

## Regulatory and Other Committee

### Open Report on behalf of Executive Director of Finance and Public Protection

Report to:	<b>Pension Committee</b>
Date:	<b>09 October 2014</b>
Subject:	<b>Pensions Administration Report</b>

#### Summary:

This is the quarterly report by the pension administrator Mouchel.

Graeme Hall, the Service Delivery Manager, will update the committee on current administration issues.

#### Recommendation(s):

That the committee note the report.

## Background

### 1. Performance and Benchmarking

- 1.1 Local Performance Indicators (LPI's) are routinely reported to Lincolnshire County Council at monthly partnership meetings. The purpose is to provide greater clarity to the Pension Fund of the Mouchel Pension Units' overall performance compared against industry standards. The service delivery team use the task management module to organise their daily work flow with target dates and performance measures hard wired into the system. The performance measures ensure tasks are prioritised on a daily basis and although the work flow is in the main automated, the service delivery co-ordinator has the flexibility to re-schedule work should time pressure demand. The intention of the locally agreed indicators is to enhance the visibility of Mouchel's overall service standards and similarly assist the Committee in its role of monitoring the overall performance of the Mouchel Pension Unit. The locally agreed indicators compliment the rather narrow set of CIPFA national benchmarking measures already reported through established Service Level Agreements and the benchmarking club.

**1.2** The 13 LPI groups have been selected as they represent work areas that generate the highest volumes of enquiries and queries. The minimum days (time taken) and performance targets (as a minimum target) are set purposely to ensure that the Mouchel Pension Unit can provide a quality service to all our customers.

**1.3** The Task Management reports show the Units performance as measured against both the local indicators and the national CIPFA benchmarks. The results for the period June 2014 to August 2014 extracted from the Task Management module (Altair) are shown below.

Service	Days	Minimum Target	Average Case Time (days)	Number of Cases	Over target	TOTAL (cases)	Within Target	Actual Performance
Processing new entrants	18	98.5	4.1	1042	0	1042	1042	100.0%
Transfers – in (Calculation)	30	98.5	4.4	39	0	39	39	100.0%
Transfers – in (Payment received)	30	98.5	5.3	44	0	44	44	100.0%
Transfers – Out (Calculation)	30	98.5	5.5	88	3	88	85	96.6%
Transfers – Out (Payment)	30	98.5	4.8	27	0	27	27	100.0%
Retirement Actual	5	98.75	4.3	148	1	148	147	99.3%
Deferred into payment	20	98.5	4.9	161	0	161	161	100.0%
Deferred Benefits	10	98.5	3.2	533	6	533	527	98.9%
Estimates	10	98.25	4.5	427	0	427	427	100.0%
Death in Service	5	98.5	4	4	0	4	4	100.0%
Death of a pensioner	5	98.5	4.1	67	0	67	67	100.0%
Refunds	5	98.75	4.4	58	0	58	58	100.0%
Pension Calculations	10	98.5	3.8	217	0	217	217	100.0%

Service	Days	Minimum Target	Average Case Time (days)	Number of Cases	Over target	TOTAL (cases)	Within Target	Actual Performance
Transfer in quotes	10		4.4	39	0	39	39	100.0%
Transfer out quotes	10		5.5	88	3	88	85	96.6%
Actual retirements	5		4.3	148	1	148	147	99.3%
Deferred calculation	10		3.2	533	6	533	527	98.9%
Estimates	10		4.5	427	0	427	427	100.0%
Death -initial letter to next of kin	5		0.8	81	2	81	79	97.5%
Death - notification of spouses pension	5		4.5	39	5	39	34	87.2%
Refund payments	5		4.4	58	0	58	58	100.0%

**1.4** Some cases have again exceeded the target days as expected and warned in the previous report to the committee, primarily as a result of the continued ripple effect of the new scheme regulations. It should be noted however that the average case times were within agreed targets across all areas and the overall actual achievement level is 98.80%.

**1.5** At the last meeting particular attention was drawn to the rate of failures in the deaths process. This again shows a lower performance level than normal but it should be noted that the 5 cases over target in table 2 relate to 2 individuals only, all in the first period of the quarter (June). In all 5 cases, 6 days were taken to complete the work, against a target of 5 days. No failures have been recorded in July or August in this area and the next Committee Report should show an improvement in performance.

- 1.6** The current membership of the Lincolnshire Pension Fund is set out in the following table. Employer numbers continue to remain relatively static as the flow of LCC schools to Academy status continue to remain low when compared to the initial uptake in previous years. The ongoing creation of Free Schools however means that numbers do continue to rise.

**Volumes as @ 31/08/2014 were as follows:**

Numbers	Active	Deferred	Undecided	Pensioner	Frozen
LGPS	20,384	27,131	763	16,904	1,612
CLRs	49	10	2	22	5
<b>Totals nos</b>	<b>20,433</b>	<b>27,141</b>	<b>765</b>	<b>16,926</b>	<b>1,617</b>

## **2. Praise and Complaints**

- 2.1** As part of the continued monitoring of the sections overall performance the Service Delivery Manager maintains an issues log that records all instances of praise and complaints received in the Unit either through general correspondence (including e-mail) and routine telephone calls. During the period 1<sup>st</sup> June to 31<sup>st</sup> August 2014 there were no logged instances of praise or complaint to report.

## **3 Administration Update**

- 3.1** Following the Unit's work on the Altair testing matrix, the latest version of the administration software has been loaded in to the Live environment. This will fix a number of known errors within the calculation modules of the system and will improve the efficiency of the administration team. Mouchel is one of the first sites in England to receive this update as a result of being part of the testing group.
- 3.2** Year end procedures have now been completed, meaning that all members will have fully up to date remuneration and contribution records. Consequently, Annual Benefit Statements are now being issued to all active and deferred members throughout October.
- 3.3** The last quarters report outlined changes to taxation of pension savings. The Pension Unit has now sent formal Pension Saving Statements to all members who are either in breach or at risk of breaching Annual Allowance (AA) or Lifetime Allowance (LTA) limits, in line with the overriding HMRC regulations.
- 3.4** In order to support the transition of pension administration services to West Yorkshire Pension Fund, Mouchel have agreed to release a team member

(Stuart Duncombe) for 1 day per week, to be seconded to the LCC transition team to help ensure a smooth transfer. There is scope within this agreement to increase the time allocation should circumstances require it.

- 3.5** The Pensions Technical Officer (Kaele Pilcher) has been providing training sessions to employers in order to support them to meet the obligations required of them by the Scheme. Formal evaluation feedback on these sessions has been very positive.

## **4 Current Issues**

- 4.1** Following the introduction of the 2013 regulations, there remains outstanding further miscellaneous regulations (2014), required to clarify certain rules and policy intentions. This was expected early in the Autumn, however at the time of writing, they are yet to be released. Mouchel will update the committee once they have been released with any relevant changes to the scheme.

## **Conclusion**

The Mouchel Pensions Administration team continues to work closely with Lincolnshire County Council to provide an efficient and effective service to all stakeholders within the Lincolnshire Pension Fund.

## **Consultation**

### **a) Policy Proofing Actions Required**

n/a

## **Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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