

Regulatory and Other Committee

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

Report to:	Pension Committee
Date:	08 January 2015
Subject:	PENSION ADMINISTRATION REPORT

Summary:

This is the quarterly report by the pension administrator Mouchel.

Stuart Duncombe, the Communications Coordinator, 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 September 2014 to November 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	4.5	1828	0	1828	1828	100.0%
Transfers – in (Calculation)	30	98.5	37.4	45	23	45	22	48.9%
Transfers – in (Payment received)	30	98.5	6.6	19	0	19	19	100.0%
Transfers – Out (Calculation)	30	98.5	5.8	110	0	110	110	100.0%
Transfers – Out (Payment)	30	98.5	4	15	0	15	15	100.0%
Retirement Actual	5	98.75	4.3	144	0	144	144	100.0%
Deferred into payment	20	98.5	4.6	188	0	188	188	100.0%
Deferred Benefits	10	98.5	7.7	504	18	504	486	96.4%
Estimates	10	98.25	4.1	300	0	300	300	100.0%
Death in Service	5	98.5	4.8	4	0	4	4	100.0%
Death of a pensioner	5	98.5	4.6	65	0	65	65	100.0%
Refunds	5	98.75	4.8	137	2	137	135	98.5%
Pension Calculations	10	98.5	3.6	131	0	131	131	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		37.4	45	23	45	22	48.9%
Transfer out quotes	10		5.8	110	0	110	110	100.0%
Actual retirements	5		4.3	144	0	144	144	100.0%
Deferred calculation	10		7.7	504	18	504	486	96.4%
Estimates	10		4.1	300	0	300	300	100.0%
Death -initial letter to next of kin	5		0.1	90	1	90	89	98.9%
Death - notification of spouses pension (LLTP)	5		4.9	34	0	34	34	100.0%
Refund payments	5		4.8	137	2	137	135	98.5%

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. This has been particularly true of the Transfer In and Deferred procedures.

Please note, the Deferred procedure relates to those who had the option, following the move to the 2014 Scheme, of a refund or deferred benefit.

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 @ 30/11/2014 were as follows:

Numbers	Active	Deferred	Undecided	Pensioner	Frozen
LGPS	20,479	27,300	1,235	17,180	1,638
Councillors	48	10	-	24	-
Totals nos	20,527	27,310	1,235	17,204	1,638

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 1st June* to 30th November 2014 there were 13 logged instances of praise and no complaints to report.

*previous report did not show any though there were 6 for the quarter to 31st August 2014

3 Administration Update

- 3.1 Annual Benefit Statements were issued to all active and deferred members during October and November 2014.
- 3.2 Stuart Duncombe continues to assist the transition project to West Yorkshire for 1 day per week. There is scope within this agreement to increase the time allocation should circumstances require it.
- 3.3 There have now been two data extracts provided to West Yorkshire Pension Fund and the Lincoln Pensions Unit is assisting in answering any queries that are raised.
- 3.4 The Pensions Technical Officer (Kaele Pilcher) has continued to provide 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 remained very positive.
- 3.5 Following the announcement that Contracting Out will cease in 2016, HMRC have arranged for Pension Schemes to reconcile the Guaranteed Minimum Pensions (GMPs) to those held by DWP. The Pensions Unit has registered their interest with HMRC and have now received initial data.

Potential issues that the reconciliation will highlight incorrect contracting out periods held by DWP, DWP not holding that a GMP has been transferred to another Scheme, and incorrect GMPs being held. This may lead to benefits having been paid incorrectly (due to pensions increase) or, where a refund has been paid and the DWP have no record of receiving the Contributions Equivalent Premium (ie contribution to put a member back in to State Second Pension), additional benefits payable to the member/DWP.

Due to the size and complexity of this project, it is proposed that WYPF will undertake the reconciliation so that the process is managed in a common way throughout.

4 Current Issues

- 4.1** As advised in the previous report, 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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