

## **WILTSHIRE COUNCIL**

WILTSHIRE LOCAL PENSION BOARD  
22 August 2019

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### **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 order to 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 have now expanded the range and use of KPIs as explained below and shown with the appendices. No further developments to the suite of KPIs are planned at this point in time.

#### **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:
6. Appendix 1: Disclosure Regulations  
Following a request from the Board, 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.
7. Appendix 2: 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 only recently determined which data items should be included. However, conditional data measures will be included in future reporting.
8. Appendix 3: Administration Strategy Targets - Fund
  - a). Table 1 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 this table, in particular the targets.

b). Chart 1 illustrates the percentages of cases completed within the Administration Strategy targets.

c). Chart 2 illustrates the volumes of new cases across different periods.

d). Chart 3 illustrates the volumes of cases completed across different periods.

e). Chart 4 illustrates the volumes of cases outstanding across different periods.

#### 9. Appendix 4: 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 over time in line with planned improvements in our reporting capabilities.

## Conclusions

### General comments

10. During the period, the rollout of My Wiltshire Pension, continuous IT issues, end of year work and vacancy in the structure have all contributed to lack of progress across some of the areas identified for improvement. Also, officers continue to work on delivering projects to improve the overall administration infrastructure which will give longer-term benefits to processing figures but will have limited short-term benefit.

11. The next stage of the My Wiltshire Pension, benefits statements and end of year work will continue in the present quarter but the vacancy referred to has now been filled and the new employee is now being trained. IT connectivity issues continue to be a major source of frustration and cause of disruption but appear to be a Council-wide without an easy fix. Officers are hoping that a new planned way to access the external service via a Virtual Private Network will improve the position.

12. The Fund has also appointed to a new role from within the existing structure although this creates another vacancy which needs to be backfilled (the vacancy is currently out for advert).

13. More specific comments relating to each section are covered in the sub-sections below:

### Disclosure Regulations (Appendix 1)

14. The table in appendix 1 shows the Fund is generally performing well against these targets, which are more generous than our administration strategy targets, but further improvement is required against deferrals and refunds. Improvement against deferrals on the Disclosure Regulations basis, requirements both quicker submission by employers (see Appendix 4) and quicker processing by the Fund (see Appendix 3)

### tPR Common and Conditional Data percentages (Appendix 2)

15. 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/refunds, for which the Fund already has a sub-plan in place to help improve the situation, and incorrect scheme member addresses which is an on-going issue that is difficult to resolve as the Fund relies on deferred and pensioner members telling us when they change address.

### Administration Strategy KPIs – Fund (Appendix 3)

16. Table 1 shows the Fund is operating below its desired targets for most cases but Chart 1 shows some recent improvement in all areas except Refund of Contributions, which is due to the clearance of backlog cases coming through on to the graphs (see Charts 3 and 4).
17. Chart 3 shows a drop off in the processing volume of *Leaver to deferred* status backlogs, which is mainly a result of staff turnover but also the other issues identified above. Many of the remaining cases are becoming more difficult to resolve due to outstanding aggregation issues, which have become a gradually increasing issue since 2014 and are being reviewed as part of a project. Overtime work continues to take place to help tackle the backlogs while officers are mindful that additional measures, such as additional temporary staffing, may also need to be considered.
18. *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 this 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 4)

19. In the majority of cases, employers provide Retirement information before the date the member leaves with 84% 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, which contributes to the issues identified in the Disclosure KPIs (Appendix 1).

### **Environmental Impact**

20. There is no environmental impact from this report.

### **Financial Considerations**

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

### **Risk Assessment**

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

### **Legal Implications**

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

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

24. There are no implications at this time.

### **Proposals**

25. The Committee is requested to note the Fund's performance against the KPIs.

**Andy Cunningham**

Head of Pensions Administration and Relations

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## APPENDIX 1: Disclosure Requirements (CIPFA template)

### Benefit Administration Key Performance Indicators

#### Disclosure Regulations

Period

01/04/2019

to

30/06/2019

Process name		Disclosure Requirement	%	No. cases within Legal Timeframe
<b>Deaths</b> - initial letter acknowledging death		2 months	99.3%	120
<b>Deaths</b> - letter notifying amount of dependants pension		2 months	98.7%	119
<b>Retirements</b> - letter notifying estimate of retirement benefits	<b>Active</b>	2 months	n/a	n/a
	<b>Deferred</b>		n/a	n/a
	<b>Total</b>		98.2%	422
<b>Retirements</b> - letter notifying actual retirement benefits + process and pay benefits on time	<b>Active</b>	2 months	89.5%	108
	<b>Deferred</b>		99.5%	185
	<b>Total</b>		94.5%	293
<b>Deferment</b> - calculate and notify deferred benefits		2 months	24.0%	66
<b>Transfers in</b> - letter detailing transfer quote		2 months	93.7%	24
<b>Transfers out</b> - letter detailing transfer quote		2 months	92.4%	79
<b>Refund</b> - process and pay a refund		2 months	36.2%	109
<b>Divorce quote</b> - letter detailing cash equivalent value and other benefits		3 months	100.0%	60
<b>Divorce settlements</b> - letter detailing implementation of pension sharing order		3 months	50.0%	2
<b>Joiners</b> - notification of date of enrolment*		2 months		

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

## APPENDIX 2: 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%
<b>Totals</b>	<b>174</b>	<b>2916</b>	<b>753</b>	<b>19</b>	<b>76</b>	<b>2</b>	<b>725</b>	<b>4665</b>	<b>6.1%</b>
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.

## APPENDIX 3: Administration Strategy KPIs - Fund (Table 1)

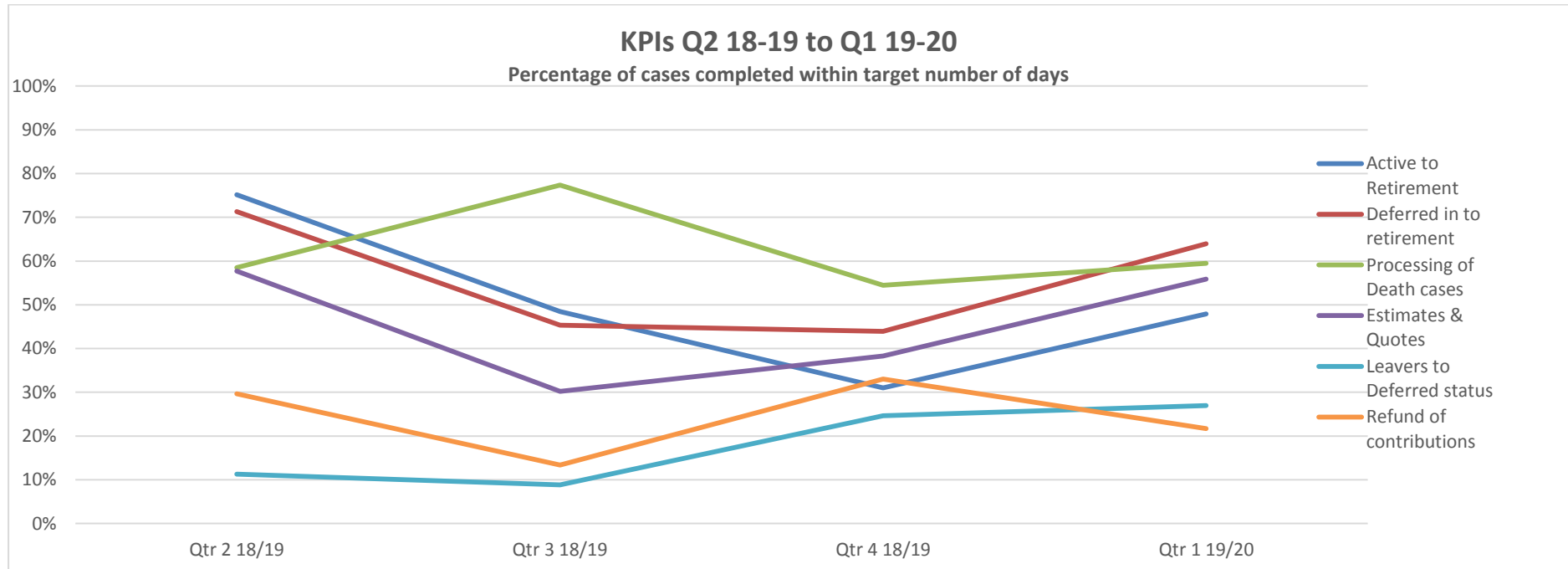
### Wiltshire Pension Fund

#### Benefit Administration Key Performance Indicators

Period 01/04/2019 to 30/06/2019

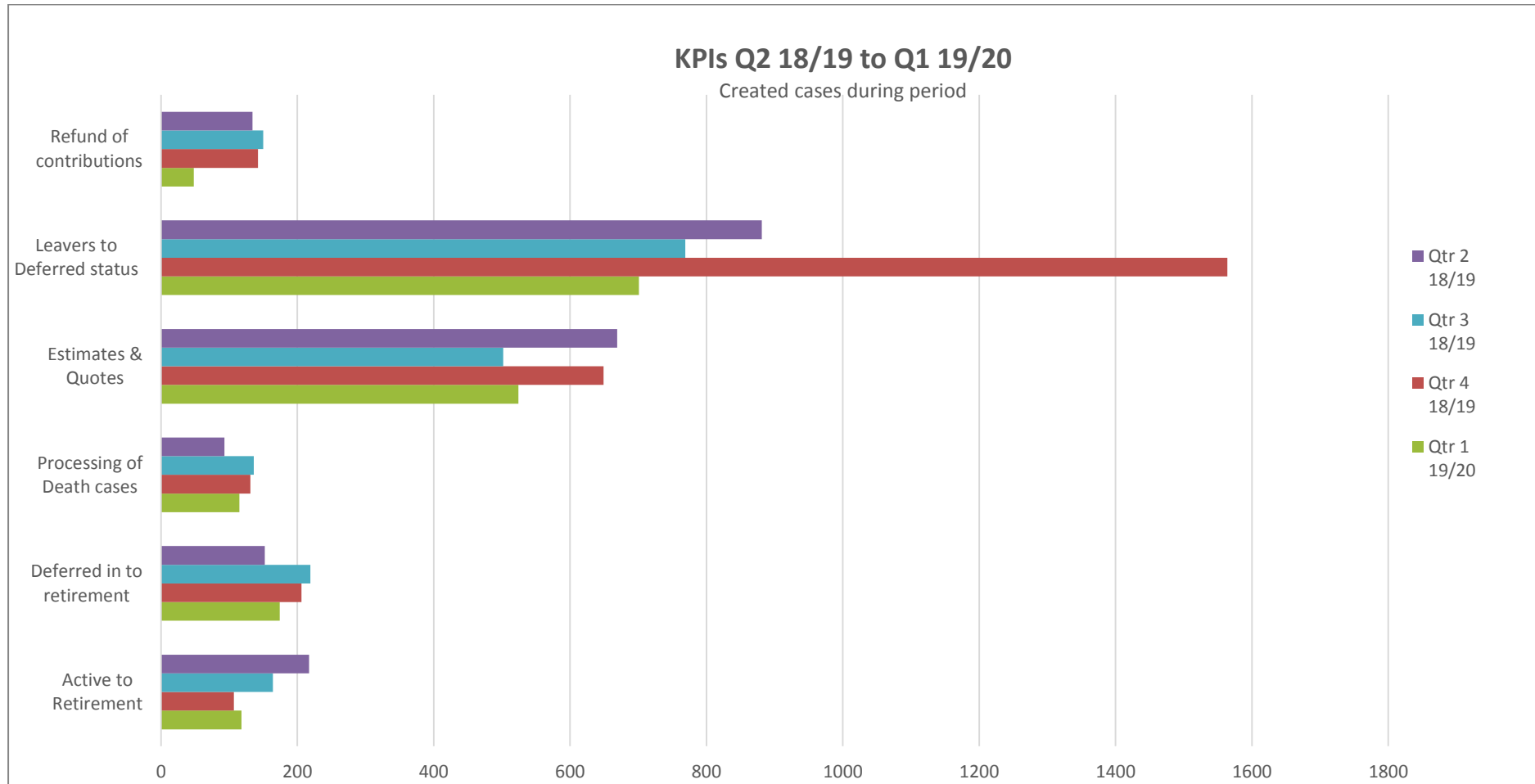
Type of case	Created cases in period	Open cases at period end	Percentage against membership	Completed cases time to complete						Total	Timescales Admin Strategy	
				0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 + days		% on target	working days
<b>Active to Retirement</b>	118	94	0.4%	30	28	24	10	22	7	121	48%	10
Deferred in to retirement	174	54	0.2%	119	44	12	8	1	2	186	64%	5
Processing of Death cases	115	90	0.1%	72	26	6	5	10	2	121	60%	5
Benefit Estimates	524	67	0.3%	85	154	82	47	55	5	428	56%	10
<b>Leavers to Deferred status</b>	701	1855	8.2%	17	21	17	25	100	117	297	27%	20
<b>Refund of contributions</b>	48	142	0.6%	26	16	8	16	66	172	304	22%	20
<b>Grand Total</b>	<b>1680</b>	<b>2302</b>		<b>349</b>	<b>289</b>	<b>149</b>	<b>111</b>	<b>254</b>	<b>305</b>	<b>1457</b>		
<b>Percentage</b>				<b>24%</b>	<b>20%</b>	<b>10%</b>	<b>8%</b>	<b>17%</b>	<b>21%</b>			

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



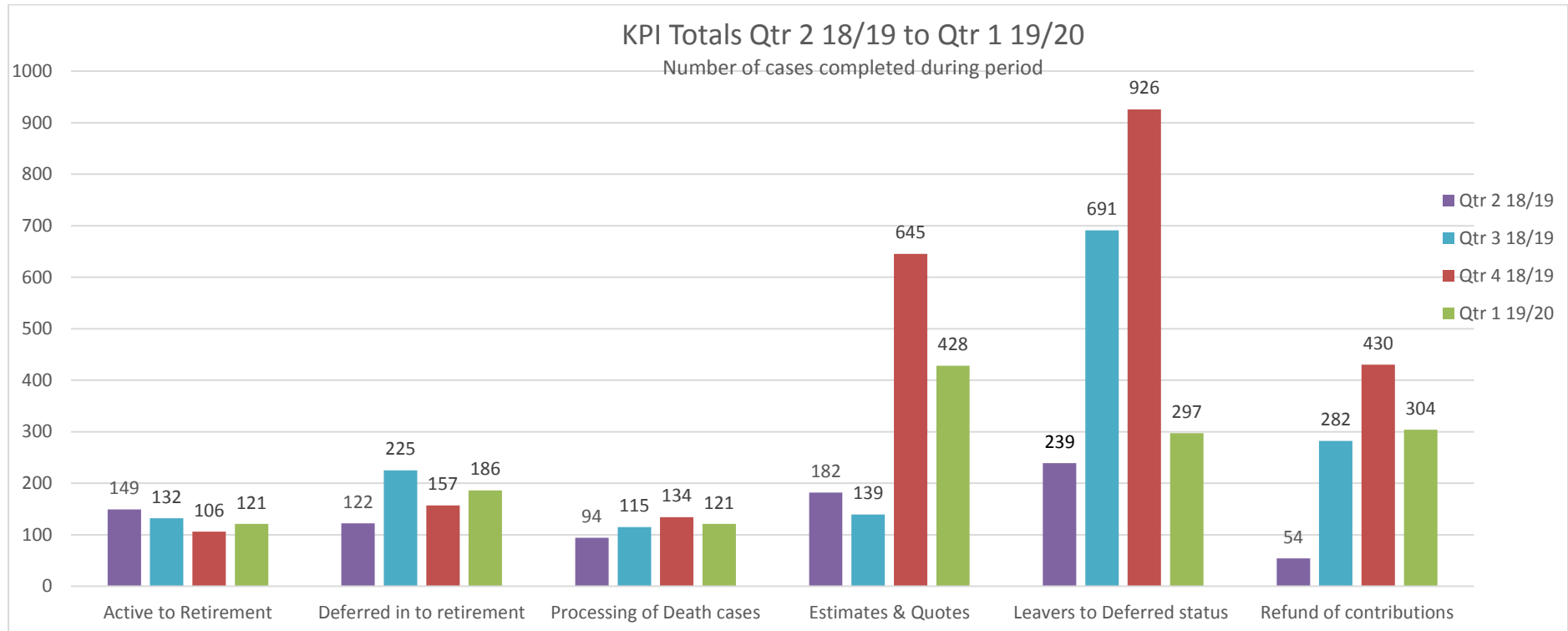


## APPENDIX 3: Administration Strategy KPIs - Fund (Chart 2)

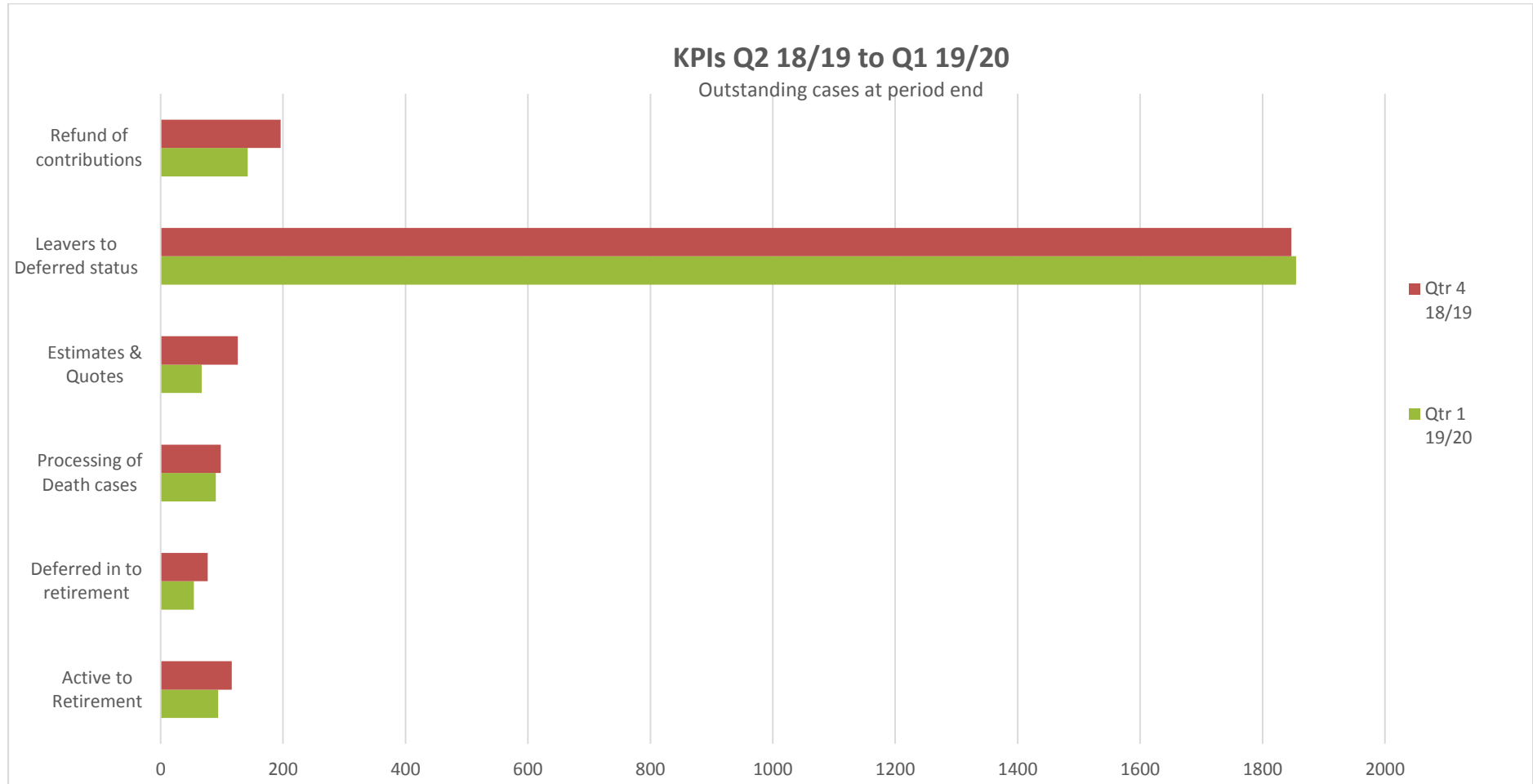


**Note:** Leaver to Deferred Status includes cases which will be later determined to be refund of contributions.

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



### APPENDIX 3: Administration Strategy KPIs - Fund (Chart 4)



## APPENDIX 4: Administration Strategy KPIs - Employers (Table 2)

Employer Key Performance Indicators

Administration  
Strategy

Period 01/04/2019 to 30/06/2019

Type of case	Time to advise							Total	Timescales	
	In Advance	0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +		Admin Strategy	
									% on target	working days
<i>Retirement</i>	93	9	2	6	2	1	8	121	84%	5
<i>Leavers</i>	20	22	13	16	23	42	161	297	32%	20
<i>Refund of contributions</i>	19	13	20	12	23	73	144	304	29%	20
<b>Grand Total</b>	<b>132</b>	<b>44</b>	<b>35</b>	<b>34</b>	<b>48</b>	<b>116</b>	<b>313</b>	<b>722</b>		
<b>Percentage</b>	<b>18%</b>	<b>6%</b>	<b>5%</b>	<b>5%</b>	<b>7%</b>	<b>16%</b>	<b>43%</b>			