

Buckinghamshire Pension Board

Title: Pensions Administration Performance

Date: 23 October 2015

Author: Finance Director, Business Services Plus

Contact officer: Julie Edwards, 01296 383910

Electoral divisions affected: n/a

Summary

The Pensions & Investments Team have a customer charter <http://www.buckscc.gov.uk/about-your-council/local-government-pension-fund/customer-charter/> outlining their commitment to turning work around within certain timescales. All post and requests for information are logged daily and reported on monthly to monitor the percentage of work that is not completed within the prescribed time limits.

Details of the work performance statistics for the 12 months to March 2015 are presented overleaf. The Buckinghamshire Pension Board is required to monitor the performance of the Pensions Administration Team.

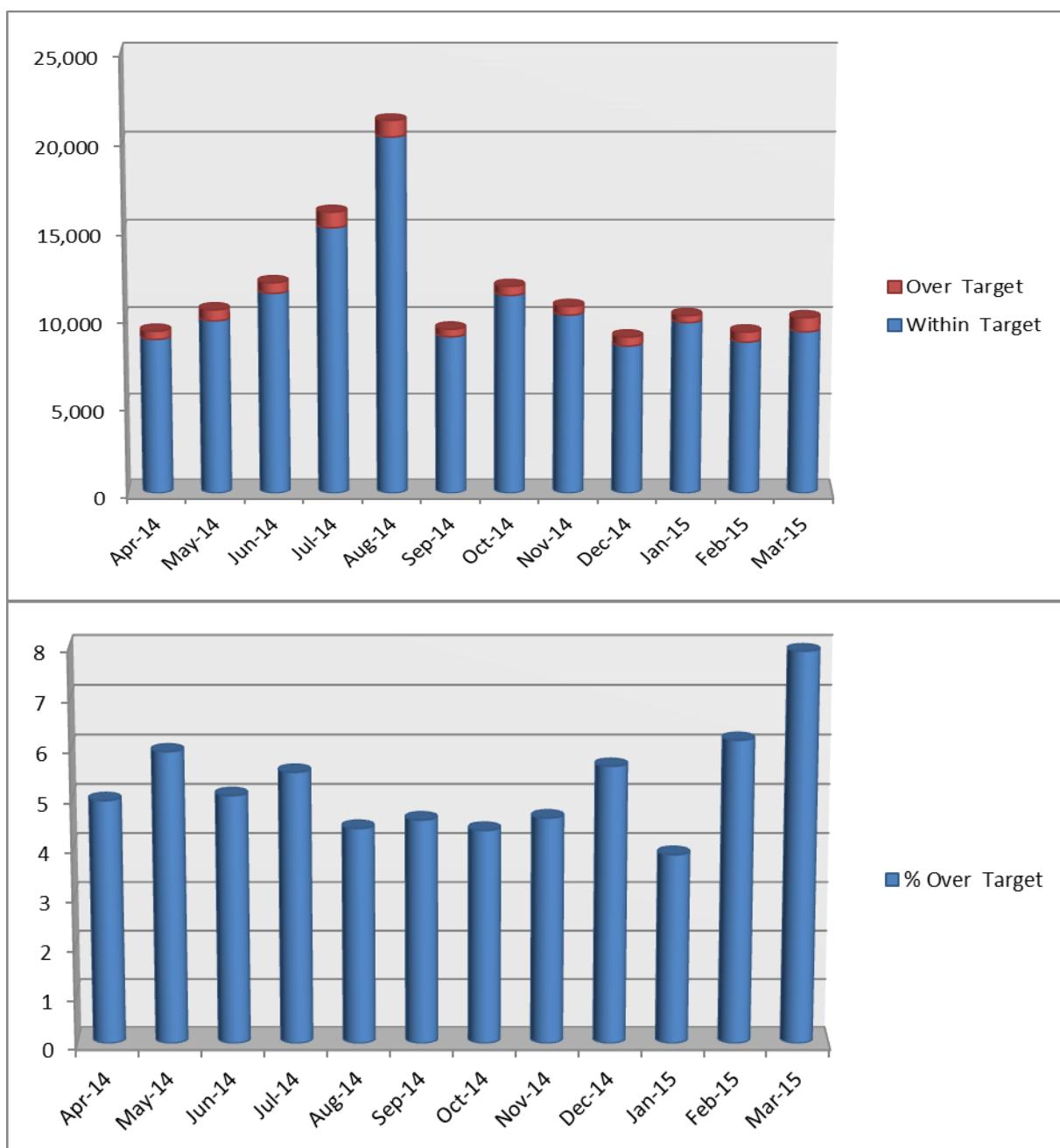
Recommendation

The Board is asked to NOTE the performance statistics of the team.



Workload statistics for the year to March 2015 are presented below:

Month	Within Target	Over Target	Total	% Over Target
April 2014	8,851	460	9,311	4.94
May 2014	9,913	624	10,537	5.92
June 2014	11,479	609	12,088	5.04
July 2014	15,201	887	16,088	5.51
August 2014	20,314	930	21,244	4.38
September 2014	9,006	429	9,435	4.55
October 2014	11,360	516	11,876	4.34
November 2014	10,239	493	10,732	4.59
December 2014	8,476	506	8,982	5.63
January 2015	9,813	393	10,206	3.85
February 2015	8,700	571	9,271	6.15
March 2015	9,287	799	10,086	7.92



4 Over a period of time a backlog of tasks has grown in the pension benefits administration team. There are a number of factors which have contributed to the backlog including the new career average Scheme, introduced in April 2014, which increased the complication of the calculations required to administer the scheme, auto-enrolment which has increased the number of members and consequently the administration requirements, a reduction in the annual allowance limits which has created a requirement to send pensions savings statements to an ever increasing number of active members who breach the limits, staff turnover and staff absences. Following the introduction of the career average scheme the Fund's software provider continues to remove the glitches in the calculations which have resulted in an increased number of manual calculations.

5 The table overleaf shows the membership of the Fund on 31 March 2012 and 31 March 2015:

	31 March 2012	31 March 2015	Change
Contributors	20,437	25,112	+22.9%
Pensioners	13,774	15,900	+15.4%
Deferred Pensioners	18,575	21,791	+17.3%
Total	52,786	62,803	+19.0%

- 6 Since January 2015 the retirement tasks groups has rarely been below 100, reaching 300 following the usual peak of 31 March retirements. The Leaver tasks and transfers to other pension fund tasks have 1,000 and 1,300 tasks outstanding with a further 2,600 leaver tasks requiring checking. These backlogs don't impact on people's benefits or service accrued but the timeliness of processing these tasks needs to be improved
- 7 Previously, calls to the Benefits Administration Team were evenly distributed between the Pension Officers/Pensions Assistants however it was found that due to an increased level of calls the number of tasks completed on a daily basis were low. A new process was put in place in May 2015 whereby 2-3 Pensions Officers/Pensions Assistants are allocated as phone cover each day thereby giving the remaining Pensions Officers/Pensions Assistants uninterrupted time to work on tasks. Whilst this has been found to increase the tasks completed on a daily basis by those individuals not on the phones, and feedback from the team has been positive, this has not offered a full solution to the problem since task backlog volumes are not decreasing. A Pensions Service Desk where all phone calls are taken is going to be introduced. This service desk will be made up of 3 members of the team who would be responsible for taking all phone calls and would also be responsible for chasing employers/members for information and calculating preserved benefits. This would mean that the Pensions Officers could focus on the more complex areas of work. By having a designated Pensions Service Desk this will also allow us to set clear customer service targets and monitor against these as any other service desk would do and improve levels of customer service.
- 8 It is essential that focus be placed on training in order to achieve full competency from all Pensions Officers. We are currently recruiting a full time Pensions Training Officer who will be solely responsible for training all new members of staff along with providing ad hoc training. It is also envisaged that 30% of this new role will cover 'doing' and 'checking' tasks where necessary which will also provide a contingency for leave/meetings/sickness etc. An additional 2 Pensions Officers posts and 1 Pensions Assistant post have been created to give the team the capacity to undertake current workloads and tackle the backlog.

9 The statutory deadline for issuing 31 March 2015 Annual Benefits Statements (ABSs) was brought forward to 31 August 2015. In 2014 ABSs were to be issued by 31 October and the deadline for issuing the 2013 ABSs was the following March. In common with many LGPS Funds, the Buckinghamshire Fund has encountered difficulties meeting this deadline. As at 31 August 2015, 73 employers had had their staff ABSs printed and sent. Although this is nearly 50% of the Fund's employers, they are the smaller employers and the 1,350 statements issued represents just over 5% of the Fund's active membership.

10 As at 30 September 2015, 101 employers had had their staff ABSs printed and sent. This was in excess of 2700 ABSs representing nearly 11% of the active membership.

11 The main reason for missing the deadline is that additional work was required to compare the 2008 definition of pensionable pay. This has to be extracted from the software system (Altair) and compared in Excel. We do the comparison in Excel because if we update the 2014/15 figures directly into Altair and subsequently identify that the pay provided by employers is incorrect, member records would have to be updated manually when the correct pay figures are received. Although the Team is not required to do this since it is the employer's responsibility to provide the correct pay, experience shows that many ABSs would have been sent with incorrect figures on them and this would have resulted in many queries. The other issue is that many year-end returns have been sent back to employers since they have either not provided the 2008 definition of pensionable pay, they have provided the part-time pay and not the full time equivalent or they have provided the actual rate of pay as at 31/03/15 and not the average 2008 definition of pay for the period 01/04/14-31/03/15.

12 Statements will be issued by 31 December 2015 at the very latest.

13 In early September the LGA requested that each administering authority should consider if the situation constitutes a breach likely to be 'of material significance' to the Regulator. In particular administering authorities may wish to take into account the reference to 'teething problems' related to the introduction of the new scheme and the new statutory deadline for issuing statements when assessing the materiality of any breach. Buckinghamshire determined that with reference to the 'teething problems' related to the new scheme and the new statutory deadline that the breach was not likely to be 'of material significance' to the Regulator. However, the Pensions Regulator wrote to the LGA on 9 October stating that where LGPS Funds had reported a breach and the cause of the breach is due to significant data and IT system issues, they are minded to advise Funds that they expect them to issue statements as soon as possible and by the 30 November at the latest. Funds that haven't reported to the Regulator should consider whether to report a breach. Since Buckinghamshire is intending to issue ABSs by 31 December, rather than the 30 November, it is proposed that the breach is reported to the Pensions Regulator, along with the reasons for it occurring and the plan to remedy it.

14 Looking to next year and beyond, steps need to be taken so that improvements can be made for next year and/or evidence detailing the reasons for non-compliance can be made available to the Regulator.

Other options available, and their pros and cons

15 N/A.

Resource implications

16 The Pensions Administration teams are funded by the Pension Fund.

Legal implications

17 It is a statutory obligation for the County Council to provide a Pensions Service on behalf of Scheme employers.

Other implications/issues

18 None

Feedback from consultation, Local Area Forums and Local Member views

19 Not applicable.

Background Papers

None
