

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
23 May 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 and the changes are explained below.

Considerations for the Board

5. As part of the goal to improve the quality of KPI reporting, and in response to new guidance from CIPA, some changes to the appendices have been made as explained below:

Appendix 1: Administration Strategy Targets - Fund

- a). Table 1 now measures the Fund against its targets as currently set out within its Administration Strategy. The Administration Strategy targets are based on the Fund's self-determined, desired processing time and are not based on legislation. Officers are currently reviewing the Administration Strategy which may result in changes to the this table, in particular the targets.
 - b). Table 2 gives a graphical representation of changes over the last year.
 - c). Chart 1 illustrates the volumes of cases completed over the last year.
 - d). Chart 2 shows the number of completed cases during the period.
 - e). Chart 3 shows the number of outstanding cases.
6. **Appendix 2: Administration Strategy Targets - Employers**
Table 1 measures participating employers (collectively) against the targets set in the Administration Strategy. Employer submissions currently focus on just three areas but will be expanded in line with planned improvements in our reporting capabilities.

7. Appendix 3: Disclosure Regulations

Following a request from the LPB, the Fund now includes an assessment against Disclosure legislation requirements. Whilst officers were working on an initial template for this information, CIPFA brought in guidance for Funds to publish a similar template and therefore officers have adopted the CIPFA template instead.

8. Appendix 4: tPR Measures

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

Administration Strategy KPIs – Fund (Appendix 1)

9. Table 1 shows the Fund is operating below its desired targets for most cases while Chart 2 some recent improvement in the areas of focus, such as Leavers to Deferred Status and Refunds of Contributions due to high processing volumes, but a mixed picture over the last 4 quarters.

10. Chart 2 shows the increase in the processing volumes in certain areas where backlogs have developed, which if sustained will start to decrease the number of outstanding cases. In the meantime, *Leaver to deferred* status backlogs continue to be issue, as illustrated in Chart 3, with many of which becoming more difficult to resolve due to outstanding aggregation issues which have become a gradually increasing issue since 2014. Overtime work continue to take place to help tackle the backlogs.

11. *Actives to Retirement* and *Deferred in to Retirement* are currently undergoing a process efficiency review with the desired outcome being to reduce down the average processing time. Part of these review will look to see if steps can be removed or changed in the process or if specific issues, for example delays with AVC providers, can be removed.

Administration Strategy KPIs – Employers (Appendix 2)

12. In the majority of cases, employers provide Retirement information before the date the member leaves with 61% meeting the target time. The submission time for leavers and refunds are significantly longer with over half the leavers being submitted over two months late.

Disclosure Regulations (Appendix 3)

13. The table in appendix 3 shows the Fund is generally performing well against the targets, which are more generous than our administration strategy targets, but further improvement is required against deferrals and retirements (as discussed above) and transfers out. Improvement against deferrals on the Disclosure Regulations basis, requirements both quicker submission by employers and quicker processing by the Fund.

tPR Common and Conditional Data percentages (Appendix 4)

14. The Fund's Common Data percentage was 94.2% at the last date it was calculated. 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

15. There is no environmental impact from this report.

Financial Considerations

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

Risk Assessment

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

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

19. There are no implications at this time.

Proposals

20. The Board is requested to note the Fund's performance against the KPIs.

Andy Cunningham

Head of Pensions Administration and Relations

Report Author: Andy Cunningham – Head of Pensions Administration and Relations

APPENDIX 1: Administration Strategy KPIs - Fund (Table 1)

Wiltshire Pension Fund

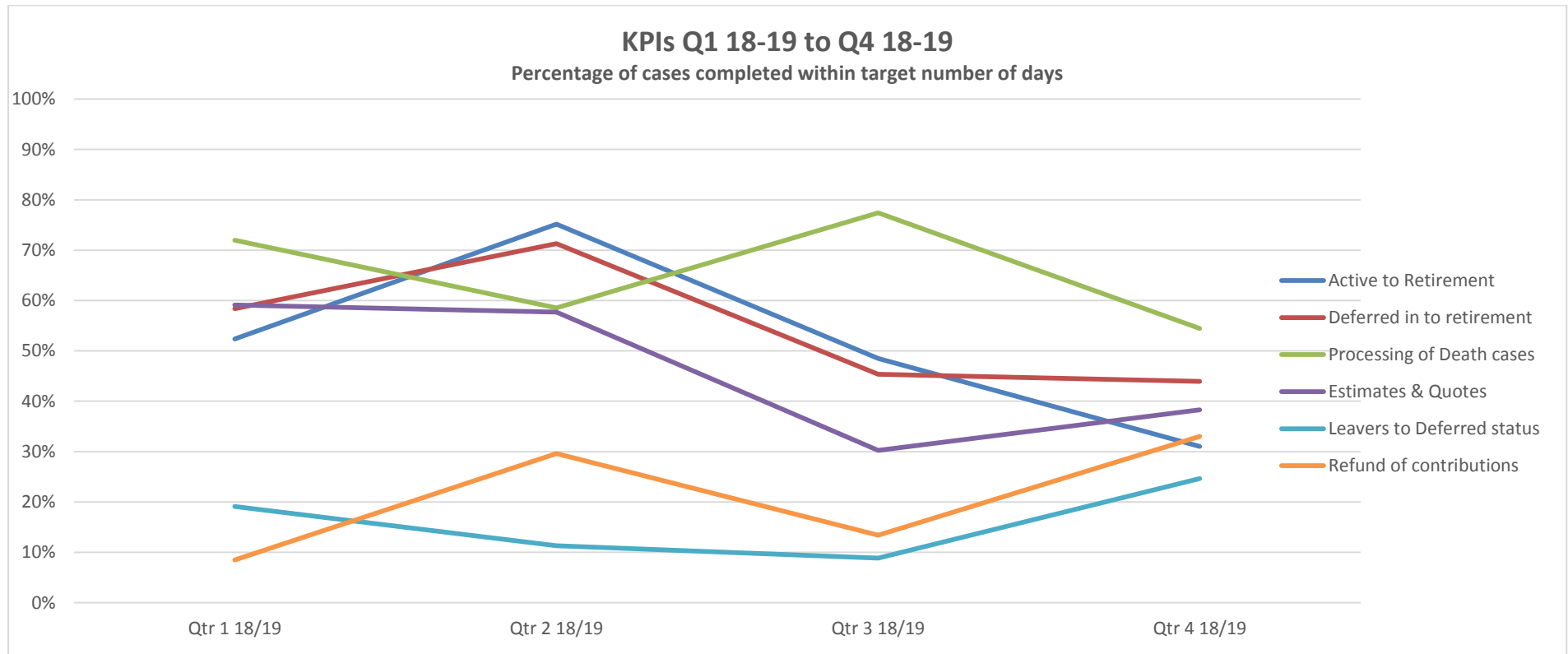
Benefit Administration Key Performance Indicators

Period 01/01/2019 to 31/03/2019

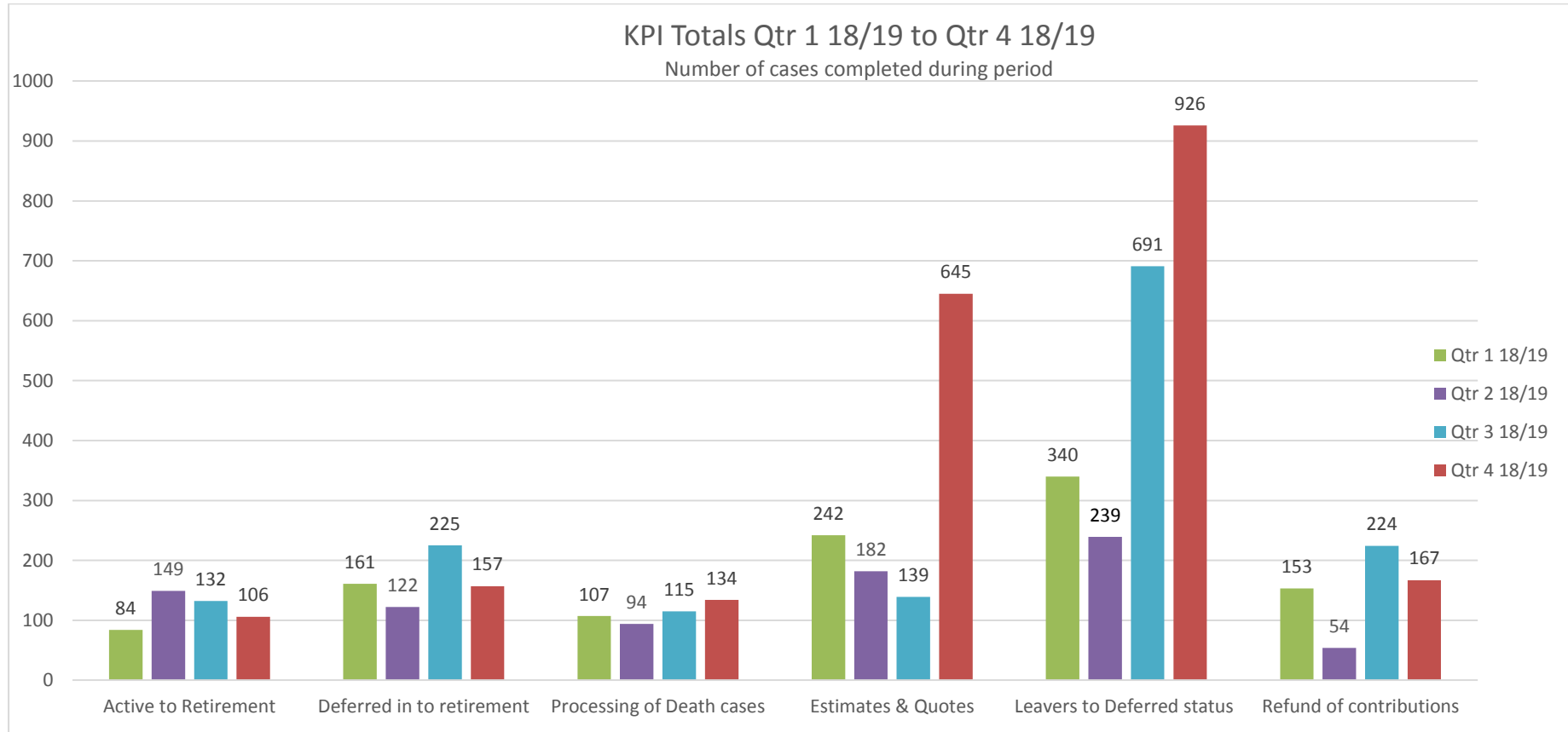
Type of case	Open	Percentage	Time to complete						Total	Timescales % on target	Timescales working days
			0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	21 - 40 days	40 days +			
Active to Retirement	116	0.51%	19	14	15	21	25	12	106	31%	10
Deferred in to retirement	77	0.25%	69	47	19	17	4	1	157	44%	5
Processing of Death cases	98	0.13%	73	33	11	6	3	8	134	54%	5
Estimates & Quotes	126	0.22%	122	125	119	57	129	93	645	38%	10
Leavers to Deferred status	1847	8.19%	71	71	41	45	253	445	926	25%	20
Refund of contributions*	196	0.87%	18	22	11	4	37	75	167	33%	20
Grand Total	2460		372	312	216	150	451	634	2135		
Percentage			17%	15%	10%	7%	21%	30%			

* Refunds excludes 263 cases where the member failed to return the form for a refund and has been frozen pending future member request

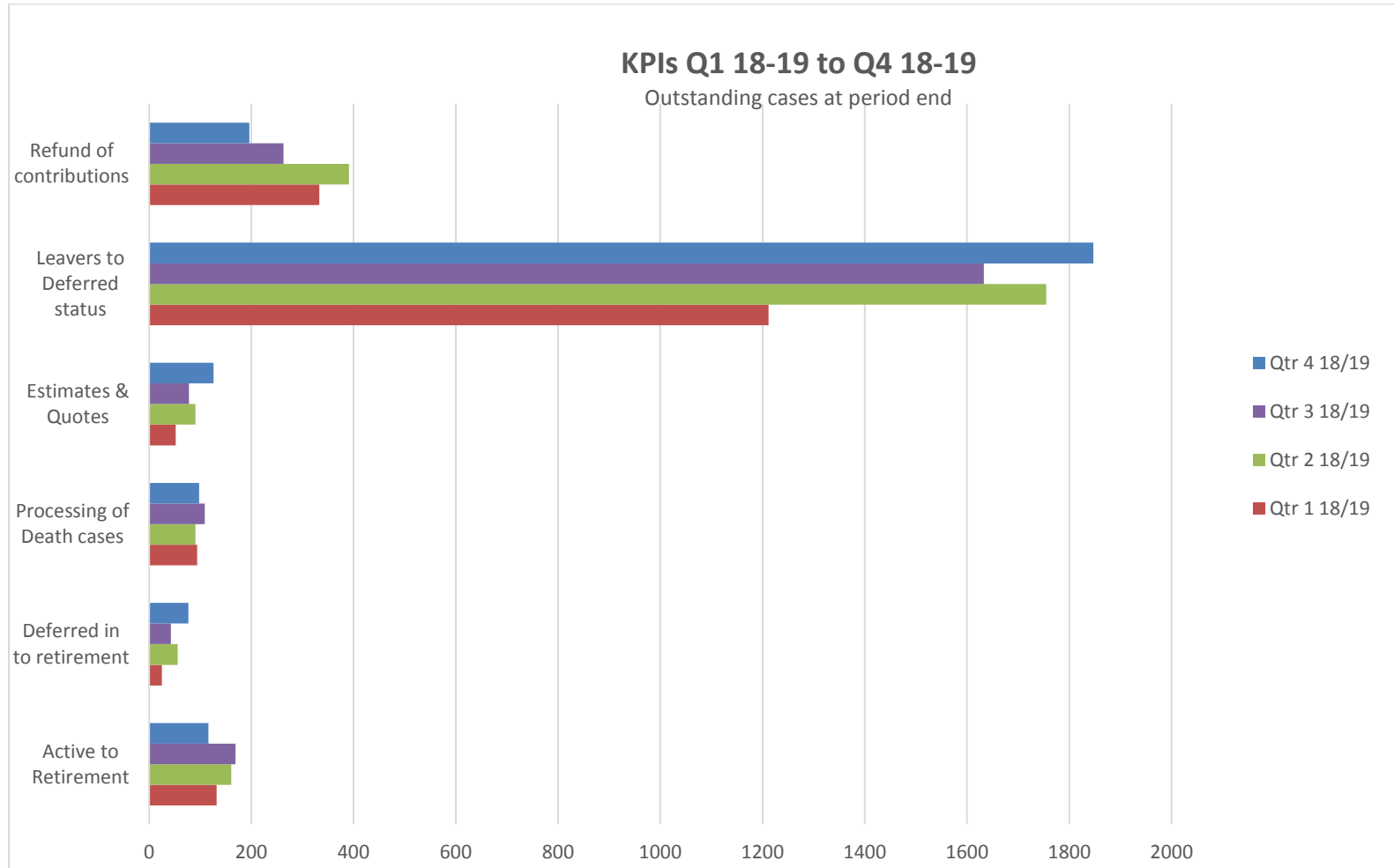
APPENDIX 1: Administration Strategy KPIs - Fund (Chart 1)



APPENDIX 1: Administration Strategy KPIs - Fund (Chart 2)



APPENDIX 1: Administration Strategy KPIs - Fund (Chart 3)



APPENDIX 2: Administration Strategy KPIs - Employers (Table 2)

Employer Key Performance Indicators

Administration Strategy

Period 01/01/2019 to 31/03/2019

Type of case	Time to advise							Total	Timescales	
	In Advance	0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	21 - 40 days	40 days +		Admin Strategy % on target	Admin Strategy working days
<i>Retirement</i>	65	7	7	4	1	7	15	106	61%	0
<i>Leavers</i>	66	37	29	36	60	165	533	926	25%	20
<i>Refund of contributions</i>	36	12	18	25	31	68	240	430	28%	20
Grand Total	167	56	54	65	92	240	788	1462		
Percentage	11%	4%	4%	4%	6%	16%	54%			

APPENDIX 3: Disclosure Requirements (CIPFA template)

Benefit Administration Key Performance Indicators

Disclosure Regulations

Period **01/01/2019** to **31/03/2019**

Process name		Disclosure Requirement	Percentage meeting requirement	No. cases within Legal Timeframe
Deaths - initial letter acknowledging death		2 months	100.0%	134
Deaths - letter notifying amount of dependants pension		2 months	94.8%	127
Retirements - letter notifying estimate of retirement benefits	Active	2 months	n/a	n/a
	Deferred		n/a	n/a
	Total		88.1%	568
Retirements - letter notifying actual retirement benefits/process and pay benefits on time.	Active	2 months	77.4%	82
	Deferred		98.7%	155
	Total		90.1%	
Deferment - calculate and notify deferred benefits		2 months	20.7%	192
Transfers in - letter detailing transfer quote		2 months	89.7%	26
Transfers out - letter detailing transfer quote		2 months	66.5%	135
Refund - process and pay a refund		2 months	89.2%	149
Divorce quote - letter detailing cash equivalent value and other benefits		3 months	100.0%	46
Divorce settlements - letter detailing implementation of pension sharing order		3 months	100.0%	3
Joiners - notification of date of enrolment*		2 months		

*Officers are still developing a report to produce this information.

APPENDIX 4: tPR Data Quality scores

a). tPR Common Data Percentage Breakdown (At 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%.

b). tPR Conditional Data Percentage

The Scheme Advisory Board has yet agree on a LGPS-wide methodology for this percentage. Once it does, the Fund will include these scores within this pack.