

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
21 May 2020

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 Board

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 improved 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 (which will improve shortly):
 - a). Deferrals and refunds: This measure continues to be low even with the corrected methodology. However, officers have now made changes to the process which will significantly increase the Fund's compliance against this measure and, with time, will also increase efficiency (the improvement will be visible in the next set of KPIs). Officers have

also recently revised the process to also increase efficiency although it will take longer to see the benefit of this due to the backlogs.

Furthermore, the Board 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 has been allowed for in the budget for 2020-2021 to address overall these demands, particularly while it takes time to realise the benefits of increased efficiency, however there will be added challenges recruiting and onboarding new staff with all current staff working from home.

Actions:

- a). Officers plan to make further improvements to the processes in this area to improve efficiency.
- b). The Fund is seeking to apply more resource to this area using a mixture of internal resource (reassigning responsibilities) and new external resource to address the increased workloads.

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 outlined in Appendix 1.

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. Employers timeliness should improve with the use of i-Connect, Wiltshire Council (and its academies) went live in March 2020 and they make up a material proportion of the active membership.
10. 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

11. There is no environmental impact from this report.

Financial Considerations

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

Risk Assessment

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

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

15. There are no implications at this time.

Proposals

16. 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)

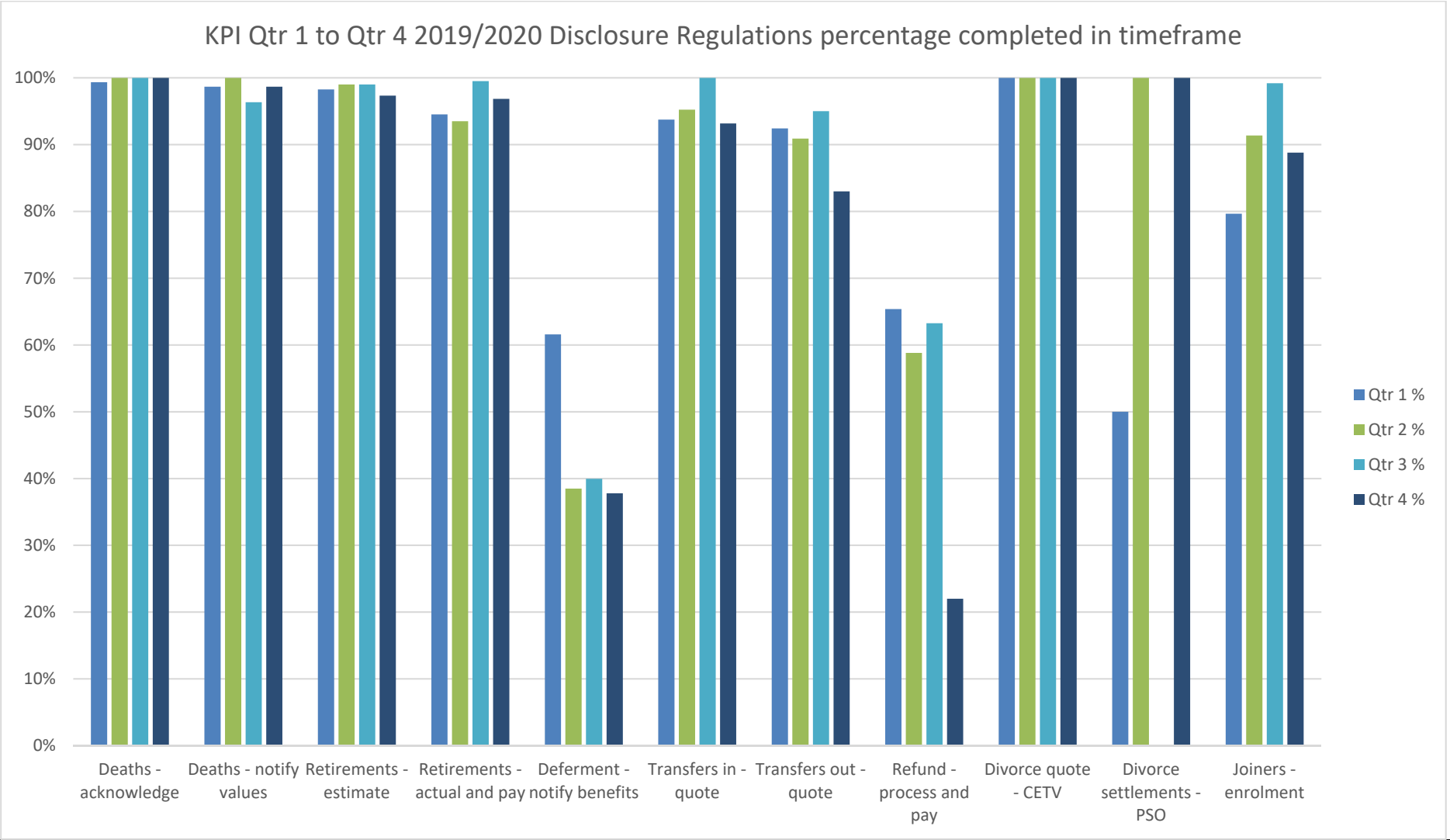
Benefit Administration Key Performance Indicators Disclosure Regulations

Period 01/01/2020 to 31/03/2020

Process		Legal Requirement	%	No. cases within Leg Req
Deaths - initial letter acknowledging death		2 months	100.0%	131
Deaths - letter notifying amount of dependants pension		2 months	98.7%	130
Retirements - letter notifying estimate of retirement benefits	Active	2 months	n/a	n/a
	Deferred		n/a	n/a
	Total		97.3%	479
Retirements - letter notifying actual retirement benefits + process and pay benefits on time	Active	2 months	93.7%	107
	Deferred		100.0%	166
	Total		96.8%	273
Deferment - notify deferred benefits		2 months	37.8%*	527
Transfers in - letter detailing transfer quote		2 months	93.2%	26
Transfers out - letter detailing transfer quote		2 months	83.0%	127
Refund – notify of refund entitlement.		2 months	22.0%*	60
Divorce quote - letter detailing cash equivalent value and other benefits		3 months	100.0%	51
Divorce settlements - letter detailing implementation of pension sharing order		3 months	100.0%	0
Joiners - notification of date of enrolment		2 months	88.8%	1126

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

APPENDIX 1, Chart 1: Disclosure Requirements

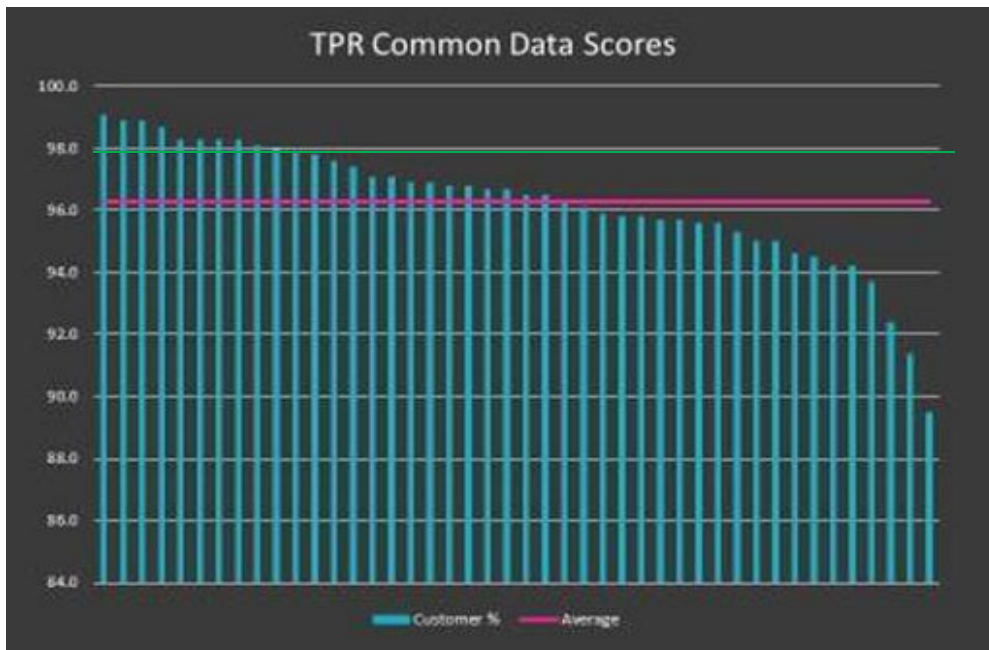


APPENDIX 2: tPR Data Quality scores

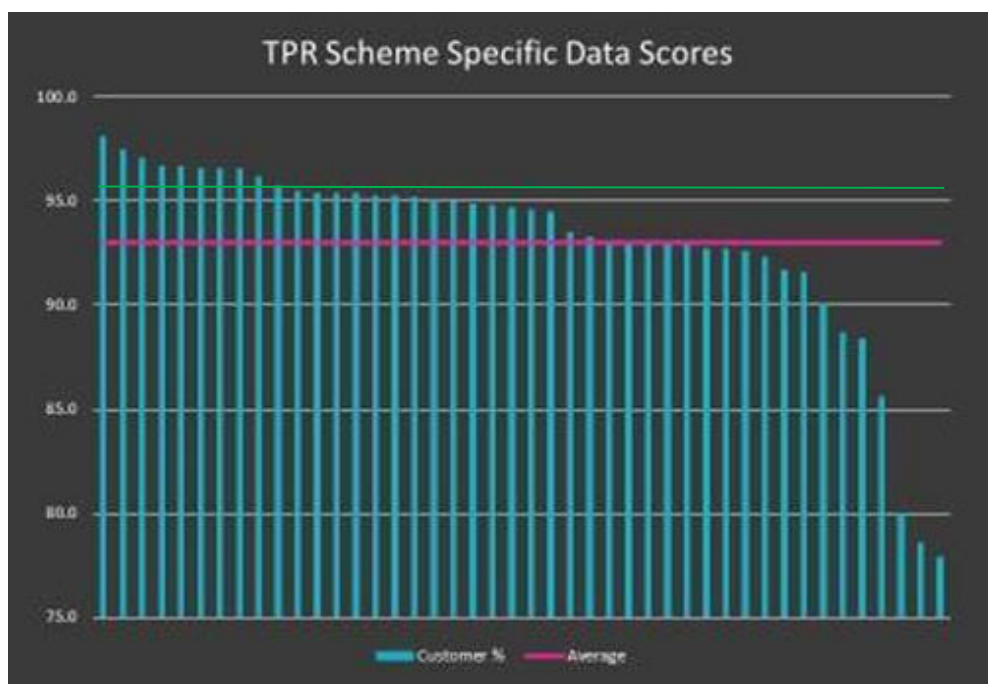
a). tPR Common Data Percentage Breakdown (At 11 October 2019)
Total score = 97.9% (from 94.2%)

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



Wiltshire Pension Fund

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

Wiltshire Pension Fund

Benefit Administration Key Performance Indicators

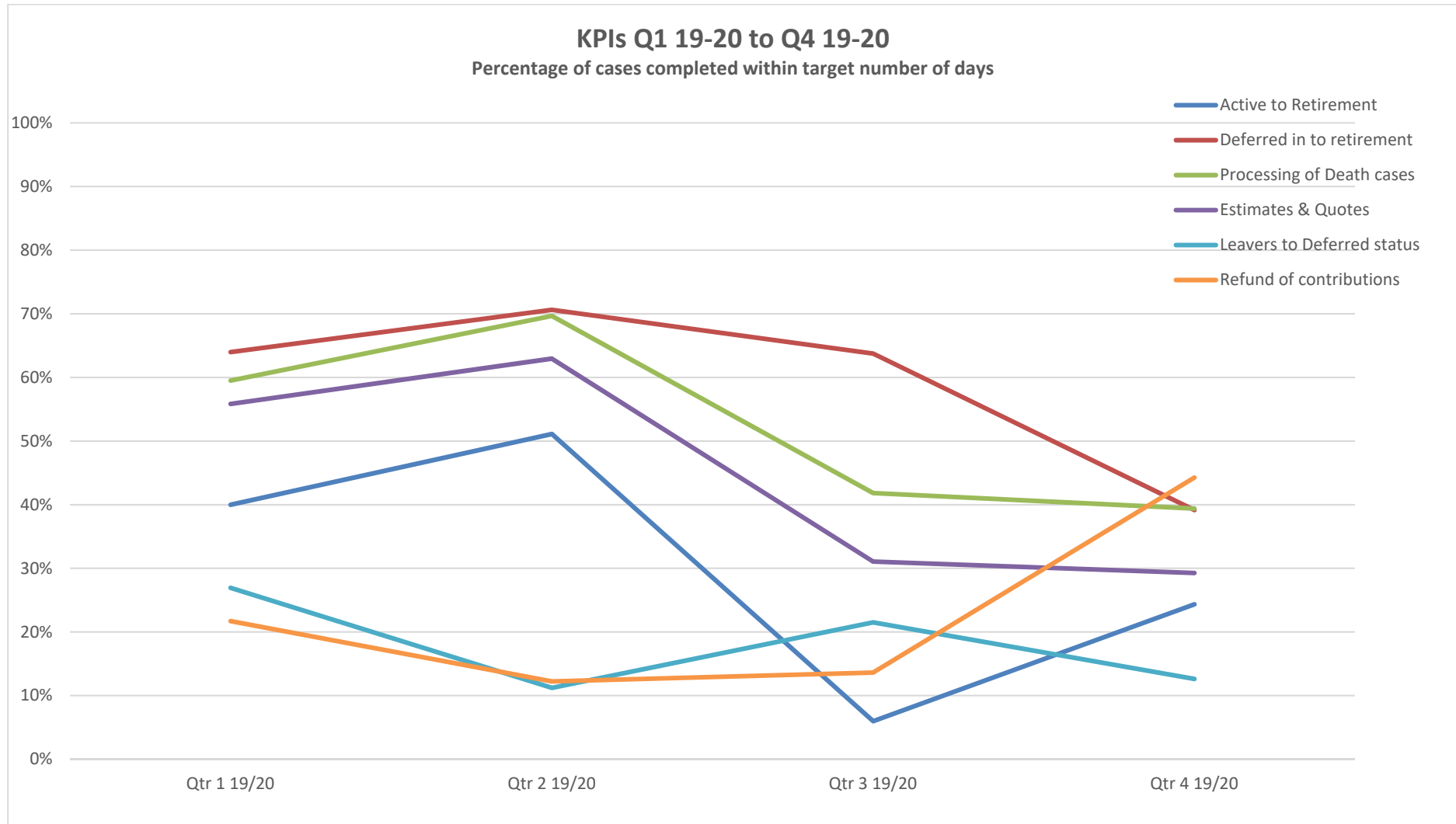
Administration Strategy

Period **01/01/2020** to **31/03/2020**

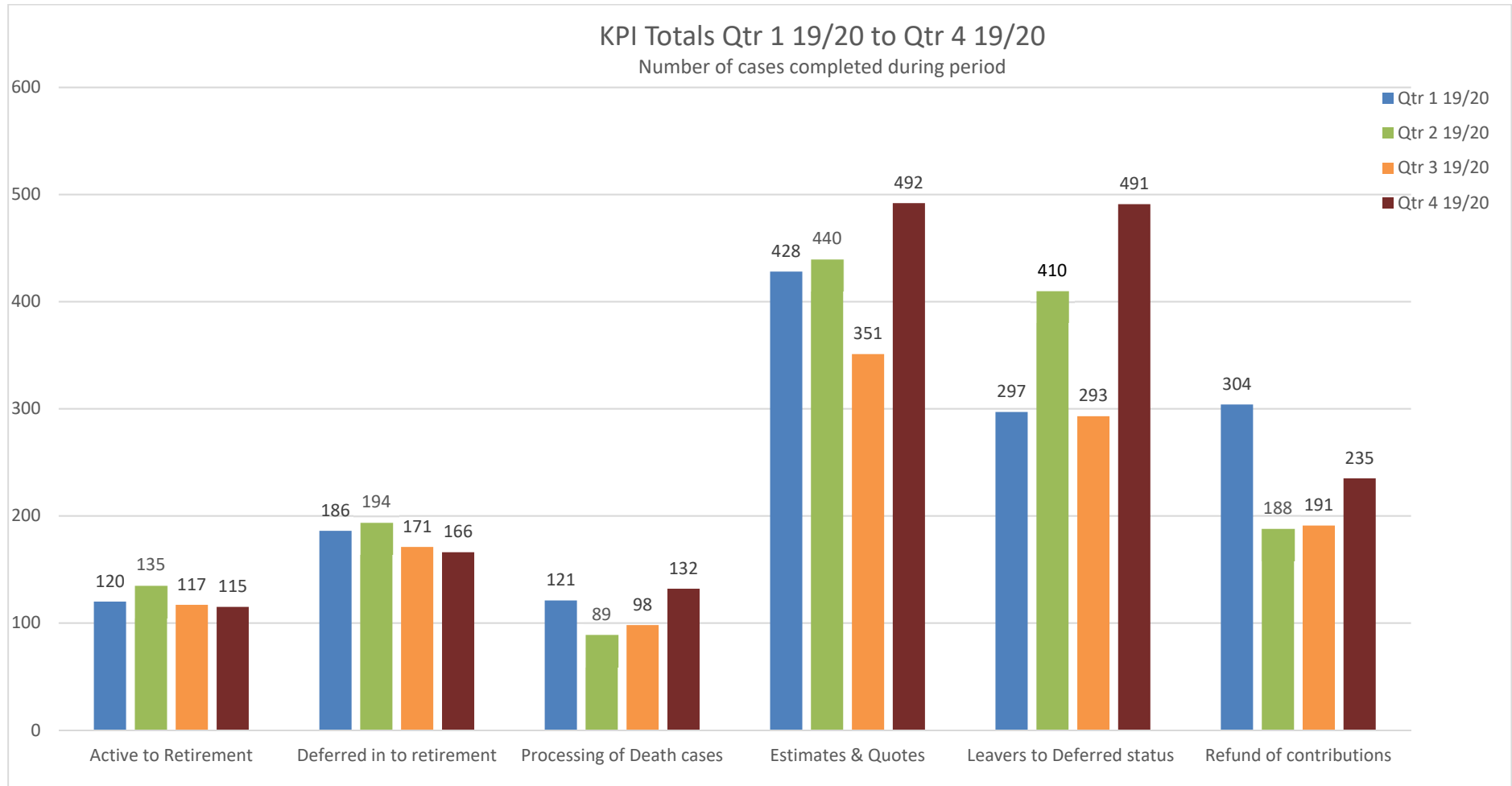
Type of case	Created cases in period	Open cases at period end	Percentage against membership	Completed cases time to complete						Total	Timescales	
				0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 + days		Admin Strategy % on target	Admin Strategy working days
Active to Retirement	243	111	0.49%	10	18	30	26	20	11	115	24%	5
Deferred in to retirement	296	23	0.07%	65	39	36	24	2	0	166	39%	5
Processing of Death cases	231	110	0.14%	52	33	24	14	7	2	132	39%	5
Benefit Estimates	682	174	0.77%	59	85	58	109	169	12	492	29%	10
Leavers to Deferred status	2070	3197	14.19%	36	18	4	4	28	401	491	13%	20
Refund of contributions	35	46	0.20%	73	13	17	1	20	111	235	44%	10
Grand Total	3557	3661		295	206	169	178	246	537	1631		
Percentage				18%	13%	10%	11%	15%	33%			

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

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

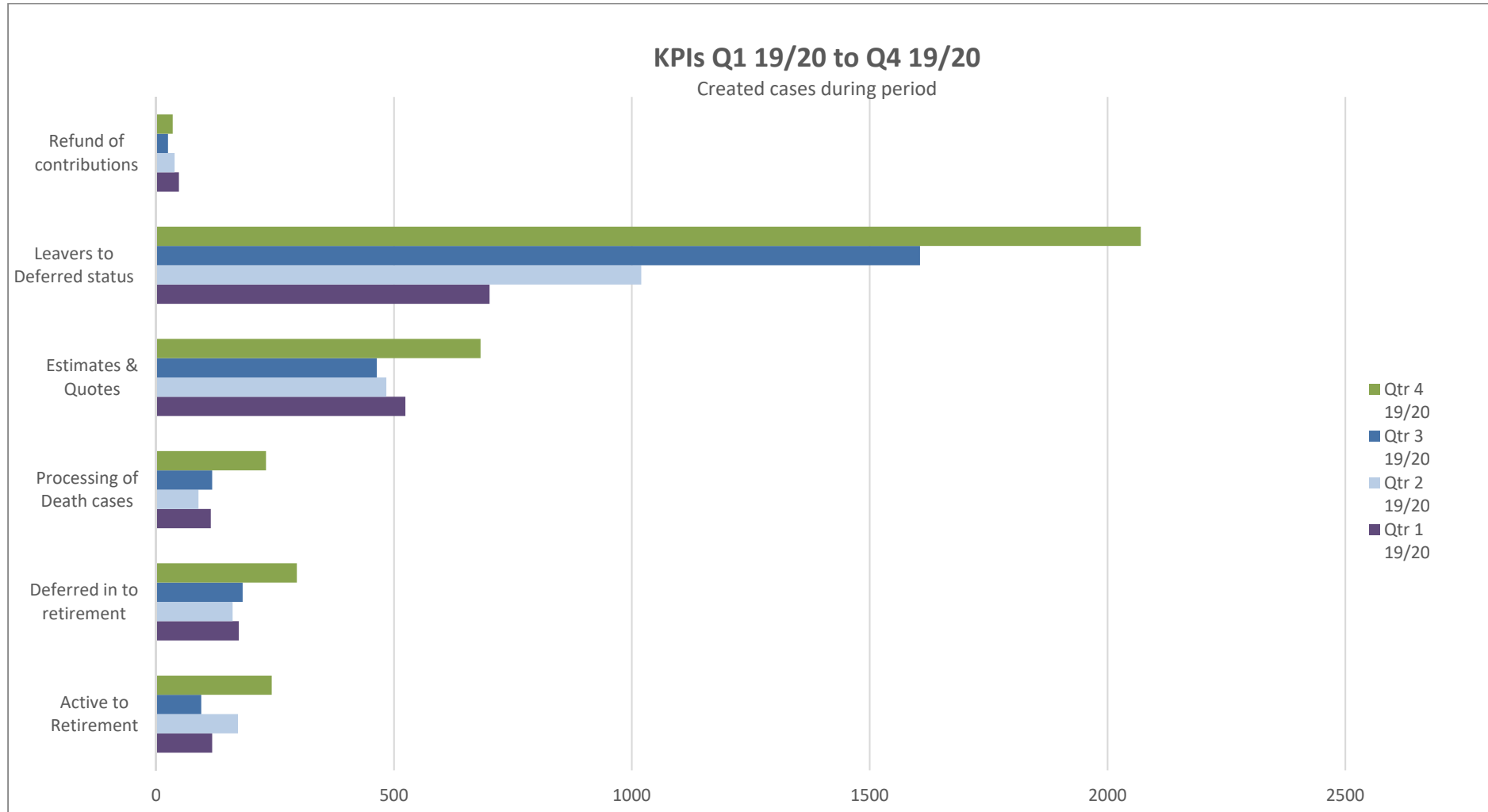


APPENDIX 3: Administration Strategy KPIs - Fund (Chart 2)

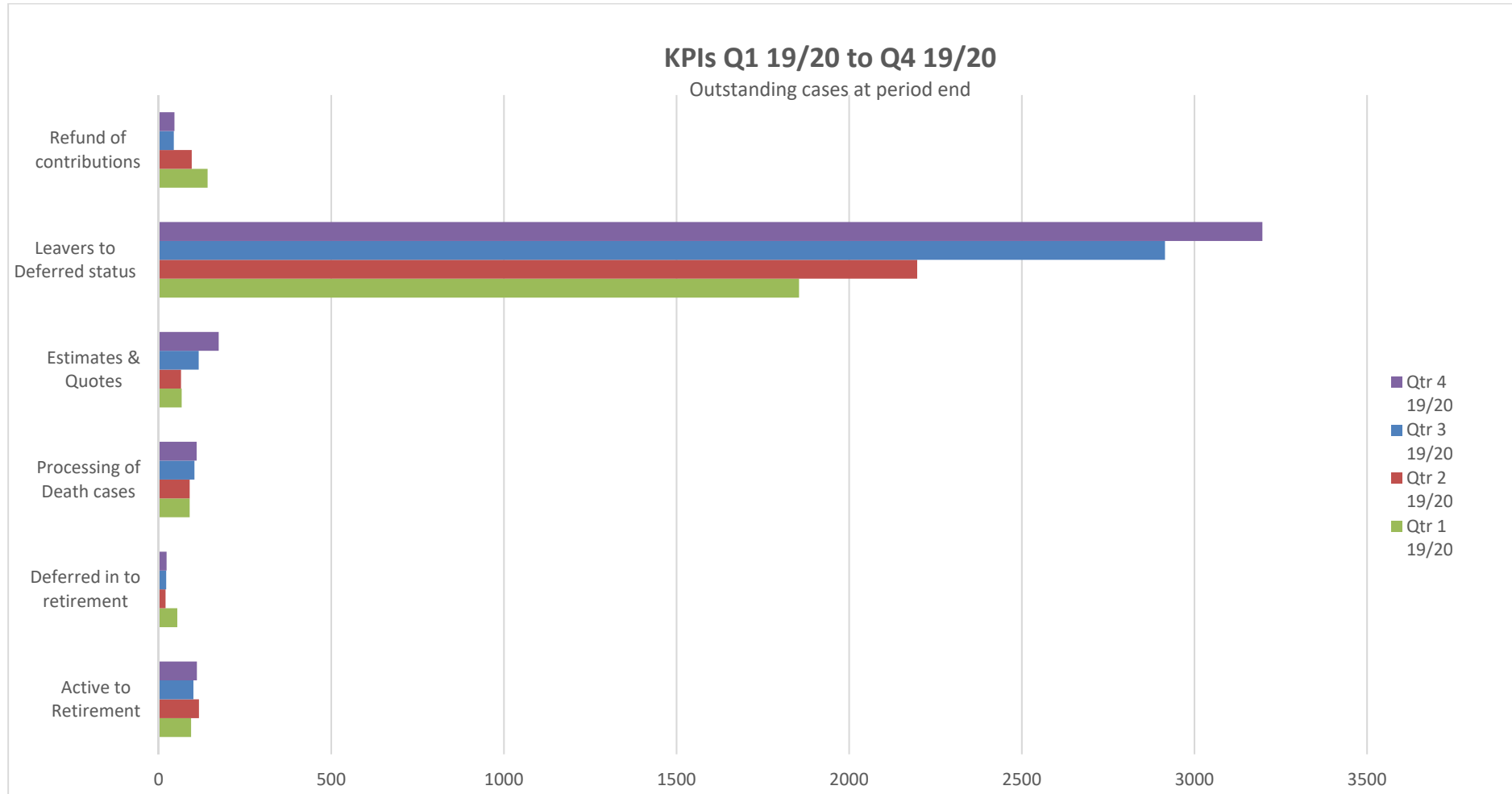


Note: Leaver to Deferred Status includes cases which will be later determined to be refund of contributions.

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



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



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

Employer Key Performance Indicators

Administration Strategy

Period 01/01/2020 to 31/03/2020

Type of case	Time to advise							Total	Timescales	
	In Advance	Target - 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>	70	3	8	7	6	6	15	115	77%	2
<i>Leavers</i>	34	20	20	18	33	101	265	491	25%	20
<i>Refund of contributions</i>	45	8	5	5	8	48	116	235	30%	20
Grand Total	149	31	33	30	47	155	396	841		
Percentage	18%	4%	4%	4%	6%	18%	47%			

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	34154	25	0	4	1	2	2	2	36	83%	2
Swindon Borough Council	15721	14	2	2	2	2	0	3	25	80%	2
Police Civilians	2840	4	0	1	0	0	0	0	5	100%	2
White Horse Federation	1922	2	0	1	0	0	0	0	3	100%	2
Wiltshire College	1859	1	0	0	0	0	0	0	1	100%	2
Others	18263	24	1	0	4	2	4	10	45	64%	2
		43	2	7	3	4	2	5	115		
		37%	2%	6%	3%	3%	2%	4%			

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	3	0	0	0	0	48	99	150	2%	20
Swindon Borough Council	15721	8	4	7	5	15	10	23	72	54%	20
Police Civilians	2840	3	1	1	3	2	1	1	12	83%	20
White Horse Federation	1922	2	2	3	1	10	7	3	28	64%	20
Wiltshire College	1859	1	2	1	2	0	2	1	9	67%	20
Others	18263	17	11	8	7	6	33	138	220	22%	20
		34	20	20	18	33	101	265	491		
		7%	4%	4%	4%	7%	21%	54%			

Employer

Managed Records	
Wiltshire Council	34154
Swindon Borough Council	15721
Police Civilians	2840
White Horse Federation	1922
Wiltshire College	1859
Others	18263

Time to advise - Refunds								Admin Strategy	Admin Strategy
In Advance	0 - 5 days	6 - 10 days	11 - 15 days	16 - 20 days	20 - 40 days	40 days +	Total	% on target	working days
12	2	1	1	0	25	40	81	20%	20
6	0	1	1	1	2	18	29	31%	20
0	0	0	1	3	1	1	6	67%	20
9	0	1	0	1	1	2	14	79%	20
2	2	1	0	0	0	3	8	63%	20
16	4	1	2	3	19	52	97	27%	20
45	8	5	5	8	48	116	235		
19%	3%	2%	2%	3%	20%	49%			