WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
17 December 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. In the interests of transparency and to help monitor overall administration performance, officers agreed with Committee and Board to publish quarterly benefits administration key performance indicators (KPIs)

3. KPIs are an important aspect of providing an efficient and effective customer-focussed benefits administration service.

Considerations for the Committee

4. The figures in this report cover the period 1 July 2020 to 30 September 2020 unless otherwise indicated.

5. Overall, the focus of officers continues to be 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 (see Appendix 4). With time, this will help directly or indirectly improve the measures shown within but in the short-term some decreases in these metrics may be visible.

6. Furthermore, there is a significant focus on improving controls and accuracy, which are not visible within this figures are a key part of improving the robustness of the Fund.

7. In addition to the standard KPI measures, the tPR has recently released the results from its annual survey which has allowed one piece of benchmarking to take place on a key tPR metric:
   Annual Benefit Statements: On average, public service pension schemes send 95% of benefit statements on time, while the LGPS average is 96% and Wiltshire Pension Fund's percentage was 96.9% this year (albeit 95% last year, at the time of the survey). As stated previously, greater onboarding on to i-Connect should increase this figure further.

Conclusions

General comments

Disclosure Regulations (Appendix 1)

8. The table in appendix 1 shows the Fund continues to perform well against these targets. The deferreds and refunds disclosure level have increased over time due to change in the process, further improvements are anticipated with greater onboarding on to i-Connect and with the bedding in of other process improvements.

9. In relation to the measures which are lower than desired, an explanation of the reason for each are given below:

    a). <u>Transfers out quote (75%)</u>: 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 to improve the turnaround times (which have improved from the last quarter)

    b). <u>New joiners (72%) & Deferments (65%)</u>: Staff have focused on end of year submissions and i-Connect onboarding during the quarter. This figure should improve with greater onboarding of employers onto i-Connect and with further bedding in of new processes.

tPR Common and Conditional Data percentages (Appendix 2)

10. These figures have now been updated and are shown in appendix 2. Our common data figure is now 98.5% and the conditional/scheme specific figure is 96.4% (both improvements since last year).

11. At the moment, no comparisons on these metrics are available with peers for this year's figures but last year (with lower percentages), our scores were above average and top quartile in both cases which provides a level of assurance.

12. Furthermore, officers are currently awaiting for its pension administration software provider to rollout a new piece of Business Information (BI) reporting software which should allow more regular updates of these figures (along with numerous other benefits).

Administration Strategy KPIs – Fund (Appendix 3)

13. Chart 1 shows the Fund is operating below its desired targets for most cases mainly for the same reasons as outlined in paragraph 6, although the percentages are stronger against the newly-added CIPFA metrics. Officers have recently increased resourcing in the benefits team and are gradually reviewing processes to improve efficiency and meet our desired timeframes however this is a slow process. The initial focus is on the compliance (disclosure) measures outlined in Appendix 1 whilst time is dedicated to delivering long-term improvements and reforms.

i-Connect and My Wiltshire Pension (MSS) onboarding (Appendix 4)

14. i-Connect take up has not changed materially over the last few months as resource was focussed on completing the end of year process, however staff are now re-focussed on onboarding new employers, in line with the Business plan, so the number onboarded should improve more steadily in future over the next two quarters.

15. However, one of the main barriers, particularly for payrolls covering a large number of school staff, is the updating of part-time hours histories since 1 April 2014 in order to make records 'McCloud ready'. We still aim to have over 70% of the active membership covered by 31 March 2020 but this largely depends on how much of a delay is caused by the need to update part-time hours histories.

16. MSS sign-ups are broadly in line with industry-norms after successful attempts to encourage more members to sign up.

Backlog monitoring (Appendix 5)

17. Whilst the current backlogs are not leading to a material number of complaints, they are still an issue which needs further attention to improve overall efficiency and customer service. An additional resource request is made in the budget monitoring paper.

Administration Strategy KPIs – Employers (Appendix 6)

18. In the majority of cases, employers provide retirement information before the date the member retires, as the Fund requests. Employers timeliness in relation to leavers and refunds should improve with greater use of i-Connect.

19. Further onboarding on to i-Connect will force employers to submit more quickly for certain data, including deferments and refunds. Officers have now implemented escalation procedures to chase employers for later submissions.

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 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)
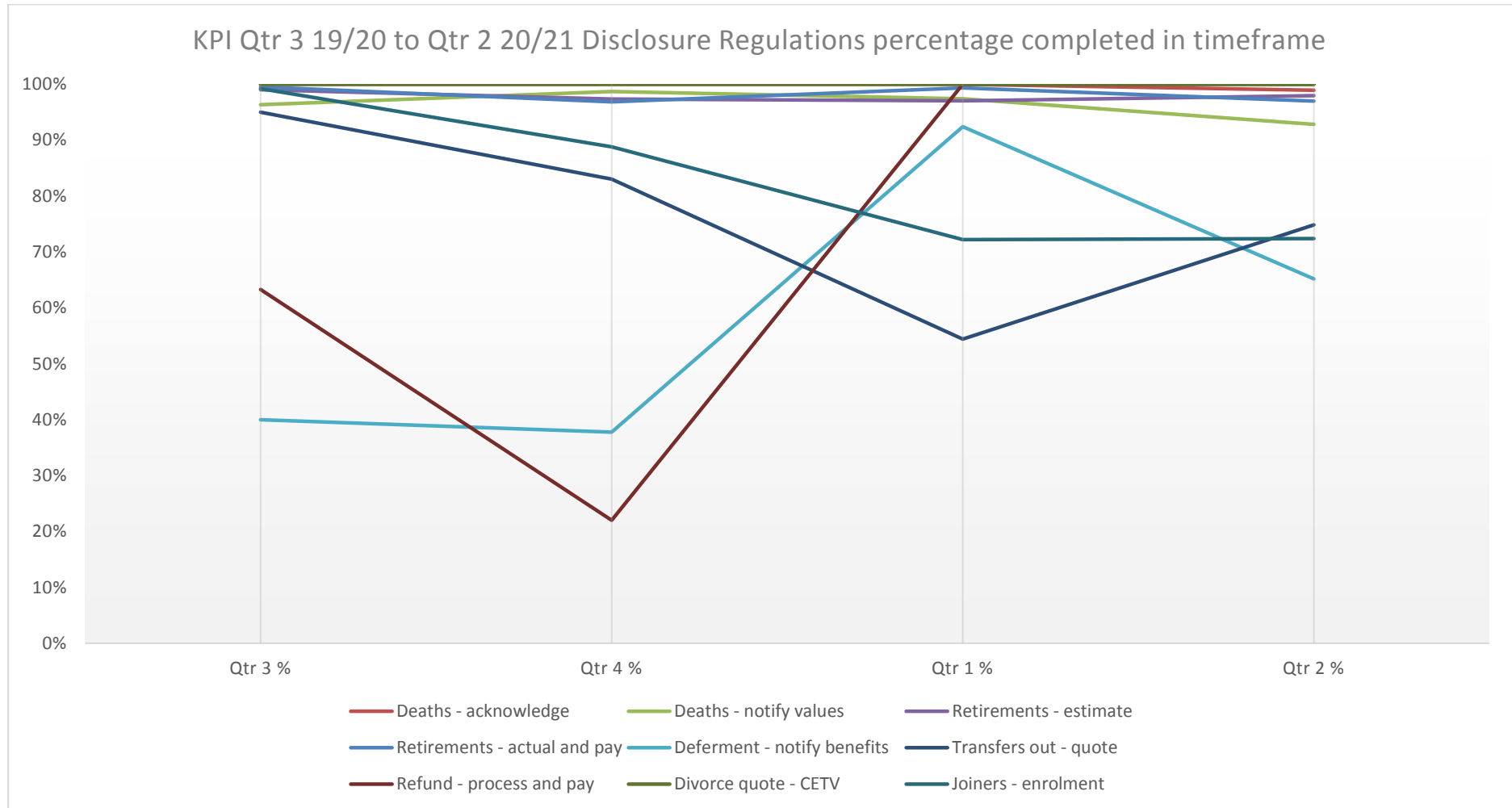
Benefit Administration Key Performance Indicators

Disclosure Regulations

Period   01/07/2020   to   30/09/2020

Process name		Disclosure Requirement	%	No. cases within Legal Timeframe
Deaths - initial letter acknowledging death		2 months	99%	82
Deaths - letter notifying amount of dependants pension		2 months	93%	77
Retirements - letter notifying estimate of retirement benefits	**Active**	2 months	n/a	n/a
	Deferred		n/a	n/a
	Total		98%	449
Retirements - letter notifying actual retirement benefits + process and pay benefits on time	**Active**	2 months	94%	95
	Deferred		100%	167
	Total		97%	262
Deferment - calculate and notify deferred benefits		2 months	65%	253
Transfers out - letter detailing transfer quote		2 months	75%	49
Refund - process and pay a refund*		2 months	100%	49
Divorce quote - letter detailing cash equivalent value and other benefits		3 months	100%	65
Joiners - notification of date of enrolment		2 months	72%	382

*This measure has risen due to a change in methodology.

APPENDIX 1, Chart 1: Disclosure Requirements

KPI Qtr 3 19/20 to Qtr 2 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

Note: Refunds have increased due to a change in methodology.

APPENDIX 2: tPR Data Quality scores

The Fund scores against the two the Pension Regulator (tPR) key data scores are as follow:

Both scores are based on data held as at 12 October 2020:

a). tPR Common Data Percentage Breakdown
Total score = 98.5% (+0.6% since 11/10/2019)

b). tPR Conditional Data Percentage
Total score = 96.4% (+1.0% since 11/10/2019)

Officers commission Aquila Heywood (our software provider) to re-calculate these percentages annually, in line with our requirement to report these figures to tPR. The target for both figures is 100%.

A comparison graph with other Funds is not current available (as other Funds are still undertaking their calculations) but once it is, this will be shared.

Wiltshire Pension Fund

Administration Strategy

Benefit Administration Key Performance Indicators

Period   01/07/2020   to   30/09/2020

				Completed cases time to complete							Timescales CIPFA (Admin Strategy)		Notes
Type of case	Created cases in period	Open cases at period end	Percentage against membership	0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 + days	Total	% on target (CIPFA)	% on target	working days
Active to Retirement	167	130	0.6%	7	19	16	15	27	17	101	**42%**	7%	15 (5)
Deferred in to retirement	191	30	0.1%	91	36	32	5	3	0	167	**95%**	54%	15 (5)
Processing of Death cases	103	123	0.2%	6	7	26	15	22	7	83	**16%**	7%	10 (5)
Benefit Estimates	543	65	0.3%	54	74	70	62	174	24	458	**43%**	28%	15 (10)
Leavers to Deferred status	648	3542	15.7%	28	12	5	1	13	200	259	**20%**	18%	30 (20)
Leavers to Deferred status (i-Connect)	605	428	1.9%	17	3	18	13	9	14	74	**75%**	69%	30 (20)
Refund of contributions*	62	18	0.1%	8	23	13	4	1	0	49	**99%**	98%	10 (10)
Grand Total	**2319**	**4336**		**211**	**174**	**180**	**115**	**249**	**262**	**1191**			
Percentage				**18%**	**15%**	**15%**	**10%**	**21%**	**22%**				

*Note: Refunds as now calculated using a revised methodology to reflect improvements in the process used.

APPENDIX 4: i-Connect and My Wiltshire Pension (Member portal) progress

i-Connect

The following table shows the progress in onboarding employers on to i-Connect. The long-term target is to onboard all employers on to i-Connect and to onboard as many as possible by the end of 2020/2021. Data is based on 6 October 2020, the comparison is to position in July 2020 (the position is similar at 2 December 2020).

	Number onboarded	Number left to onboard	Completion rate
Active members	10,347(+93)	12,357 (Total = 22,704)	45.57% (+0.99%)
Employers	41 (+1)	133 (Total = 174)	23.56% (+0.58%)

MSS (My Wiltshire Pension)

A table summarising the position as at 2 December 2020 is shown below. The differences in brackets show the change since 2 Oct 2020. Only 'pension record' level figures, rather than member level, as this is easier to report and there is little difference in the percentages.

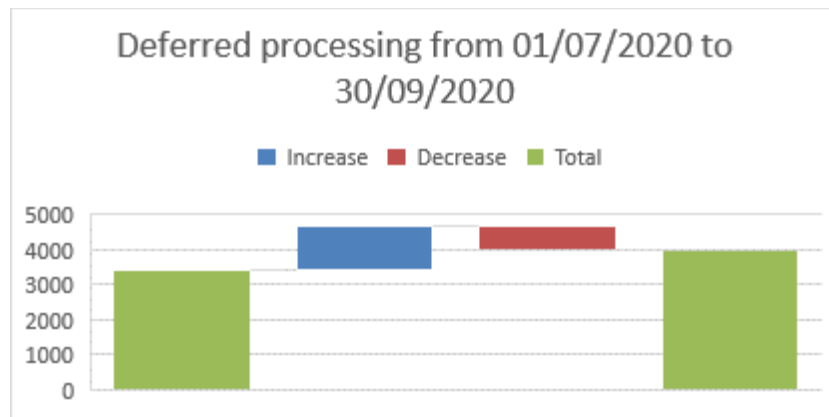|	RECORDS
ACTIVE	**2 Dec 2020**
Registered	8,632 (+134)
Total	23,122
Percentage	**37.43% (-0.1%)**
DEFERRED	
Registered	9,603 (+169)
Total	31,220
Percentage	**30.76% (+0.48%)**
TOTAL	
Registered	18,235
Total	54,342
Percentage	**33.55%**

Prior to making a number of process improvements to the refunds, deferreds and aggregations processes, the Fund accumulated processing backlogs in certain areas. Officers have defined a backlog for a process where there are more than 250 outstanding cases. Where this is the case, officers plan to ring-fence this area of work and manage the backlog area of work separately although this is not in place as at the date of this report.
At present, there are two areas which meet this criteria and current situation in respect of these processes are outlined:

a). Deferred/Refunds
Cases where the member has left and we need to calculate their pension entitlement, but they are not old enough to be able to start receiving their benefits.

b). Internal aggregation cases
These cases are where the member has more than one record at Wiltshire Pension Fund which should be combined together. Members are not financially disadvantaged by delays in completing this work.

Cases currently outstanding: 3,275 (+234 since the last quarter)

(Analysis similar to the above will be available in future, once developed)

APPENDIX 6: Administration Strategy KPIs - Employers (Table 1)

Employer Key Performance Indicators

Administration Strategy

Period   01/07/2020   to   30/09/2020

Type of case	Time to advise								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	70	2	7	1	4	3	14	101	71%	2
Leavers	11	8	6	8	6	21	273	333	12%	20
Refund of contributions	76	0	0	2	1	1	69	149	53%	20
Grand Total	**157**	**10**	**13**	**11**	**11**	**25**	**356**	**583**		
Percentage	**27%**	**2%**	**2%**	**2%**	**2%**	**4%**	**61%**			

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	25	0	2	0	1	0	6	34	74%	2
Swindon Borough Council	15721	6	1	1	0	1	1	4	14	43%	2
Police Civilians	2840	4	1	1	0	0	0	0	6	67%	2
White Horse Federation	1922	1	0	0	0	0	0	0	1	100%	2
Wiltshire College	1859	2	0	0	0	0	0	0	2	100%	2
Others	18263	32	0	3	1	2	2	4	44	73%	2
		70	**2**	**7**	**1**	**4**	**3**	**14**	**101**		
		69%	**2%**	**7%**	**1%**	**4%**	**3%**	**14%**			

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	1	1	0	2	0	3	119	126	3%	20
Swindon Borough Council	15721	3	1	0	0	3	7	31	45	16%	20
Police Civilians	2840	1	0	0	1	0	2	3	7	29%	20
White Horse Federation	1922	0	0	1	1	0	1	10	13	15%	20
Wiltshire College	1859	0	0	0	1	0	3	6	10	10%	20
Others	18263	6	6	5	3	3	5	104	132	17%	20
		11	**8**	**6**	**8**	**6**	**21**	**273**	**333**		
		3%	**2%**	**2%**	**2%**	**2%**	**6%**	**82%**			

Employer	Managed Records	Time to advise - Refunds							Total	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 +			
Wiltshire Council	34154	22	0	0	0	0	1	10	33	67%	20
Swindon Borough Council	15721	19	0	0	0	0	0	18	37	51%	20
Police Civilians	2840	3	0	0	0	0	0	5	8	38%	20
White Horse Federation	1922	6	0	0	1	1	0	8	16	50%	20
Wiltshire College	1859	5	0	0	1	0	0	7	13	46%	20
Others	18263	21	0	0	0	0	0	21	42	50%	20
		76	**0**	**0**	**2**	**1**	**1**	**69**	**149**		
		51%	**0%**	**0%**	**1%**	**1%**	**1%**	**46%**			