

PENINSULA PENSIONS PERFORMANCE REPORT

Report of the County Treasurer

Please note that the following recommendations are subject to consideration and determination by the Board before taking effect.

Recommendation: The Board notes the report.

1. Introduction

- 1.1. Peninsula Pensions' service standard target is to complete 90% of work within 10 working days from the date that all necessary information has been received. Performance targets are monitored on a monthly basis via a task management system and reporting tool within the pension database.
- 1.2. Peninsula Pensions also participates in the CIPFA Benchmarking Club which provides an annual comparison of our performance against other LGPS administration services. Approximately 50 LGPS Funds participate in the benchmarking exercise. Performance for 2016/17 against the CIPFA Benchmark was reported to the Board at the April 2018 meeting.

2. Team Performance

- 2.1. During 2017/18, the team issued 77% of work within target. This figure has increased to 80% for the six months ending 30th September 2018.
- 2.2. Appendix 1 shows the performance relating to the Devon Fund only for the six months ending 30th September 2018.
- 2.3. Appendix 2 shows the work that is outstanding for the Devon Fund only as at 30th September 2018.
- 2.4. The backlog of outstanding work remains an area of concern, but the number of cases is reducing and we are considering additional plans to tackle this issue.

3. Actions Implemented

- 3.1. Following the restructure of the service, a new management team is now in place, headed up by Dan Harris. The service now has three specialist functions, as follows:

- i) **Employer Liaison and Communication**

This team is headed up by Shirley Cuthbert and is responsible for all client management aspects of the fund's employers. The increased engagement, training and support will help to ensure that data quality and timeliness is improved in order to comply with regulations and will enable smooth processing of benefit administration by the member services teams.

The team review employer performance data across all areas of Peninsula Pensions and help to manage any employer issues that may arise. The team also administer the admitted body process and other new employers as they join the fund.

Communication is an important aspect of administering a pension scheme and the team will develop and improve both employer and member communications. Central to this will be increasing the use of self-service portals and the website.

ii) **Technical and Compliance**

This function is headed up by Rachel Lamb, and covers a number of areas including pensioner payroll, systems development and technical and training.

The Technical and Training team is a new function which is responsible for creating and maintaining benefit administration procedure notes and providing training to all member services team members. The aim is to ensure consistency of process and practice across all teams. The team will devise and implement a training and accreditation plan for member services staff and will monitor progress. A quality assurance scheme will also be monitored by this team to ensure the continued accuracy and quality of outputs of accredited member services staff.

The Technical and Training team respond to technical queries and administer the Annual Allowance project, along with other technical projects.

iii) **Member Services**

This function is headed up by Natalie Taylor, and covers all areas of member services for LGPS, Police and Fire schemes.

The First Response Team is responsible for dealing with all incoming and outgoing post and for managing email boxes. They are also responsible for checking incoming work requests for accuracy and completeness before work is passed to the main benefit teams to be processed. The team liaise with employers where data is missing or inaccurate, and will collate employer performance information, which will help to highlight areas for improvement from an employer perspective.

The 3 LGPS benefit teams are now split by employer with the aim of improving our employer focus (previously the teams were split alphabetically) and they provide a full pension administration service, including divorce and Additional Benefits

The Police and Fire team are responsible for processing benefits administered under Service Level Agreements. When capacity allows they will also process LGPS administration tasks.

3.2. We are currently in the process of appointing staff to our remaining vacant posts, following the restructure, and aim to be fully staffed by the end of October.

4. Pension Transfers

4.1. Peninsula Pensions provide all new scheme members with the option to transfer any previous pensions into the LGPS. Members may wish to transfer for a number of reasons, including:

- change of job;
- a pension scheme is being closed or wound up;
- transfer to a better pension scheme;
- bringing multiple pensions together into one 'pot';
- moving overseas and wish to move a pension to a scheme in that country

- 4.2. Members are given 12 months from their start date to transfer any previous pension into the LGPS. After that window has closed, it is at their employer's discretion, with agreement from the Pension Fund administering authority, whether to permit a scheme member to elect to transfer other pension rights into the LGPS. Conversely, members are able to request transfers out of the scheme at any time.
- 4.3. The table below shows the number and value of transfers in and out of the Devon Fund since 2015/16.

Year	Transfers-In		Transfers-Out	
	Number	Value (£)	Number	Value (£)
2015/16	181	3,669,179.96	163	6,128,746.81
2016/17	245	6,245,576.60	214	5,329,447.25
2017/18	105	3,632,512.88	204	6,768,603.86
Total	531	13,547,269.44	581	18,226,797.92

- 4.4. Our performance monitoring tool shows that there are currently 847 transfer-in tasks and 381 transfer-out tasks outstanding. These tasks will all be at different stages in the process, from contacting a scheme member to request details of any previous pension through to processing a payment/receipt to/from a pension provider. Members are asked to note that no task is currently outside of the 12 month timescale.
- 4.5. Our Technical and Training team will be reviewing every procedure across the team, including the transfer process. The aim of this is to identify and remove inefficiencies in our current working practices and develop a concise set of training materials and instructions. This will help to ensure an effective, efficient and consistent approach to processes across the member services teams.

5. Conclusion

- 5.1. Once the new structure and processes have bedded in and the recruitment process has been completed for our outstanding vacancies, we expect to see an improvement in performance.

Mary Davis

Electoral Divisions: All

Local Government Act 1972

List of Background Papers - Nil

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Summary of Work Completed 01/04/18 – 30/09/18 (DCC)

	Within Target	Over Target	Total	Success Rate
Priority Procedures	3,258	655	3,913	83%
Non-Priority Procedures	12,179	3,190	15,369	79%
TOTAL	15,437	3,845	19,282	80%

Non-Priority Procedures

	Within Target	Over Target	Total	Success Rate
Deaths	339	174	513	66%
Employer Estimates	134	5	139	96%
Priority General	1,746	152	1,898	92%
LGPS Retirements	484	198	682	71%
Deferred Benefit Retirements	555	126	681	82%
TOTAL	3,258	655	3,913	83%

Non-Priority Procedures

	Within Target	Over Target	Total	Success Rate
Amalgamation of Records	196	520	716	27%
Additional Voluntary Contribution Calculations	553	70	623	89%
Deferred Benefit Calculations (including recalculations)	479	405	884	54%
Divorce Calculations	183	7	190	96%
Frozen Refunds	152	615	767	20%
Other Member Estimates	164	258	422	39%
Non-Priority General	8,337	698	9,035	92%
Payroll Adjustments	1,089	67	1,156	94%
Police & Fire Retirement Estimates	0	1	1	0%
Refunds	236	25	261	90%
Retirement Estimates	651	196	847	77%
New Starters	6	0	6	100%
Transfer Values In	22	93	115	19%
Transfer Values Out	111	235	346	32%
TOTAL	12,179	3,190	15,369	79%

Summary of Work Outstanding as at 30/09/18 (DCC)

Priority Procedures

	Number of Cases	Awaiting Reply	Net Outstanding
Deaths	223	175	48
Employer Estimates	7	3	4
Priority General Post	180	69	111
LGPS Retirements	420	232	188
Deferred Benefit Retirements	267	150	117
TOTAL	1,097	629	468

Non-Priority Procedures

	Number of Cases	Awaiting Reply	Net Outstanding
Amalgamation of Records	4,517	1,274	3,243
Additional Voluntary Contribution Calculations	50	5	45
Deferred Benefit Calculations (including recalculations)	725	304	421
Divorce Calculations	15	14	1
Frozen Refunds	1,231	119	1,112
Other Member Estimates	126	34	92
Non-Priority General	2,216	1,432	784
Payroll Adjustments	33	18	15
Refunds	28	16	12
Retirement Estimates	183	4	179
New Starters	1	1	0
Transfer Values In	891	44	847
Transfer Values Out	419	38	381
TOTAL	10,435	3,303	7,132