WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
16 July 2020

ADMINISTRATION KEY PERFOMANCE 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. The structure of the paper is largely unchanged. Two metrics with very low volumes has been removed from the Disclosure Regulations tables as the low volumes mean that the percentages measures are of limited use and implies materiality.

5. The focus of officers is very much on making long-term improvements to processes. During 2020/2021, officers are particularly focussed on onboarding as many employers as possible on to the i-Connect platform. With time, this will help directly or indirectly improve the measures shown within but in the short-term some decrease in these metrics will be visible. Furthermore, there is a significant focus on improving controls and accuracy, which are not visible within this figures.

6. During the quarter reported, the focus of key members of the team has been on the end of year process to try to maximise the percentage of annual benefit statements being sent (as per the Business plan goal of 99%). The percentage of active statements sent last year was 95% although the new target may be more difficult to achieve due to some late end of year submissions from some key employers due to COVID-19 administrative difficulties.

Conclusions

General comments

Disclosure Regulations (Appendix 1)

7. The table in appendix 1 shows the Fund has generally performing well against these targets. The deferreds disclosure level has increased significantly due to change in the process. In relation to the measures which lower than desired:
An explanation of the reason for the lower measures are given below:
a). Refund payments (31%): There are staff shortages in this team which has been recently restructured. The process is also being reviewed which should result in improvements in the long-term, potentially from Q3.
b). Transfers out quote (54%): These cases have been treated as a lower priority in comparison to the payment of benefits, resulting in a lower percentage although this is now being re-assessed.
c). New joiners (72%): Staff have focused on end of year submissions and i-Connect onboarding during the quarter. This figure may be low in the next quarter due to the time taken to upload Wiltshire Council's first i-Connect return (which covers over a third of active members) and generally while employeres are onboarded onto i-Connect but it is anticipated this will become high once all employers are onboarded.

tPR Common and Conditional Data percentages (Appendix 2)

8. There are no change in these figures since the last meeting however they are included for completeness and 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)

9. 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 have recently increased 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 outlined in Appendix 1.

Administration Strategy KPIs – Employers (Appendix 4)

10. 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.

11. Employers timeliness should improve with the use of i-Connect, Wiltshire Council (and its academies) went live with effect from March 2020 and they make up a material proportion of the active membership (abeit data has only been added in July for the first return).

12. 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 potentially much higher. Officers are also currently implementing escalating procedures to chase employers for later submissions.

Environmental Impact

13. There is no environmental impact from this report.

Financial Considerations

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

Risk Assessment

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

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

17. There are no implications at this time.

Proposals

18. 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

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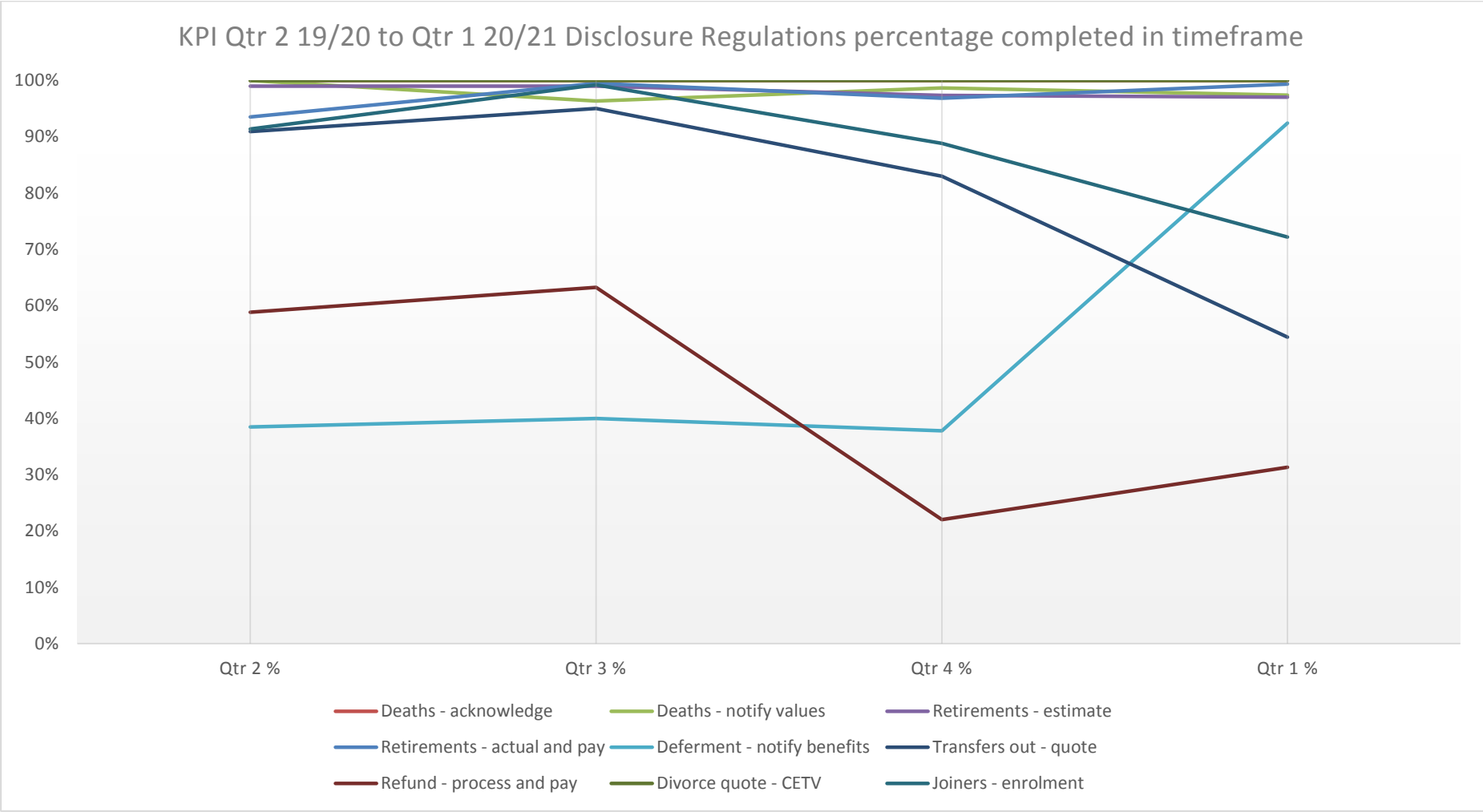
Disclosure Regulations

Period   **01/04/2020** to   **30/06/2020**

Process name		Disclosure Requirement	%	No. cases within Legal Timeframe
Deaths - initial letter acknowledging death		2 months	100.0%	147
Deaths - letter notifying amount of dependants pension		2 months	97.4%	143
Retirements - letter notifying estimate of retirement benefits	**Active**	2 months	n/a	n/a
	Deferred		n/a	n/a
	Total		96.9%	377
Retirements - letter notifying actual retirement benefits + process and pay benefits on time	**Active**	2 months	100.0%	95
	Deferred		98.9%	169
	Total		99.3%	264
Deferment - calculate and notify deferred benefits		2 months	92.4%	1248
Transfers out - letter detailing transfer quote		2 months	54.4%	81
Refund - process and pay a refund		2 months	31.3%	57
Divorce quote - letter detailing cash equivalent value and other benefits		3 months	100.0%	60
Joiners - notification of date of enrolment*****		2 months	72.2%	342

*Officers expect this figure to raise significantly in this quarter due to a change in process.

KPI Qtr 2 19/20 to Qtr 1 20/21 Disclosure Regulations percentage completed in timeframe

Legend:
- Deaths - acknowledge
- Deaths - notify values
- Retirements - estimate
- Retirements - actual and pay
- Deferment - notify benefits
- Transfers out - quote
- Refund - process and pay
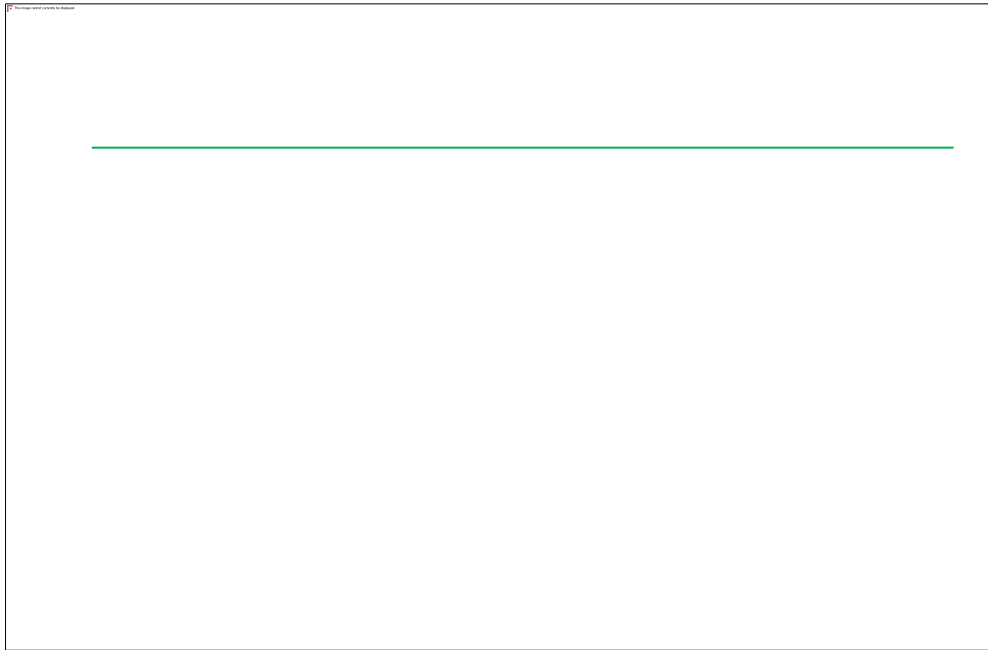- Divorce quote - CETV
- Joiners - enrolment
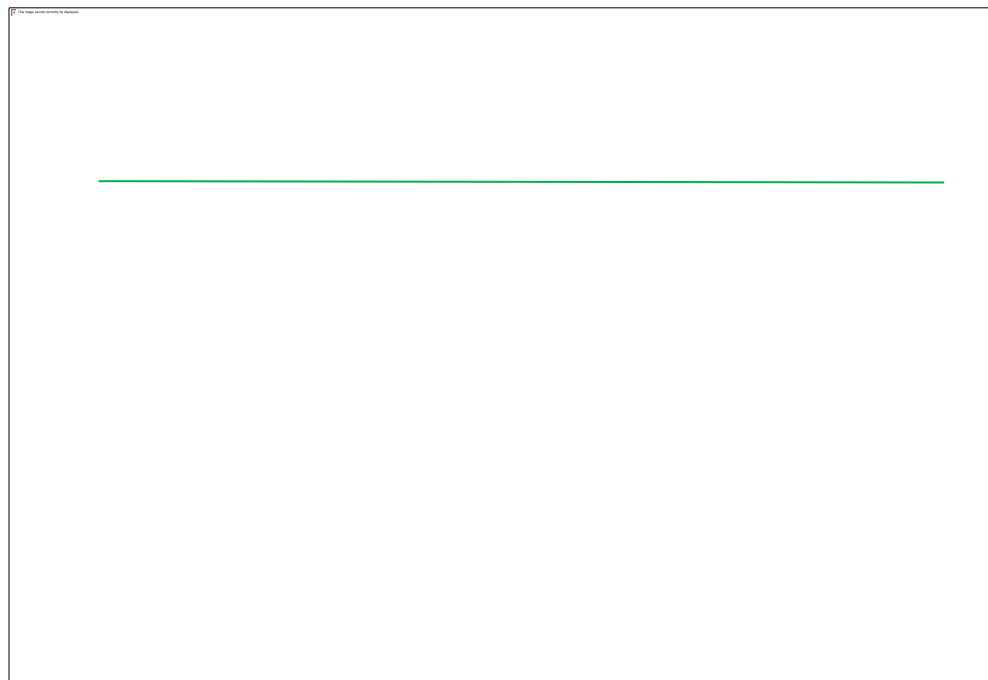
APPENDIX 2: tPR Data Quality scores

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

Wiltshire Pension Fund

Wiltshire Pension Fund
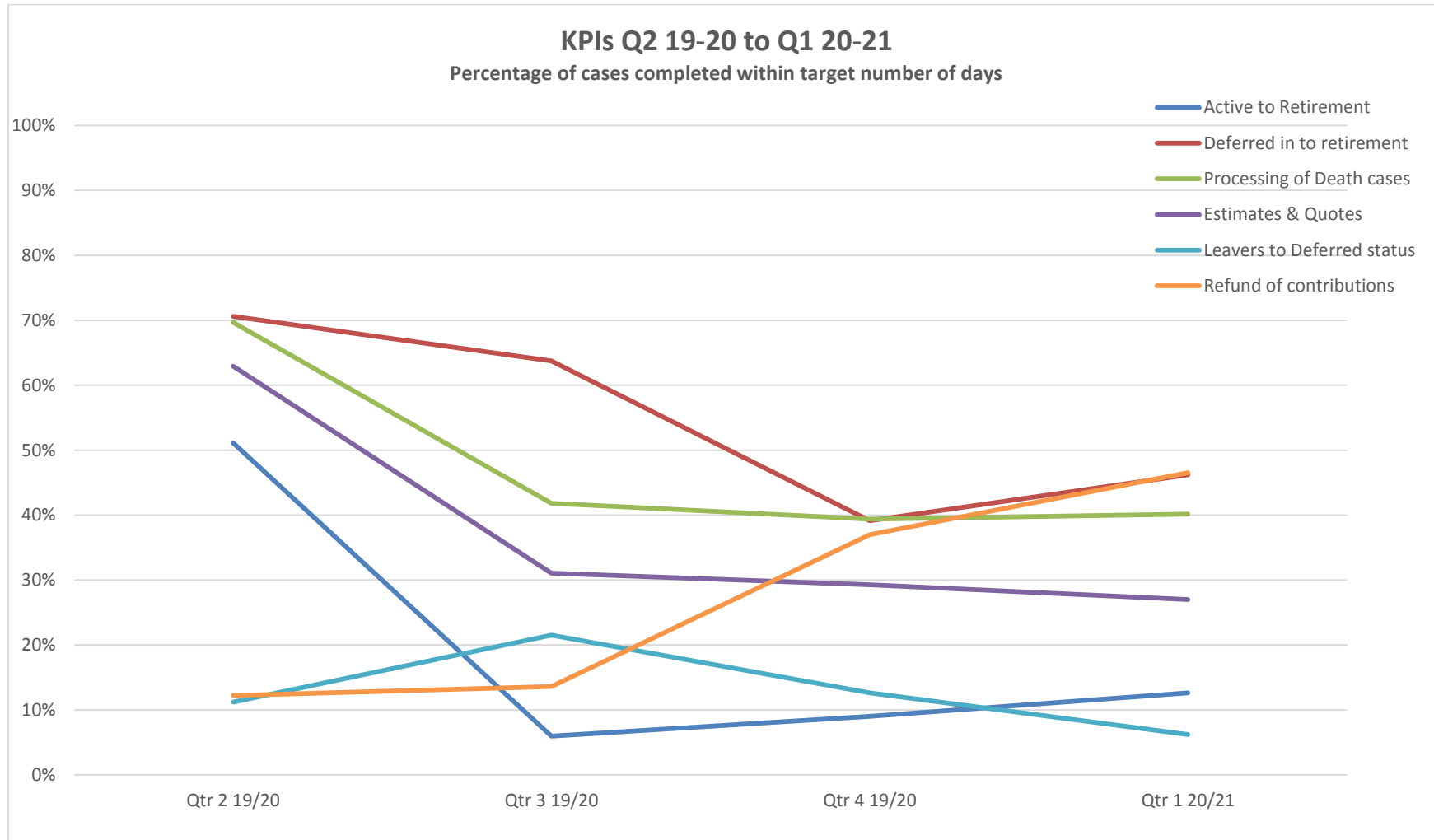
Administration Strategy

Benefit Administration Key Performance Indicators

Period 01/04/2020 to 30/06/2020

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
Active to Retirement	103	85	0.4%	12	19	23	13	23	5	95	13%	5
Deferred in to retirement	224	23	0.1%	79	51	32	5	4	0	171	46%	5
Processing of Death cases	183	115	0.1%	59	23	29	17	12	7	147	40%	5
Benefit Estimates	492	33	0.1%	51	54	44	38	154	48	389	27%	10
Leavers to Deferred status	1624	3442	15.3%	18	3	3	7	30	438	499	6%	20
Refund of contributions	112	42	0.2%	100	1	1	2	3	110	217	47%	10
Grand Total	**2738**	**3740**		**319**	**151**	**132**	**82**	**226**	**608**	**1518**		
Percentage				**21%**	**10%**	**9%**	**5%**	**15%**	**40%**			

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

KPIs Q2 19-20 to Q1 20-21
Percentage of cases completed within target number of days

KPI Totals Qtr 1 19/20 to Qtr 4 19/20
Number of cases completed during period

Legend:
- Qtr 1 19/20
- Qtr 2 19/20
- Qtr 3 19/20
- Qtr 4 19/20

Category	Qtr 1 19/20	Qtr 2 19/20	Qtr 3 19/20	Qtr 4 19/20
Active to Retirement	120	135	117	115
Deferred in to retirement	186	194	171	166
Processing of Death cases	121	89	98	132
Estimates & Quotes	428	440	351	492
Leavers to Deferred status	297	410	293	491
Refund of contributions	304	188	191	235
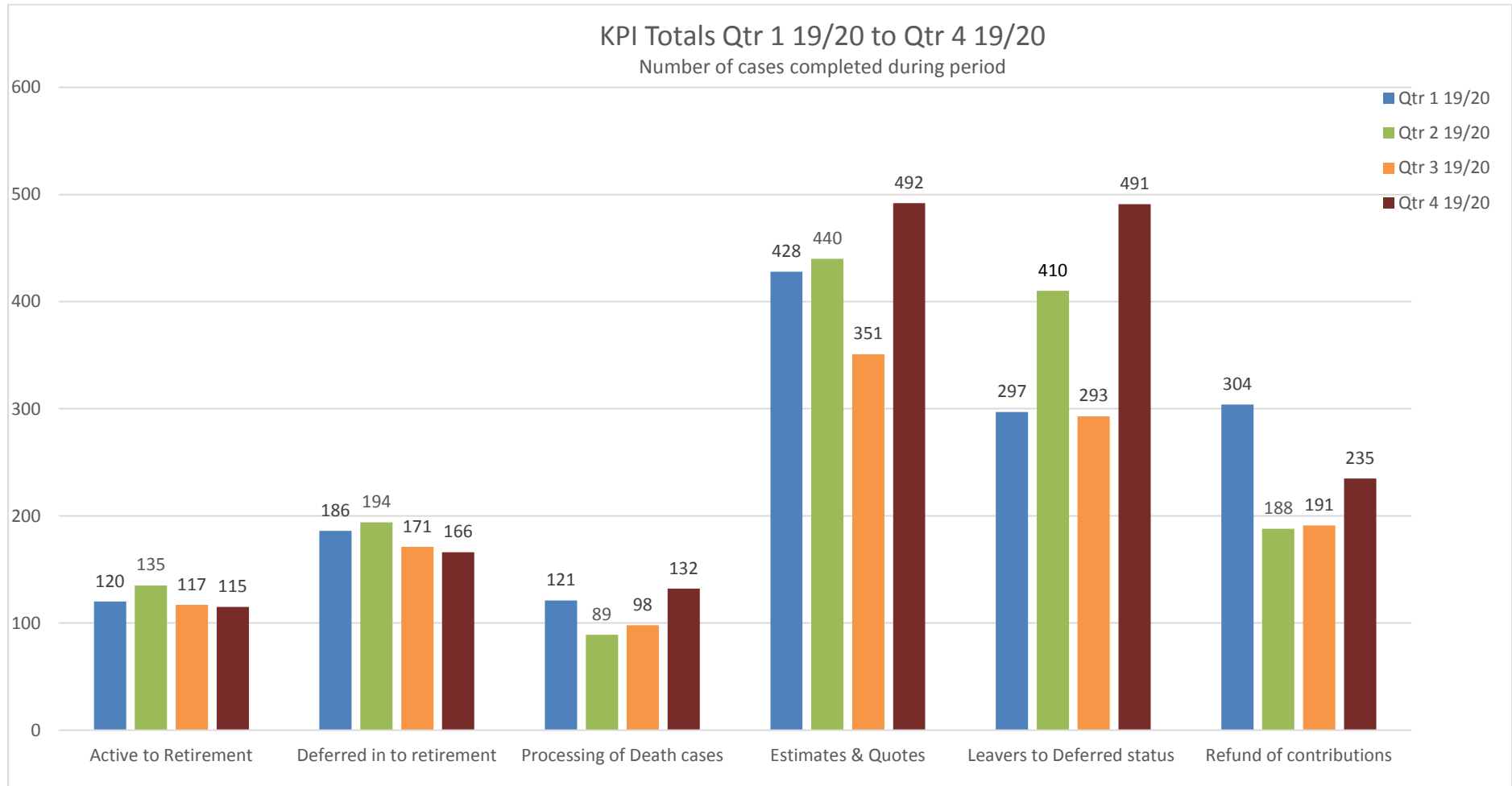
Note: Leaver to Deferred Status includes cases which will be later determined to be refund of contributions.

KPIs Q2 19/20 to Q1 20/21

Outstanding cases at period end
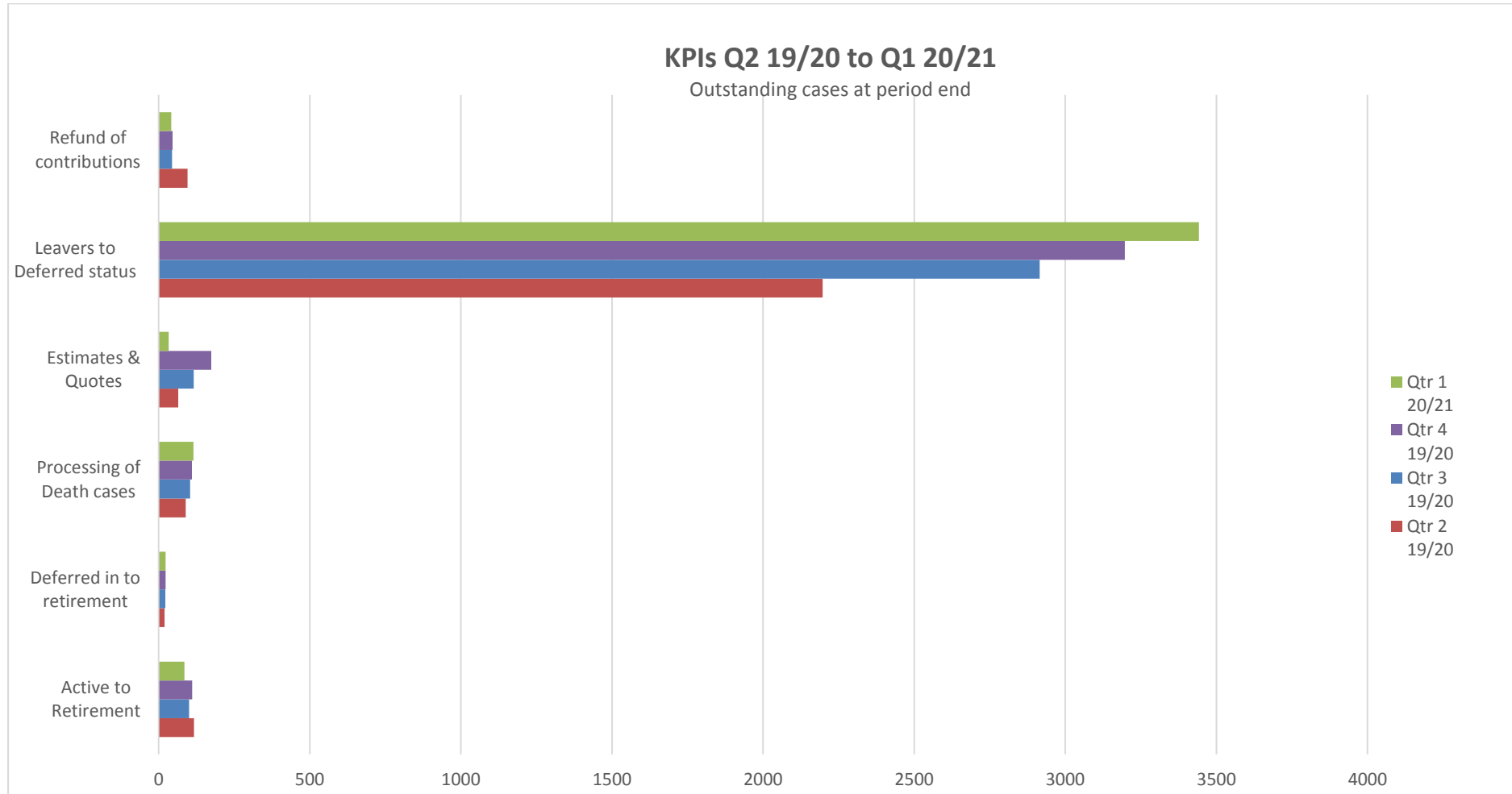
APPENDIX 4: Administration Strategy KPIs - Employers (Table 1)

Employer Key Performance Indicators

Administration Strategy

Period   01/04/2020   to   30/06/2020

| Type of case | Time to advise | | | | | | | Total | Timescales | |
| | | | | | | | | | Admin Strategy | |
	To Target	Target - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +	Total	% on target	working days
Retirement	49	2	12	3	3	10	16	95	52%	2
Leavers	30	17	84	20	11	114	223	499	32%	20
Refund of contributions	61	9	13	2	12	34	86	217	45%	20
Grand Total	**140**	**28**	**109**	**25**	**26**	**158**	**325**	**811**		
Percentage	**17%**	**3%**	**13%**	**3%**	**3%**	**19%**	**40%**			

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

5 Largest "Managed" Employers

Employer	Managed Records	Time to advise - Retirements								Admin Strategy % on target	Admin Strategy working days
		To Target	Target - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +	Total		
Wiltshire Council	34154	26	2	5	1	0	6	6	46	57%	2
Swindon Borough Council	15721	5	0	1	0	0	0	3	9	56%	2
Police Civilians	2840	3	0	1	1	0	0	0	5	60%	2
White Horse Federation	1922	1	0	1	0	0	0	2	4	25%	2
Wiltshire College	1859	1	0	0	0	0	0	1	2	50%	2
Others	18263	13	0	4	1	3	4	4	29	45%	2
		49	**2**	**12**	**3**	**3**	**10**	**16**	**95**		
		52%	**2%**	**13%**	**3%**	**3%**	**11%**	**17%**			

Employer	Managed Records	Time to advise - Leavers								Admin Strategy % on target	Admin Strategy working days
		To Target	Target - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +	Total		
Wiltshire Council	34154	3	0	0	0	1	33	94	131	3%	20
Swindon Borough Council	15721	4	4	23	3	2	20	20	76	47%	20
Police Civilians	2840	1	4	10	9	1	8	0	33	76%	20
White Horse Federation	1922	6	0	32	1	1	15	3	58	69%	20
Wiltshire College	1859	1	1	0	1	1	0	1	5	80%	20
Others	18263	15	8	19	6	5	38	105	196	27%	20
		30	**17**	**84**	**20**	**11**	**114**	**223**	**499**		
		6%	**3%**	**17%**	**4%**	**2%**	**23%**	**45%**			