

## **WILTSHIRE COUNCIL**

WILTSHIRE PENSION FUND COMMITTEE  
17 December 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.

#### **Considerations for the Committee**

4. As part of the goal to improve the quality of KPI reporting the following changes have been made:
5. Appendix 2: tPR Measures  
Officers have commissioned its pension software provider, Heywood, to produce revised Common and Conditional data in line with the approach agreed by the Pension Regulator and Scheme Advisory Board.
  - a). Common data: It is worth noting that the methodology used by the Fund to date for self-assessing itself against this measure was 'harsher' than the approach agreed between the Regulator and Heywood and hence the percentage score increase is attributable to the change in methodology rather than an underlying improvement in data quality.
  - b). Conditional data: This is first time the Fund has been able to produce this figure following SAB's completion of its analysis.  
Both of these scores will be submitted to tPR as part of the statutory Scheme Return.
6. Appendix 4: Employer breakdown (table 2)  
Officers have now included a breakdown of the figures shown in table 1 for the largest 5 employers so that the Board and Committee are aware of where employer delays lie. Note a more detailed breakdown has not been provided because the number cases quickly become immaterial when looking at the data of smaller employers.

#### **Conclusions**

#### **General comments**

7. During the period, the rollout of My Wiltshire Pension, continuous IT issues, end of year work, benefit statement production, triennial valuation and vacancies 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.
8. Material shorter term improvement is unlikely to occur without further resource being available.
9. More specific comments relating to each section are covered in the sub-sections below:

#### Disclosure Regulations (Appendix 1)

10. 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 deferments and refunds. Improvement against deferments on the Disclosure Regulations basis, requirements both quicker submission by employers (see Appendix 4) and quicker processing by the Fund (see Appendix 3).
11. With time, the new administration strategy (including the escalation policy) and rollout of i-Connect should help improve employer performance but Fund improvement needs further temporary resource until the efficiencies from projects can be realised.

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

12. The Fund's Common Data percentage is 97.9% (94.2% at the last date it was calculated) however the new methodology does not class the outstanding processing of active to deferred status cases/refunds as a failure which has improved the score. The remaining failures are mainly due to 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)

13. Chart 1 shows the Fund is operating below its desired targets for most cases but there are some recent improvement in all areas except Refund of Contributions and deferreds which have worsened.
14. Chart 3 shows insufficient level in the processing volumes of *Leaver to deferred* status backlogs, partly 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 continue 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.

#### Administration Strategy KPIs – Employers (Appendix 4)

15. In the majority of cases, employers provide Retirement information before the date the member leaves with 71% meeting the target time. Employer performance also appears to be fairly consistent across different employers.
16. 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). Table 2 also shows considerable variation across the

major employers for leavers and refunds (which are submitted together). Employers timeliness should improve with the use of i-Connect.

### **Environmental Impact**

17. There is no environmental impact from this report.

### **Financial Considerations**

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

### **Risk Assessment**

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

### **Legal Implications**

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

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

21. There are no implications at this time.

### **Proposals**

22. The Committee is requested to note the:
- a). Fund's performance against the KPIs; and
  - b). Officer's intention to add benchmarked KPIs against other Funds each year following the publication of each Fund's Annual Report and Accounts.

### **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

01/07/2019

to

30/09/2019

Process		Legal Requirement	Success rate	No. cases within Legal timeframes
<b>Deaths</b> - initial letter acknowledging death		2 months	100.0%	89
<b>Deaths</b> - letter notifying amount of dependants pension		2 months	100.0%	89
<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>		99.0%	435
<b>Retirements</b> - letter notifying actual retirement benefits + process and pay benefits on time	<b>Active</b>	2 months	87.0%	118
	<b>Deferred</b>		100.0%	194
	<b>Total</b>		93.5%	312
<b>Deferment</b> - calculate and notify deferred benefits		2 months	7.6%	34
<b>Transfers in</b> - letter detailing transfer quote		2 months	95.2%	20
<b>Transfers out</b> - letter detailing transfer quote		2 months	90.9%	108
<b>Refund</b> - process and pay a refund		2 months	19.3%	31
<b>Divorce quote</b> - letter detailing cash equivalent value and other benefits		3 months	100.0%	44
<b>Divorce settlements</b> - letter detailing implementation of pension sharing order		3 months	100.0%	1
<b>Joiners</b> - notification of date of enrolment		2 months	TBC	TBC

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

## **APPENDIX 2: tPR Data Quality scores**

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### **a). tPR Common Data Percentage Breakdown (At 11 October 2019)**

**Total score = 97.9% (from 94.2%)**

### **b). tPR Conditional Data Percentage**

**Total score = 95.4%**

**Note:** Heywood are still in process of producing the a report which detail what the failures are attributed to.

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

### Wiltshire Pension Fund

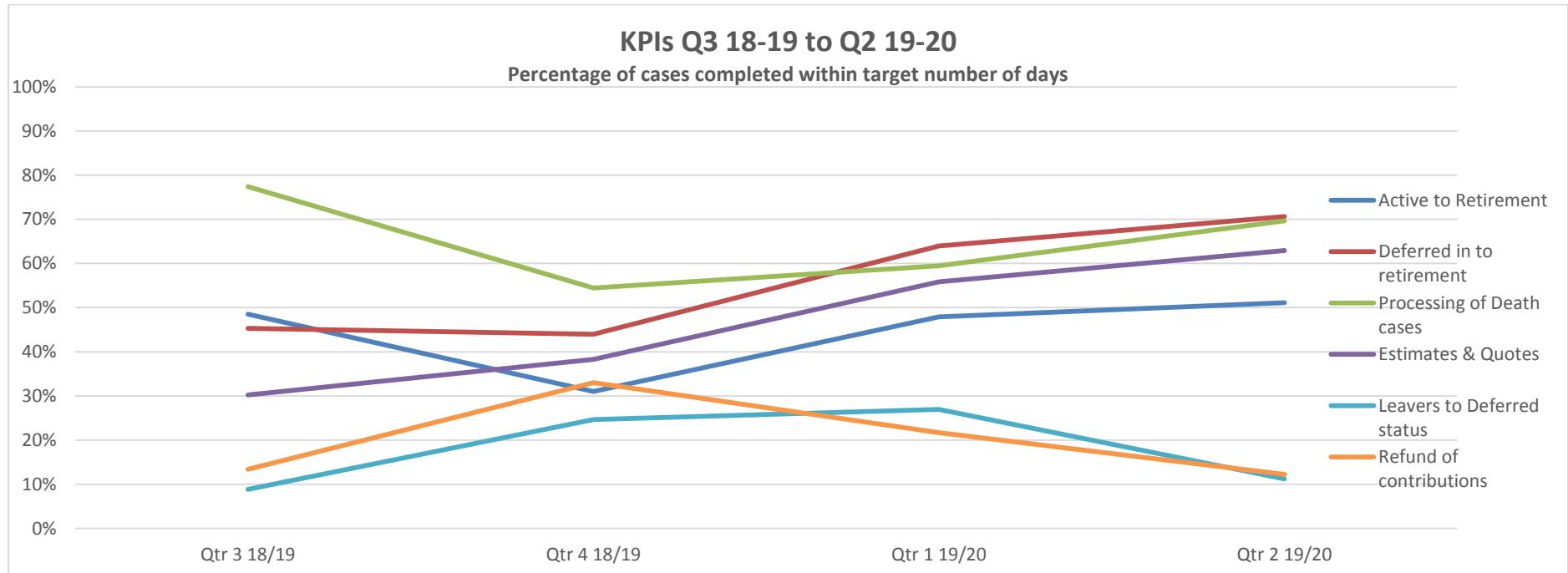
#### Benefit Administration Key Performance Indicators

#### Administration Strategy

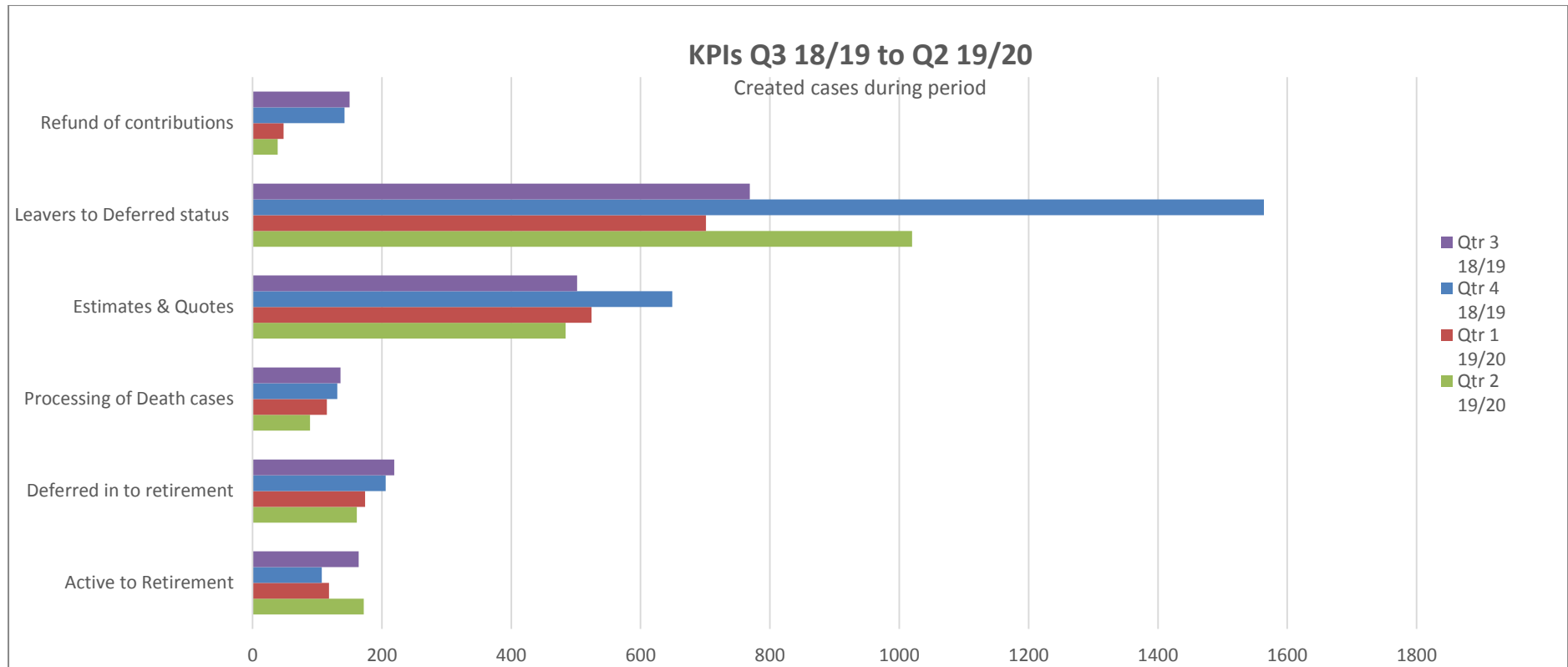
Period **01/07/2019** to **30/09/2019**

Type of case	Created cases in period	Open cases at period end	Percentage against membership	Completed cases time to complete						Total	Timescales	
				0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 + days		Admin Strategy % on target	Admin Strategy working days
<b>Active to Retirement</b>	172	117	0.52%	37	32	30	19	12	5	135	51%	10
Deferred in to retirement	161	20	0.07%	137	35	17	4	1	0	194	71%	5
Processing of Death cases	89	90	0.12%	62	17	5	3	1	1	89	70%	5
Benefit Estimates	484	65	0.29%	106	171	83	46	31	3	440	63%	10
<b>Leavers to Deferred status</b>	1020	2197	9.75%	15	10	10	11	75	289	410	11%	20
<b>Refund of contributions</b>	39	96	0.43%	11	6	2	4	34	131	188	12%	20
<b>Grand Total</b>	<b>1965</b>	<b>2585</b>		<b>368</b>	<b>271</b>	<b>147</b>	<b>87</b>	<b>154</b>	<b>429</b>	<b>1456</b>		
<b>Percentage</b>				<b>25%</b>	<b>19%</b>	<b>10%</b>	<b>6%</b>	<b>11%</b>	<b>29%</b>			

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



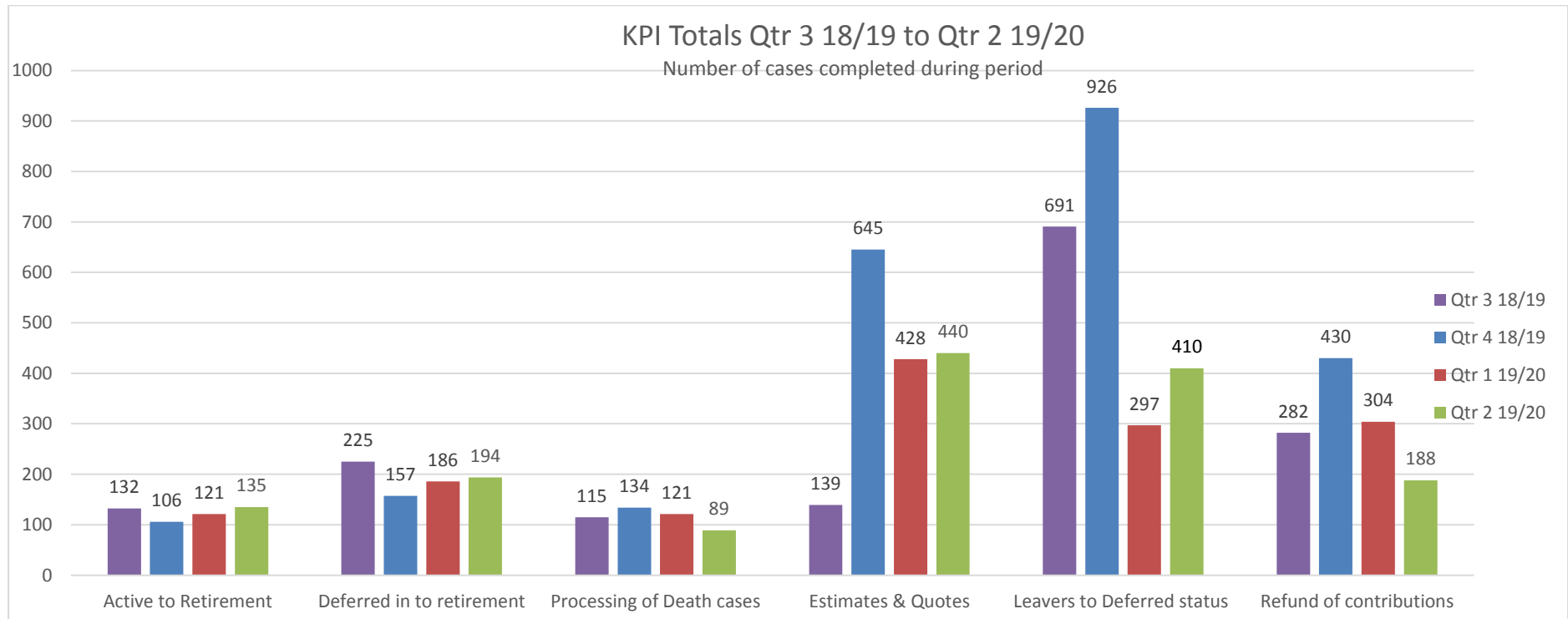
## APPENDIX 3: Administration Strategy KPIs - Fund (Chart 2)



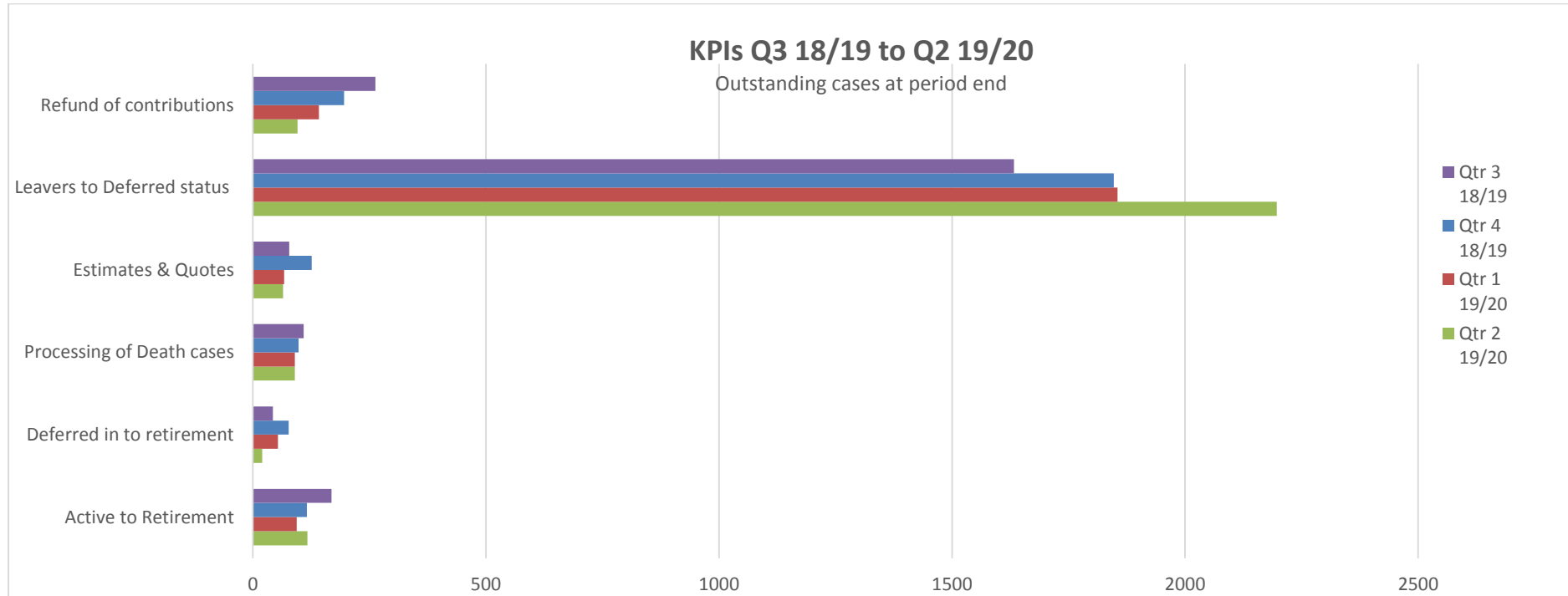
**Note:** Leaver to Deferred Status includes cases which will be later determined to be refund of contributions.



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



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



## APPENDIX 4: Administration Strategy KPIs - Employers (Table 1)

Employer Key Performance Indicators

Administration Strategy

Period 01/07/2019 to 30/09/2019

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	Admin Strategy working days
<i>Retirement</i>	96	8	1	6	3	8	13	135	71%	0
<i>Leavers</i>	33	23	19	15	30	40	250	410	29%	20
<i>Refund of contributions</i>	15	5	7	5	9	33	114	188	22%	20
<b>Grand Total</b>	<b>144</b>	<b>36</b>	<b>27</b>	<b>26</b>	<b>42</b>	<b>81</b>	<b>377</b>	<b>733</b>		
<b>Percentage</b>	<b>20%</b>	<b>5%</b>	<b>4%</b>	<b>4%</b>	<b>6%</b>	<b>11%</b>	<b>51%</b>			

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

### 5 Largest Employers and others

Employer	Managed Records	Time to advise - Retirements							Total	Admin Strategy	Admin Strategy
		In Advance	0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +		% on target	working days
Wiltshire Council	34154	35	3	0	2	0	4	5	49	71%	0
Swindon Borough Council	15721	17	3	1	1	2	0	3	27	63%	0
Police Civilians	2840	7	0	0	0	0	1	0	8	88%	0
White Horse Federation	1922	4	0	0	0	0	1	1	6	67%	0
Wiltshire College	1859	3	2	0	0	0	0	0	5	60%	0
Others	18263	32	0	0	1	1	2	4	40	80%	0
		<b>98</b>	<b>8</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>8</b>	<b>13</b>	<b>135</b>		
		<b>73%</b>	<b>6%</b>	<b>1%</b>	<b>3%</b>	<b>2%</b>	<b>6%</b>	<b>10%</b>			

Employer	Managed Records	Time to advise - Leavers							Total	Admin Strategy	Admin Strategy
		In Advance	0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +		% on target	working days
Wiltshire Council	34154	6	3	0	0	1	4	144	158	6%	20
Swindon Borough Council	15721	9	9	9	7	9	13	9	65	66%	20
Police Civilians	2840	1	1	0	1	10	2	0	15	87%	20
White Horse Federation	1922	1	2	2	1	2	3	1	12	67%	20
Wiltshire College	1859	3	2	2	1	0	0	0	8	100%	20
Others	18263	13	6	6	5	8	18	96	152	25%	20
		<b>33</b>	<b>23</b>	<b>19</b>	<b>15</b>	<b>30</b>	<b>40</b>	<b>250</b>	<b>410</b>		
		<b>8%</b>	<b>6%</b>	<b>5%</b>	<b>4%</b>	<b>7%</b>	<b>10%</b>	<b>61%</b>			

Employer	Managed Records	Time to advise - Refunds						Total	Admin Strategy	Admin Strategy	
		In Advance	0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days		40 days +	% on target	working days
Wiltshire Council	34154	1	0	0	0	0	4	65	70	1%	20
Swindon Borough Council	15721	5	1	3	3	2	13	8	35	40%	20
Police Civilians	2840	1	1	0	0	2	1	2	7	57%	20
White Horse Federation	1922	0	0	0	0	0	2	0	2	0%	20
Wiltshire College	1859	2	2	3	0	0	1	1	9	78%	20
Others	18263	6	1	1	2	5	12	38	65	23%	20
		<b>15</b>	<b>5</b>	<b>7</b>	<b>5</b>	<b>9</b>	<b>33</b>	<b>114</b>	<b>188</b>		
		<b>8%</b>	<b>3%</b>	<b>4%</b>	<b>3%</b>	<b>5%</b>	<b>18%</b>	<b>61%</b>			