

## **WILTSHIRE COUNCIL**

WILTSHIRE PENSION FUND COMMITTEE  
13 May 2010

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### **ADMINISTRATION STRATEGY UPDATE**

#### **Purpose of the Report**

1. The purpose of this report is to provide Members' with an interim update regarding the implementation of the Wiltshire Pension Fund's Administration Strategy. A more detailed report will be presented to this committee in September when the strategy has been in operation for 9 months.

#### **Background**

2. Under the Local Government Pension Scheme (Administration) Regulations 2008, which came into force on 1 April 2008, each Local Government Pension Scheme (LGPS) Fund in England and Wales was empowered to produce and implement a Pension Administration Strategy, with an accompanying Service Level Agreement, which would apply to all employers in its Fund.
3. Wiltshire Pension Fund (WPF) formally implemented such a policy on 1 January 2010 following consultation with employers and this committee.
4. WPF has been collecting and analysing benefit administration performance related data, measuring both employer and Fund performance, since June 2009.
5. The final version of administration strategy can be found on the WPF website

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

6. As the purpose of this report is to provide an interim update to this Committee, the following paragraphs provide a high level overview of Fund and employer performance against the service level agreement targets set out in the administration strategy

##### **Wiltshire Pension Fund administration performance**

7. WPF set itself targets for all key, high volume administration data tasks; most of which are to complete administrative work within 5 or 10 working days as appropriate to the task. All of these targets were accepted during the consultation process by employers and other parties.
8. WPF regularly self assesses against the 'timeliness' targets for high volume work by analysing against performance reporting, while internal and external Audit reports, indirectly, provide assessment against other areas covered in the Administration Strategy; such as our level of accuracy and our record keeping.
9. Since June 2009, WPF has on average, consistently met all the timeliness targets set. The exception to which was for a month period (November 2009) where higher than normal volumes of incoming work relating to schools were experienced.

## **Employer administration performance**

10. WPF set all employer targets, following consultation with all employers prior to the formal implementation of the administration strategy. Most key administration targets require employers to submit data within 25 working days from the date of the event's occurrence (e.g. the member start date, the date of a change of details or the member leaving the Scheme).
11. Nearly all employers regularly meet the finance targets related to sending payments into the Fund. The levels of performance against the key benefits administration targets of data submission are more variable amongst employers.
12. The largest two employers in the Fund, Wiltshire Council and Swindon Borough Council, have both experienced complications in recent years regarding the submission of accurate and prompt data to the Fund. However, within the last year, both councils have moved from a submission of time-consuming and error prone manual methods to automatic reporting from their payroll systems; to improve their performance against the timeliness and accuracy targets.
13. Following the implementation of SAP and the move to One Council, WPF had experienced teething troubles in receiving the required pension data from Wiltshire Council leading to the main high volume targets not being met (e.g. new starters, leavers and change of details).
14. Since the turn of the year, the situation has improved significantly, and Wiltshire Council's overall administration performance now appears to be satisfactory with the potential to improve further following the move to a single payroll system in SAP.
15. Swindon Borough Council administrative performance has improved since analysis began last year, and further improvement are anticipated to regularly meet the targets set.
16. Several other employers in the Fund are not currently meeting the targets set but for some of these this is due to historical failures (for example, following changes in key personnel in the past) and although in terms of membership numbers this is not statistically significant, officers continue to work with them to address these issues.

## **Improving performance**

17. WPF work closely with employers, to varying degrees as relevant for their size, to answer their queries, inform them of their responsibilities as outlined in the administration strategy and to work with them to improve procedures for the smooth flow and submission of clean data.
18. Where an employer is failing to meet the targets set, the Employer Relationship Manager aims to meet with the employer to address the issues. Following such a meeting, should the issues not be resolved, the Administration Strategy details the following steps to be taken.
19. In any event, the Employer Relationship Manager aims to meet with the largest employers on a quarterly basis, other large employers twice yearly and all others once a year.

## **Environmental Impact of the Proposal**

16. There is no known environmental impact of this proposal.

## **Financial Considerations & Risk Assessment**

17. There are no direct financial implications involved with the success of this Strategy. However, in the long term the success of the Strategy's targets being met alongside the improvements made through WPF's 'LEAN' review will lead to a more efficient benefits administration service with the ability to redirect resources for the benefit of scheme members while mitigating the risks associated with PEN010 highlighted on the risk register elsewhere on this agenda.

## **Reasons for Proposals**

18. It's important to monitor the Administration strategy as it plays an significant role in ensuring the efficient day to day operation of the Fund and the subsequently the service provided to scheme members.

## **Proposals**

19. The Committee is asked to note this interim progress report of the Wiltshire Pension Fund Administration Strategy.

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Unpublished documents relied upon in the production of this report: NONE