

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
14 March 2019

PENSION FUND KEY PERFORMANCE INDICATORS

Purpose of the Report

1. The purpose of this report is to present the Fund's performance against its key performance indicators (KPIs) in relation to the administration of pension benefits.

Background

2. The Fund has committed to reporting administration KPIs in help improve management information, assist with performance monitoring and increase transparency of the administration performance. This objective fits in with our overriding objectives to ensure the effective management and governance of the Fund and to provide an effective, customer friendly benefits administration service.
3. This commitment is also in line with the Pensions Regulator's increased focus on governance of public service pension schemes resulting from the extension of its remit to cover public service pension schemes via the Public Service Pension Act 2013 and the resulting *Code of Practice 14 - Governance and administration of public service pension scheme* which sets out the wide-ranging governance requirements the Regulator expects to see adhered to.
4. As discussed at previous meetings, officers will continue to expand and evolve its range of reportable KPIs over time so these align with strategy documents such as the administration strategy and regulatory requirements and guidance. The current range of KPIs reported are shown in the Appendices to this report.

Considerations for the Committee

5. As part of the goal to improve the quality of KPIs, some changes to the appendices have been made as explained below:

Appendix 1: This contains the current approach for reporting KPIs, with Fund Administration and Employers timeframes combined along with prior period comparisons. The table covers Q3 2018/2019 while the two charts provide comparisons against previous quarters.

6. Appendix 2: A proposed replacement to the reporting in Appendix 1, with KPIs split by Fund Administration and Employers to show clearly identification of where any delays lie. Comparisons against previous quarters will be available for future meetings using this new format although officers still plan to make some minor revisions to these tables to develop the KPIs further. Since these tables were presented to the LPB, new columns has been added showing the number of outstanding cases. In addition, the timescales on the Benefit Administration KPIs have been reviewed and brought in line with the Administration Strategy targets, providing a target beyond previous guidelines.
7. Appendix 3: Disclosure Regulations: As requested by the Local Pension Board, the Fund has now included KPIs against various disclosure regulations. However, CIPFA has

recently added some new KPI requirements to the Annual Report and Accounts which is similar to this table so the Fund will look to adapt the CIPFA tables in future.

8. Officers intend to replace the information provided in Appendix 1 with the information provided in Appendix 2 for future reporting. Note: It is also proposed to reduce the number of areas assessed to just focus on those with material volumes.
9. Appendix 4: The Pension Regulator's Common Data percentage calculation (as at 21 February 2019). Officers have not included a measurement against the Conditional Data (Scheme Specific) measurement as the Scheme Advisory Board as yet to determine which data items should be included. The choice of data items could have a material impact on the scores.

Conclusions

Combined Administration KPIs (Appendix 1)

10. There is a mixed trend for Qtr 3 2018/19, for the percentage of cases being completed although the total number of completed cases has risen to its highest volume over the four quarters up from 1130 (in Qtr 2 18/19) to 1924. The highest quarter increases were in **deferred, deferred to retirement** and **refund** cases. (see Chart 1). As the Fund has been focusing on clearing older cases, which are less urgent in nature, initially this will make the timescale targets appear worse as the benefit will be seen in later reporting.
11. The **Active to retirement** metric has seen a fall this quarter in meeting the target timeframe although Qtr 2 saw a slight recovery (see chart 1). The number of active retirement cases completed was at its highest level in Qtr 2 and higher than average in Qtr 3 compared over the four quarters (see chart 2).
12. **Death cases** continue to be above 95% against target measure for the fourth quarter in a row.
13. The implementation of an overtime plan has been carried out to deal with **deferrals** and as anticipated volumes have increased from a low in Qtr 2 of 331 to a new high in Qtr 3 of 890 cases. Successful training of the new team members is also leading to higher volume of work being completed, with this pattern continuing in January and February. The overtime programme is ongoing and officers hope and expect higher volumes will continue to be cleared in future quarters.
14. **Deferred into Retirement** cases increased to a new high of 237 cases, while the average is 150 cases over the four quarters with timescales up slightly from 83% to 85% met.
15. **Refunds** cases increased in volume over Qtr 2 with completed cases up 179 to 253 in Qtr 3, although the target dropped from a four quarter high of 62% down to 44%.
16. The remaining measures remain relatively stable.
17. Furthermore, the Fund has recently signed a contract for a key piece of automation software (I-Connect) and is starting to use another piece of automation software (process automation) to make other improvements.

18. In addition, another new project has now started which is reviewing end to end processes using Lean principles. The benefits on greater efficiency are expected to be seen in the longer term from both this and I-connect.
19. Officers started to see some of the benefits of improvements made towards the end of 2018 with further improvement occurring in 2019.

New Benefit Administration and Employer KPIs (Appendix 2)

20. Appendix 2, table 1 shows the relatively higher volume of outstanding deferrals which is having a subsequent impact on processing times. Recent realignment of work priorities have already been put in place to address the outstanding estimates and refunds.
21. A technical amendment has been to this area concerning 'terminated workflows', which explains the reduction from the volumes in Appendix 1 of 1,924, down to 1,701 cases completed in Appendix 2.

Disclosure Regulations (Appendix 3)

22. The table in appendix 3 shows the Fund is generally performing well against the first three areas but further improvement is required against deferreds and refunds processing. As shown in Appendices 1 and 2, this requires faster submission of data by employers and quicker processing by the Fund in order to reduce the timeframes down and increase the success rate. The Fund will do this by undertaking the actions outline within its Business Plan and Data Improvement Plan.

tPR Common and Conditional Data percentages (Appendix 4)

23. The Fund's Common Data percentage is now 94.2%. The main two causes of remaining failures are the processing of active to deferred status cases, which the Fund has already has a sub-plan in place to help improve the situation, and incorrect scheme member addresses which is on-going issue that is difficult to resolve as the Fund relies on deferred and pensioner members telling us when they change address.

Environmental Impact

24. There is no environmental impact from this report.

Financial Considerations

25. There are no immediate financial considerations resulting from the reporting of the Fund's performance against its key performance indicators.

Risk Assessment

26. There are no direct risks to the Fund associated with this reporting.

Legal Implications

27. There are no immediate legal implications arising from this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

28. There are no implications at this time.

Proposals

29. The Committee is requested to note the Fund's performance against its KPIs and its proposed changes to future KPI reporting.

Andy Cunningham

Head of Pensions Administration and Relations

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APPENDIX 1 (Table 1)

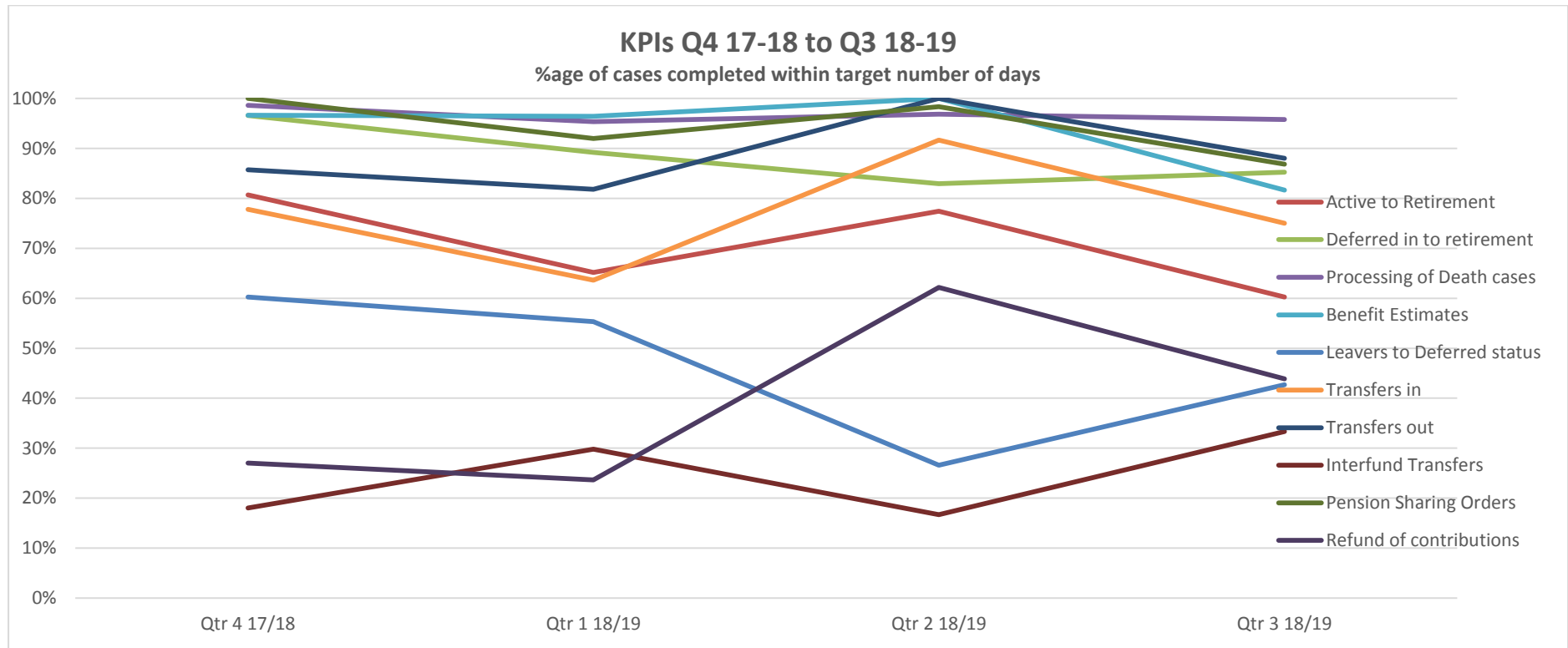
Wiltshire Pension Fund

Benefit Administration Key Performance Indicators

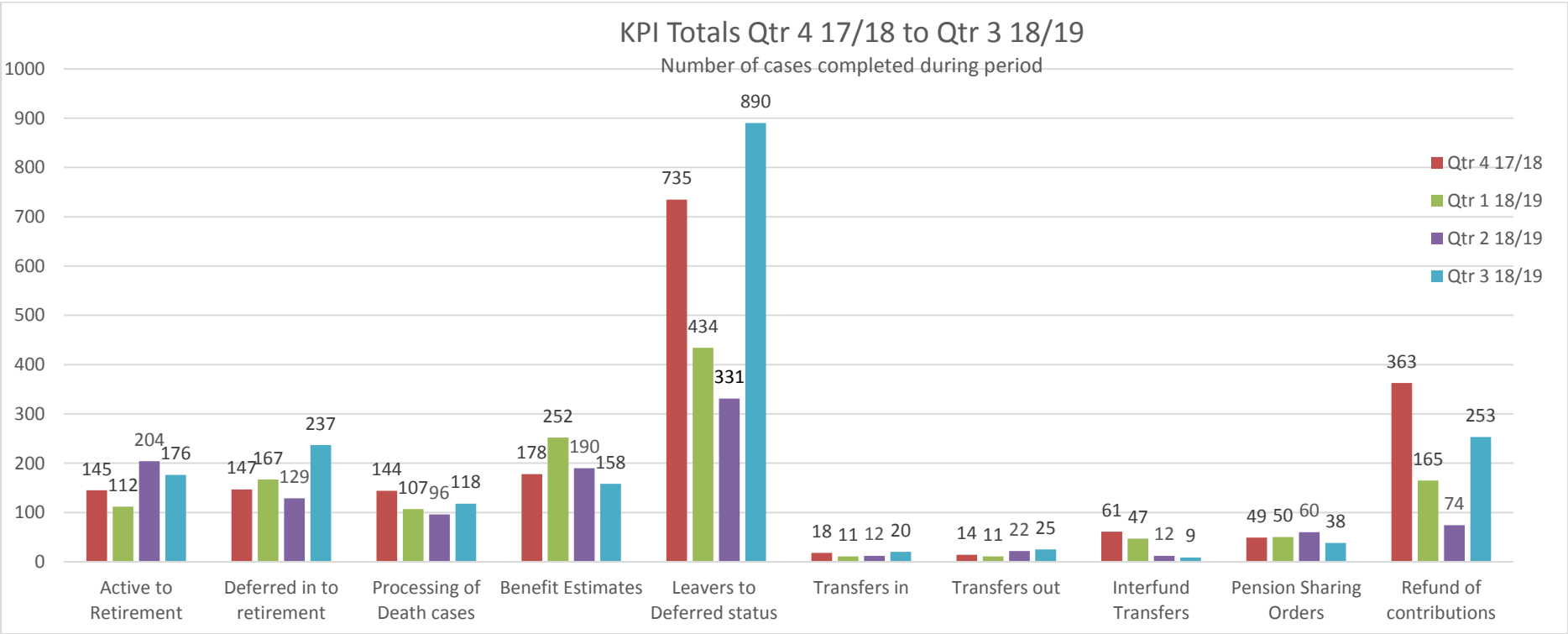
Period 01/10/2018 to 31/12/2018

Type of case	Time to complete						Total	Timescales % on target	Timescales working days
	0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +			
Active to Retirement	16	32	36	22	42	28	176	60%	20
Deferred in to retirement	69	65	40	28	29	6	237	85%	20
Processing of Death cases	96	12	4	1	2	3	118	96%	20
Benefit Estimates	26	21	18	13	51	29	158	82%	40
Leavers to Deferred status	48	34	31	33	234	510	890	43%	40
Transfers in	5	5	1	4	0	5	20	75%	40
Transfers out	15	3	3	1	0	3	25	88%	30
Interfund Transfers	2	0	1	0	0	6	9	33%	40
Pension Sharing Orders	21	5	0	3	4	5	38	87%	30
Refund of contributions	77	18	10	6	11	131	253	44%	20
Grand Total	375	195	144	111	373	726	1924		
Percentage	19%	10%	7%	6%	19%	38%			

APPENDIX 1 (Chart 1)



APPENDIX 1 (Chart 2)



APPENDIX 2 (Table 1)

Wiltshire Pension Fund

Fund Key Performance Indicators (Administration Strategy)

Period 01/10/2018 to 31/12/2018

Type of case	Open cases at period end	Percentage against membership	Time to complete						Total	Timescales % on target	Timescales working days
			0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +			
Active to Retirement	169	0.76%	43	21	21	17	21	9	132	48%	10
Deferred in to retirement	43	0.14%	102	66	22	12	21	2	225	45%	5
Processing of Death cases	109	0.14%	89	13	5	2	2	4	115	77%	5
Benefit Estimates	78	0.35%	12	30	17	15	43	22	139	30%	10
Leavers to Deferred status	1633	7.30%	15	13	13	20	87	543	691	21%	20
Refund of contributions	263	1.18%	8	9	7	6	21	173	224	13%	20
Grand Total	2295		269	152	85	72	195	753	1526		
Percentage			18%	10%	6%	5%	13%	49%			

Additional note: Timescales for the above chart are shorter than those reported under the previous KPI methodology. Interfund Transfers removed.

APPENDIX 2 (Table 2)

Employer Key Performance Indicators (Administration Strategy)

Administration Strategy

Period 01/10/2018 to 31/12/2018

Type of case	Time to advise							Total	Timescales	Admin Strategy
	In Advance	0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +		% on target	Admin Strategy working days
<i>Retirement</i>	75	17	4	6	4	10	16	132	57%	0
<i>Leavers</i>	105	12	30	36	33	68	407	691	31%	20
<i>Refund of contributions</i>	18	12	11	12	10	30	131	224	28%	20
Grand Total	198	41	45	54	47	108	554	1047		
Percentage	19%	4%	4%	5%	4%	10%	53%			

APPENDIX 3

Disclosure Regulations (Combination of Fund and Employer)

Period 01/10/2018 to 31/12/2018

Type of case	Time to complete							Total	Disclosure % on target	Timescales Disclosure working days
	0 - 5 days	6 - 10 days	11 - 15 days	16 - 23 days	23 - 46 days	46 to 69 days	69 days +			
Active to Retirement	53	17	14	10	13	7	18	132	71%	23
Processing of Death cases	109	2	1	1	1	0	1	115	99%	46
Benefit Estimates	18	27	20	22	35	11	6	139	88%	46
Leavers to Deferred status	24	30	12	39	174	106	306	691	40%	46
Refund of contributions	12	3	3	6	10	20	170	224	24%	69
Grand Total	216	79	50	78	233	144	501	1301		
Percentage	17%	6%	4%	6%	18%	11%	39%			

tPR Common Data Percentage Breakdown (21 February 2019)

Failure type\Status	Active	Status 2	Deferrred	Pensioner	Dependent	Awaiting Entry	Frozen Refund	Totals	Percentage of total records
Fail 1: Status	0	2845	0	0	0	2	0	2847	3.7%
Fail 2: NI Number	3	4	21	0	70	0	140	238	0.3%
Fail 3: Addresses	171	67	732	19	6	0	585	1580	2.1%
Totals	174	2916	753	19	76	2	725	4665	6.1%
Percentage of total records	0.23%	3.78%	0.98%	0.02%	0.10%	0.00%	0.94%		

Total score = 94.2%

Note: Each record either passes or fails and hence there is no distinction in methodology between a single or multiple failures on a record. This is why the total failure rate of 6.1% does not match the total score failure rate of 5.8%.