

## **WILTSHIRE COUNCIL**

WILTSHIRE PENSION FUND COMMITTEE  
26 March 2020

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### **ADMINISTRATION 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-focussed 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 continually improve the quality of KPI reporting, the following changes have been made to this quarter (the first two were requested by the Local Pension Board):
  - a). The inclusion of a trend graph for the Disclosure Regulations (see Appendix 1, chart);
  - b). Inclusion of the missing Disclosure Regulations KPI for starters;
  - c). Officers have revised methodology for the Disclosure Regulations for deferrals and refunds in recognition that the previous methodology was incorrect after we sought clarification from the LGA – this change has improve figures and we have applied retrospectively to have a like with like comparison; and
  - d). Alignment of the Administration Strategy KPIs in line with new Administration Strategy.

#### **Conclusions**

##### **General comments**

##### **Disclosure Regulations (Appendix 1)**

5. The table in appendix 1 shows the Fund is generally performing well against these targets with the exception of the following two processes:
  - a). Deferrals and refunds: This measure continues to be low even with the corrected methodology. However, officers are currently making changes to the process which we significantly increase the Fund's compliance against this measure and, with time, will also increase efficiency (this will visible in the next set of KPIs).

Furthermore, the Committee is asked to note that Fund processing speed has been effected by an approximate 60% increase in leavers and refund cases being set up in 2019 compared to 2018. Without such an increase, timeframes and backlogs would be improved and materially decreased respectively. Increased resourcing is proposed in the budget for 2020-2021 to address overall these demands, particularly while it takes time to realise the benefits of increased efficiency.

Actions:

iii). Officers plan to change the leaver and refund process so that it provides the required disclosure information soon after receipt, even if the actual processing occurs some time later. Other changes to process will also make the process more efficient.

iv). The Fund is seeking to apply more resource to this area using a mixture of internal resource (reassigning responsibilities) and new external resource (subject to budgetary approval).

b). Starters: Whilst there are no material backlogs with starter set-ups, the previous process was inefficient and caused delays; i-Connect will automatically set up starters, and a new process is also in place which should help reduce pressures elsewhere.

tPR Common and Conditional Data percentages (Appendix 2)

6. There are no change in these figures since the last meeting however we obtained and included two charts which show how the Fund compares against other Funds on a like with like basis. Our scores were 97.9% (Common) and 95.4% (Conditional) are above average and top quartile compared against peers in both cases which is reassuring on a relative level although further absolute improvement is still desired.

Administration Strategy KPIs – Fund (Appendix 3)

7. Chart 1 shows the Fund is operating below its desired targets for most cases mainly for the same reasons as outlined in paragraph 5. Officers intend to increase resourcing in the benefits team and are gradually reviewing processes to improve efficiency and meet our desired timeframes. The initial focus is on the compliance (disclosure) measures.

Administration Strategy KPIs – Employers (Appendix 4)

8. In the majority of cases, employers provide retirement information before the date the member retires. Employer performance also appears to be fairly consistent across different employers.

9. The submission time for leavers and refunds are significant with over half the leavers being submitted over two months late. Table 2 also shows considerable variation across the major employers for leavers and refunds (which are submitted together).

10. Employers timeliness should improve with the use of i-Connect, Wiltshire Council will be going live shortly will makes up a material proportion of the active membership.

11. Further onboarding on to i-Connect will force employers to submit more quickly. We anticipate that over 50% of the active membership covered by 31 March 2020 and over 30% by 31 March 2019. Officers are also currently implementing escalating procedures to chase employers for later submissions.

**Environmental Impact**

12. There is no environmental impact from this report.

### **Financial Considerations**

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

### **Risk Assessment**

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

### **Legal Implications**

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

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

16. There are no implications at this time.

### **Proposals**

17. The Committee is asked to note the current situation and the Fund's plans for improvement.

### **Andy Cunningham**

Head of Pensions Administration and Relations

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

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## APPENDIX 1 Table 1: Disclosure Requirements (CIPFA template)

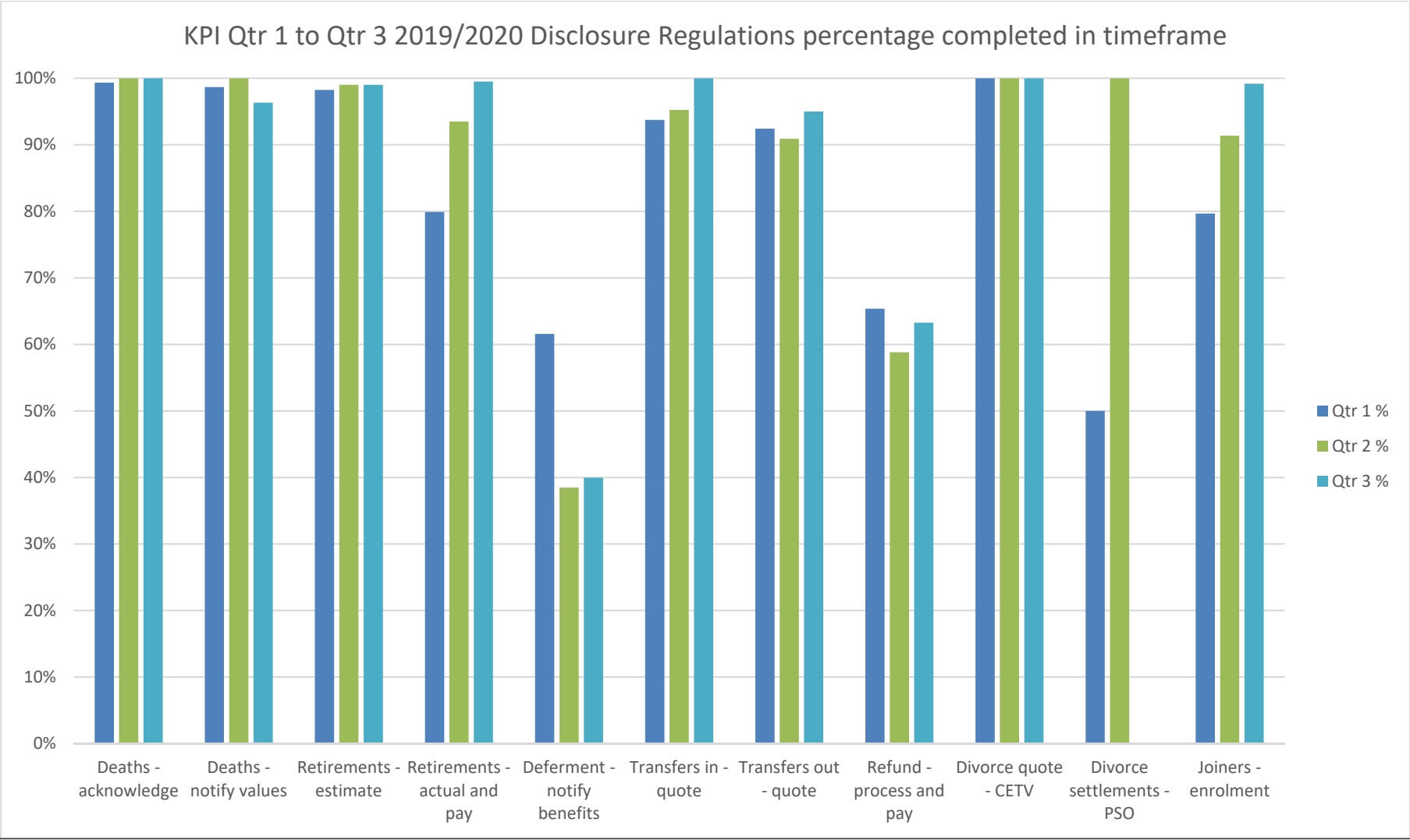
### Benefit Administration Key Performance Indicators

#### Disclosure Regulations

Period 01/10/2019 to 31/12/2019

Process		Legal Requirement	%	No. cases within Leg Req
<b>Deaths</b> - initial letter acknowledging death		2 months	100%	98
<b>Deaths</b> - letter notifying amount of dependants pension		2 months	96%	94
<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%	349
<b>Retirements</b> - letter notifying actual retirement benefits + process and pay benefits on time	<b>Active</b>	2 months	99%	116
	<b>Deferred</b>		100%	171
	<b>Total</b>		99%	287
<b>Deferment</b> - calculate and notify deferred benefits		2 months	40%	122
<b>Transfers in</b> - letter detailing transfer quote		2 months	100%	18
<b>Transfers out</b> - letter detailing transfer quote		2 months	95%	127
<b>Refund</b> - process and pay a refund		2 months	63%	112
<b>Divorce quote</b> - letter detailing cash equivalent value and other benefits		3 months	100%	65
<b>Divorce settlements</b> - letter detailing implementation of pension sharing order		3 months	0%	0
<b>Joiners</b> - notification of date of enrolment		2 months	99%	1762

# APPENDIX 1, Chart 1: Disclosure Requirements

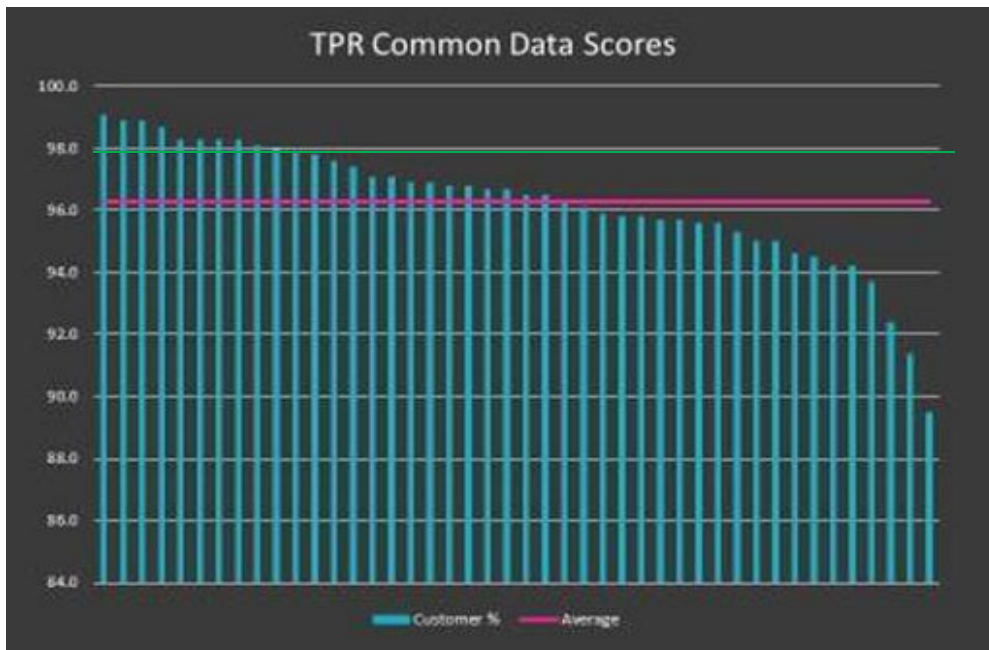


## APPENDIX 2: tPR Data Quality scores

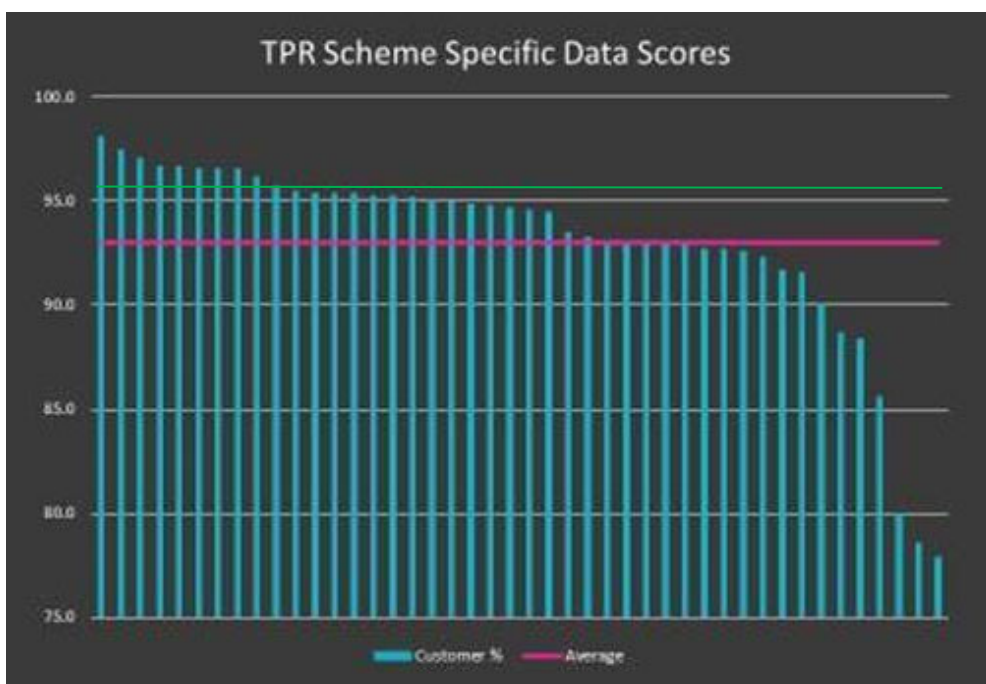
a). tPR Common Data Percentage Breakdown (At 11 October 2019)  
Total score = 97.9% (from 94.2%)

b). tPR Conditional Data Percentage  
Total score = 95.4%

The charts below show scores across Heywood clients which used the Heywood data quality report on like with like methodology basis.



Wiltshire Pension Fund



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

### Wiltshire Pension Fund

Benefit Administration Key Performance Indicators

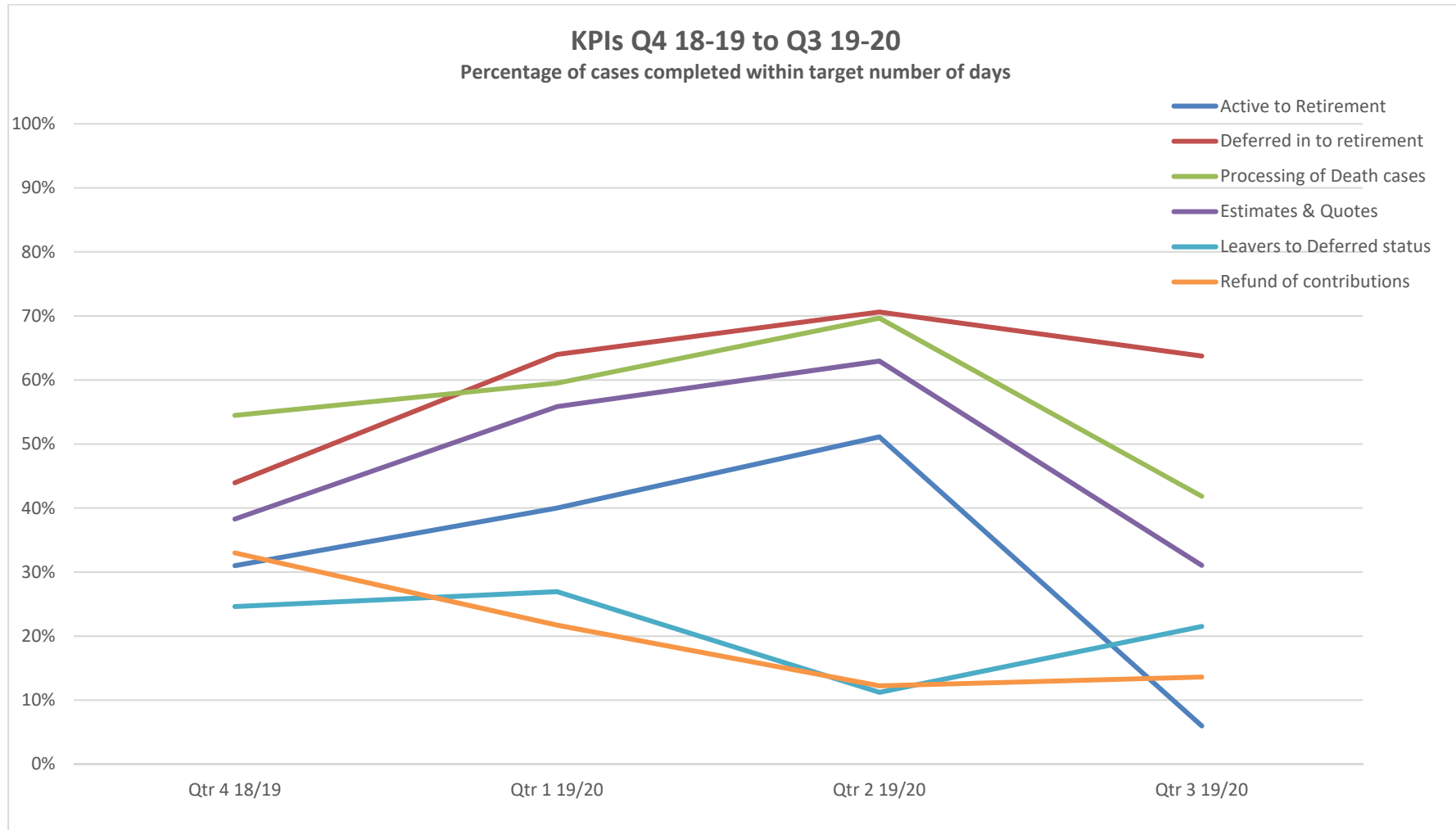
Administration Strategy

Period 01/10/2019 to 31/12/2019

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>	95	101	0.45%	7	20	29	23	30	8	117	6%	5
Deferred in to retirement	182	22	0.07%	109	34	25	3	0	0	171	64%	5
Processing of Death cases	118	104	0.13%	41	38	7	5	3	4	98	42%	5
Benefit Estimates	464	116	0.51%	49	60	84	91	62	5	351	31%	10
<b>Leavers to Deferred status</b>	1606	2915	12.94%	32	18	8	5	46	184	293	22%	20
<b>Refund of contributions*</b>	25	44	0.20%	19	7	2	3	12	148	191	14%	10
<b>Grand Total</b>	<b>2490</b>	<b>3302</b>		<b>257</b>	<b>177</b>	<b>155</b>	<b>130</b>	<b>153</b>	<b>349</b>	<b>1221</b>		
<b>Percentage</b>				<b>21%</b>	<b>14%</b>	<b>13%</b>	<b>11%</b>	<b>13%</b>	<b>29%</b>			

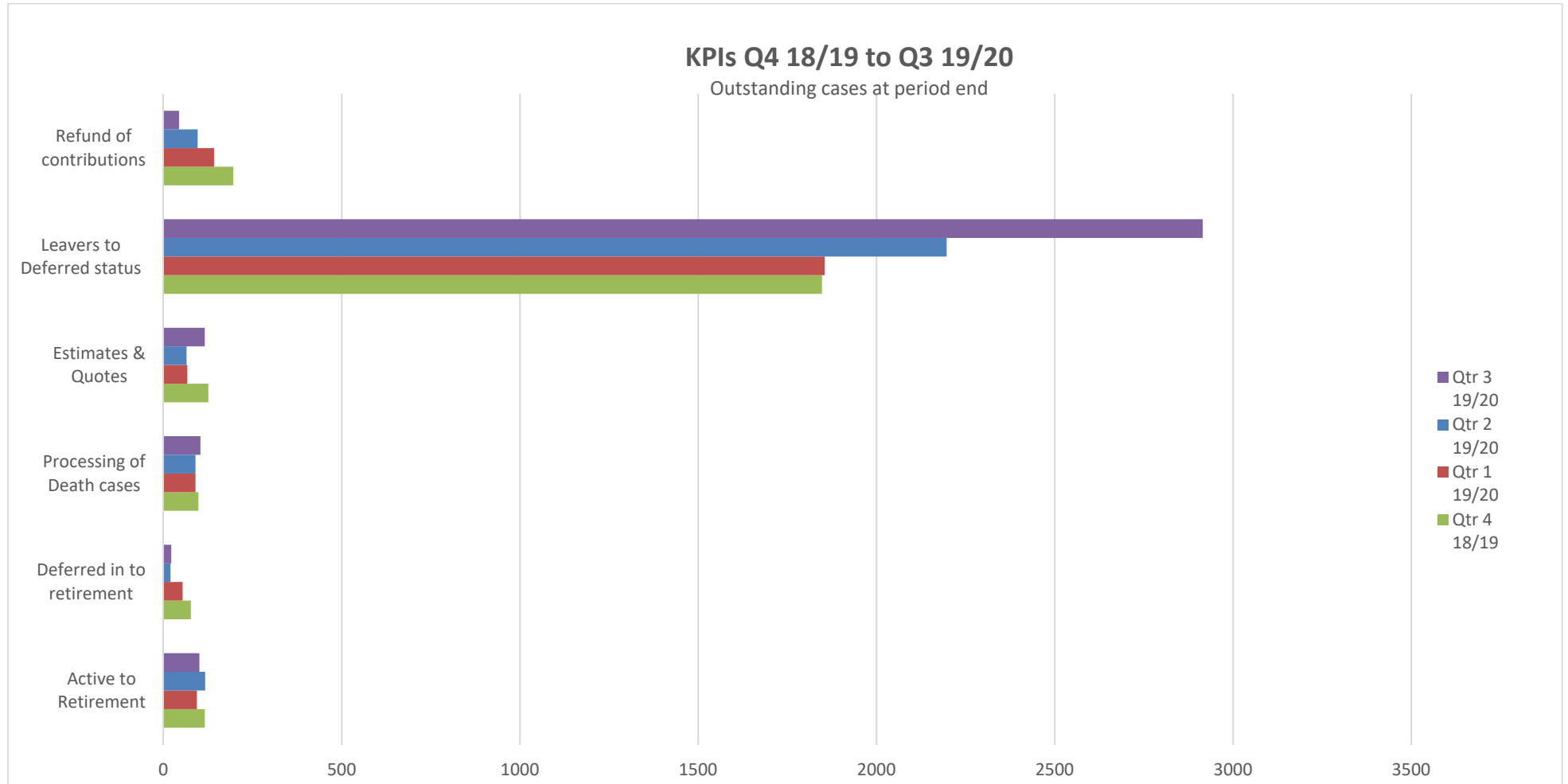
\*Note: The case types highlighted have had a reduction in the target working days.

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



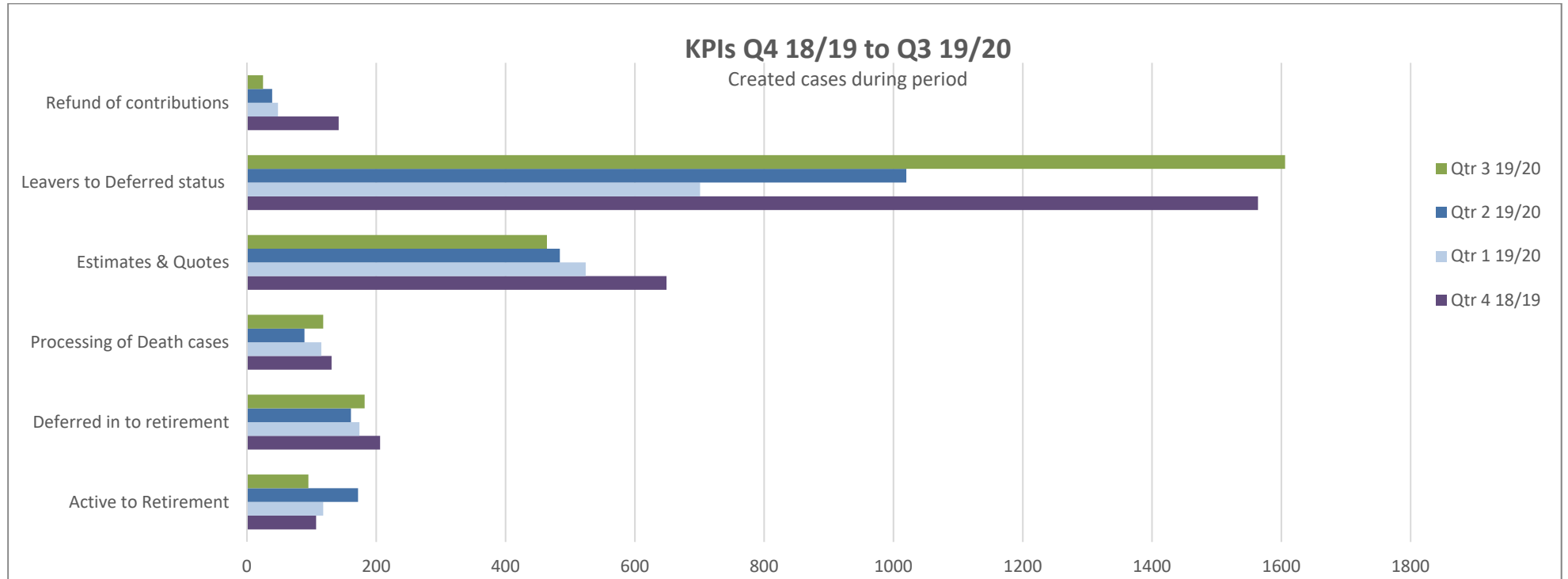


## APPENDIX 3: Administration Strategy KPIs - Fund (Chart 2)

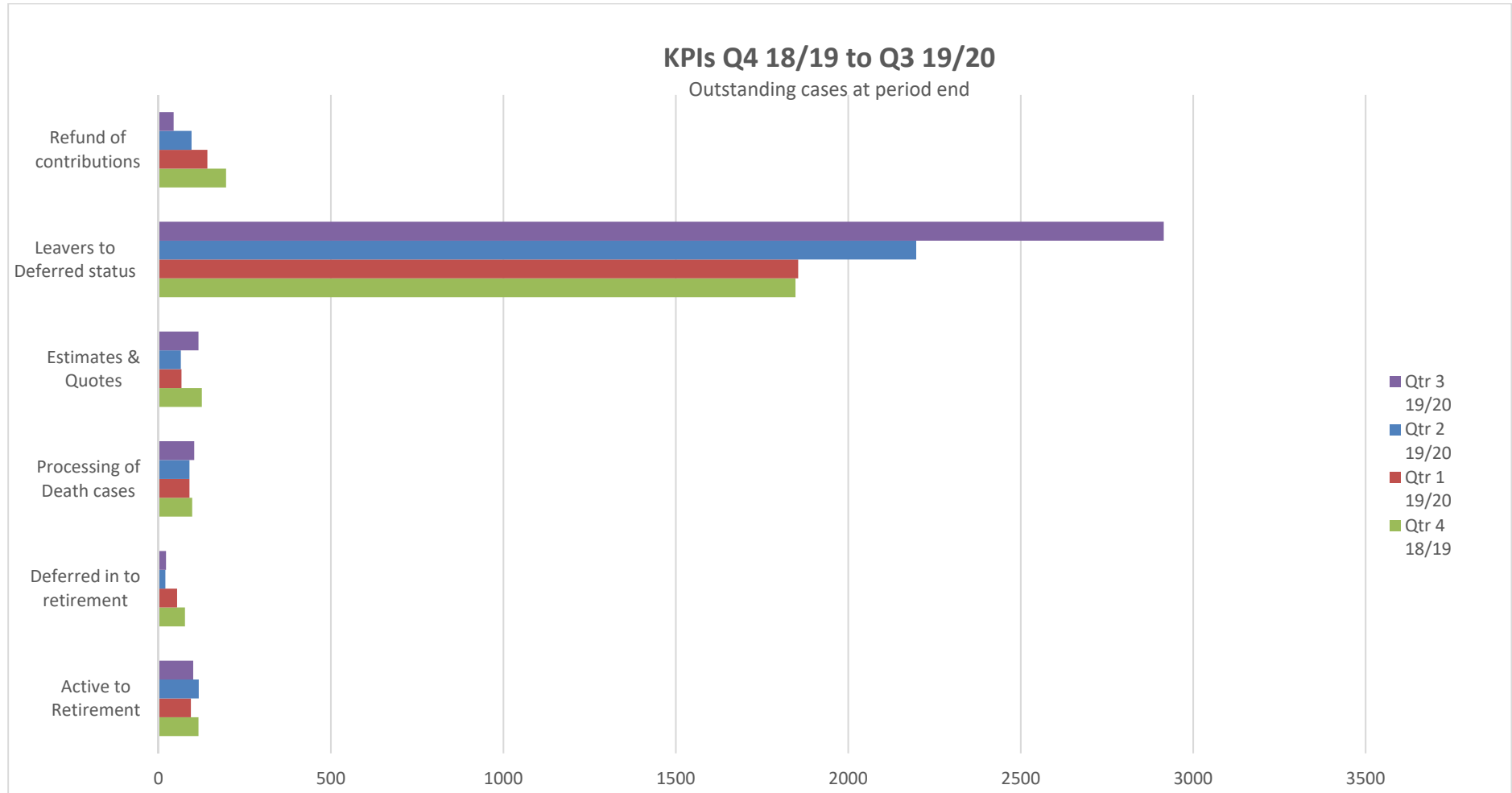


**Note:** Leaver to Deferred Status includes cases which will be later determined to be refund of contributions.

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



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





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

### 5 Largest "Managed" Employers

Employer	Managed Records	Time to advise - Retirements							Total	Admin Strategy	Admin Strategy
		In Advance	Target - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +		% on target	working days
Wiltshire Council	34,154	31	4	9	0	3	0	5	52	60%	-2*
Swindon Borough Council	15,721	12	2	2	1	2	4	1	24	50%	-2*
Police Civilians	2,840	3	0	0	0	0	0	0	3	100%	-2*
White Horse Federation	1,922	2	0	0	0	1	0	0	3	67%	-2*
Wiltshire College	1,859	3	0	0	0	0	0	0	3	100%	-2*
Others	18,263	19	1	4	1	1	3	3	32	59%	-2*
		<b>46</b>	<b>6</b>	<b>11</b>	<b>1</b>	<b>5</b>	<b>4</b>	<b>6</b>	<b>117</b>		
		<b>39%</b>	<b>5%</b>	<b>9%</b>	<b>1%</b>	<b>4%</b>	<b>3%</b>	<b>5%</b>			

\*Revised timeframe

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	34,154	1	1	0	0	0	26	83	111	2%	20
Swindon Borough Council	15,721	4	11	6	7	5	11	8	52	63%	20
Police Civilians	2,840	0	1	0	1	3	3	0	8	63%	20
White Horse Federation	1,922	2	1	0	2	2	1	2	10	70%	20
Wiltshire College	1,859	2	1	0	0	0	1	3	7	43%	20
Others	18,263	20	2	3	3	3	12	62	105	30%	20
		<b>29</b>	<b>17</b>	<b>9</b>	<b>13</b>	<b>13</b>	<b>54</b>	<b>158</b>	<b>293</b>		
		<b>10%</b>	<b>6%</b>	<b>3%</b>	<b>4%</b>	<b>4%</b>	<b>18%</b>	<b>54%</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	34,154	5	0	1	1	0	10	54	71	10%	20
Swindon Borough Council	15,721	5	1	0	3	3	12	9	33	36%	20
Police Civilians	2,840	0	1	0	0	3	0	0	4	100%	20
White Horse Federation	1,922	0	0	1	1	1	1	1	5	60%	20
Wiltshire College	1,859	2	0	3	1	0	0	2	8	75%	20
Others	18,263	2	2	2	5	1	10	48	70	17%	20
		<b>14</b>	<b>4</b>	<b>7</b>	<b>11</b>	<b>8</b>	<b>33</b>	<b>114</b>	<b>191</b>		
		<b>7%</b>	<b>2%</b>	<b>4%</b>	<b>6%</b>	<b>4%</b>	<b>17%</b>	<b>60%</b>			