a business continuity plan which contains basic details of the key fund contacts who would be decision-makers if the business continuity plan was invoked. However, consideration should be given to updating the plan to provide more explicitly for cyber-attack. The current plan is focussed on more traditional continuity events, such as fire or flood.
- Many basic cyber controls are contained within the Council policies reviewed by Hymans Robertson. These policies were known to the participants from the Fund, but they were not always acknowledged as part of the Fund's cyber response approach.
- Additional protections are provided to the Fund by the Council Technology and Information Management Teams, but these are not always documented clearly or acknowledged as part of the Fund's cyber response.
- Additional assurance or reporting may be available to the Fund from the Council Technology and Information Management Teams in relation to the steps by them to safeguard systems and monitor suppliers.
- Additional actions should be considered within the Fund to improve restricted access to information and reduce key man risk in relation to systems knowledge.

25. The next actions are

- Hymans Robertson are creating a document to consolidate the Fund's current approach to cyber risk which should assist with future training and assurance checking.
- Regular meetings will be arranged with the Council Technology and Information Management teams to confirm the full suite of controls operated to the benefit of the Fund. Improved assurance information should then be made available to the Fund.
- The Fund will review its own compliance with the relevant policies and take the self-identified steps in relation to information access management and systems training.
- Regular review of the Fund's Risk Register should include consideration of the impact of the completion of these actions.

26. The document and update on actions taken will be brought to the next meeting of this committee.

Debt Management

27. Since last quarter there has been little progress in finding person to monitor and chase outstanding payments. Since it has not been possible to directly recruit discussions have taken place with OCC debt management team to see if pension services could use a proportion of their staff time to carry out this role. This has been agreed in principle, but OCC debt management team have yet to recruit.
28. The total of outstanding invoices amounts to £52,940.85, which is a reduction of £947.72.
29. There have been four deaths in the quarter where payroll adjustments cannot be recovered amount to a write off £16.78

#### Data breaches

30. The fund's AVC provider sent the monthly schedule of changes and new contributions to another fund. Officers were made aware of this due to being copied in to email correspondence from the other fund to our (shared) AVC provider.
31. The breach was reported internally, and officers questioned our AVC provider as to how and why this happened. The initial response, which took some 10 days to receive was insufficient and further questions have been raised but, at the time of writing this report, no reply has been received.

#### **Scheme Member Services**

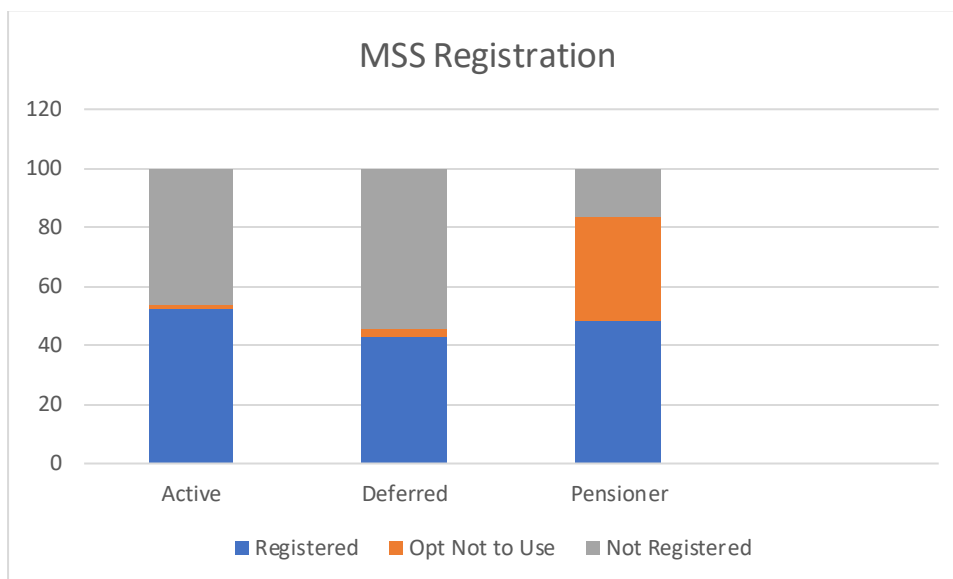
##### Website

32. Visits to the website have increased steadily over the last 10 months, with a slight dip in April.

	<b>Feb 22</b>	<b>Mar 22</b>	<b>April 22</b>
Home page unique views	652	706	629
Member pages views	2011	2396	2307
Employer pages views	338	386	404
Overall	3001	3488	3349

33. Other work undertaken includes
  - Reporting Pensions – the Spring edition of Reporting Pensions is due to be published and circulated in the first half of May
  - Member talks – Two member talks in February and April, both of which took place in person: St Nicholas Primary school Marston (approx. 20 attendees), and Mill Academy Trust (approx. 25 attendees)
  - Customer survey – the customer survey has been suspended while we investigate an approach which may elicit better response levels.

- Bulk emails – 17,586 emails sent out to members via bulk email facility
- Member self-services sign up



### **Scheme Employer Services**

- Introduction to the LGPS – we have held two Introduction to the LGPS training in the last three months February 2022 (3 attendees) and March 2022 (5 attendees) – from a cross section of employers
- Employer Meeting – the March 2022 employers' meeting was cancelled due to lack of compelling agenda items
- Talking Pensions – the monthly employer newsletter was sent out on 28 February, 31 March and 29 April to approximately 220 employer contacts.
- In line with the administration strategy fines have been issued to Activate Learning for late returns. A newly appointed payroll manager is now working with pension services to ensure there is no future recurrence of this issue. Two fines have also been issued to Macintyre Academy for late information. As a result are now reviewing their outsourcing contact with their payroll supplier.

Contact Officer: Sally Fox - Pension Services Manager - Tel: 01865 323854

Email: [sally.fox@oxfordshire.gov.uk](mailto:sally.fox@oxfordshire.gov.uk)

May 2022