

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
24 January 2019

PENSION FUND 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. As part of the Fund's Business Plan, the Fund has committed to reporting administration KPIs in 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 friendly 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.
4. As discussed at previous meetings, officers will continue to expand and evolve its range of reportable KPIs so these align with strategy documents such as the administration strategy and regulatory requirements and guidance.

Considerations for the Board

5. As part of the goal to improve the quality of KPIs, some changes to the appendices have been made as explained below:

Appendix 1: The approach used to date for reporting KPIs, with Fund Administration and Employers timeframes combined along with prior period comparisons. The table covers Q3 2018/2019 while the two charts provide comparisons against previous quarters.

6. Appendix 2: A proposed replacement to the reporting in Appendix 1, with KPIs split by Fund Administration & Employers. Comparisons against previous quarters will be available for future meetings using this new format although officers still plan to make some minor revisions such as to remove low volume areas and added other, high volumes which are currently out of scope. Furthermore, the timescales on the Benefit Administration KPIs have been reviewed and brought in line with the Administration Strategy targets.
7. The data in each Appendix is subdivided into the time taken to complete each task into different tranches (0 to 5 days, 6 to 10 days, etc.), as well as setting out those instances where performance was outside of the target time limits. This information allows the Fund to look at trends and to provide a better understanding of any potential issues impacting the day-to-day administration of the Fund.

8. Officers intend to replace the information provided in Appendix 1 with the information provided in Appendix 2 for future reporting and to continue to develop the scope of the information in Appendix 2 as well as publish further KPI data covering statutory disclosure timeframes.

Conclusions

Combined Administration KPIs (Appendix 1)

9. The general trend for Qtr 3 2018/19, for the percentage of cases being completed within timescale is downwards although the total number of completed cases has risen to its highest volume over the four quarters up from 1130 (in Qtr 2 18/19) to 1924. The highest quarter increases were in **deferred, deferred to retirement** and **refund** cases. (see Chart 1). As the Fund has been focusing on clearing older cases, which are less urgent in nature, initially this will make the timescale targets appear worse as the benefit will be seen in later reporting.
10. The **Active to retirement** metric has seen a fall this quarter in meeting the target timeframe although Qtr 2 saw a slight recovery (see chart 1). The number of active retirement cases completed was at its highest level in Qtr 2 and higher than average in Qtr 3 compared over the four quarters (see chart 2).
11. **Death cases** continue to be above 95% against target measure for the fourth quarter in a row.
12. The implementation of an overtime plan has been carried out to deal with **deferrals** and as anticipated volumes have increased from a low in Qtr 2 of 331 to a new high in Qtr 3 of 890 cases. Successful training of the new team members is also leading to higher volume of work being completed. The overtime programme is ongoing and officers hope and expect higher volumes will continue to be cleared in future quarters.
13. **Deferred into Retirement** cases increased to a new high of 237 cases, while the average is 150 cases over the four quarters with timescales up slightly from 83% to 85% met.
14. **Refunds** cases increased in volume over Qtr 2 with completed cases up 179 to 253 in Qtr 3, although the target dropped from a four quarter high of 62% down to 44%.
15. The remaining measures remain relatively stable.
16. Furthermore, the Fund has recently signed a contract for a key piece of automation software (I-Connect) and is starting to use another piece of automation software (process automation) to make other improvements. Other plans are in place to undertake a more detailed process review to identify further efficiencies and this is due to start from February 2019.
17. Officers expect to start seeing some of the benefits on KPIs towards the end of 2018 with further improvement occurring in 2019.

New Benefit Administration and Employer KPIs

18. Also removed are any terminated workflows, this explains the reduction from the volumes in Appendix 1 of 1,924, down to 1,701 cases completed in Appendix 2.

tPR Common and Conditional Data percentages

19. Officers have not provided any data against these measures and the figures have not been recalculated recently and no significant change is expected.

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 Board is requested to note the Fund's performance against its KPIs and its proposed changes to future KPI reporting.

Andy Cunningham

Head of Pensions Administration and Relations

Report Author: Andy Cunningham – Head of Pensions Administration and Relations & Mark Anderson – Data and Systems Manager

APPENDIX 1 (Table 1)

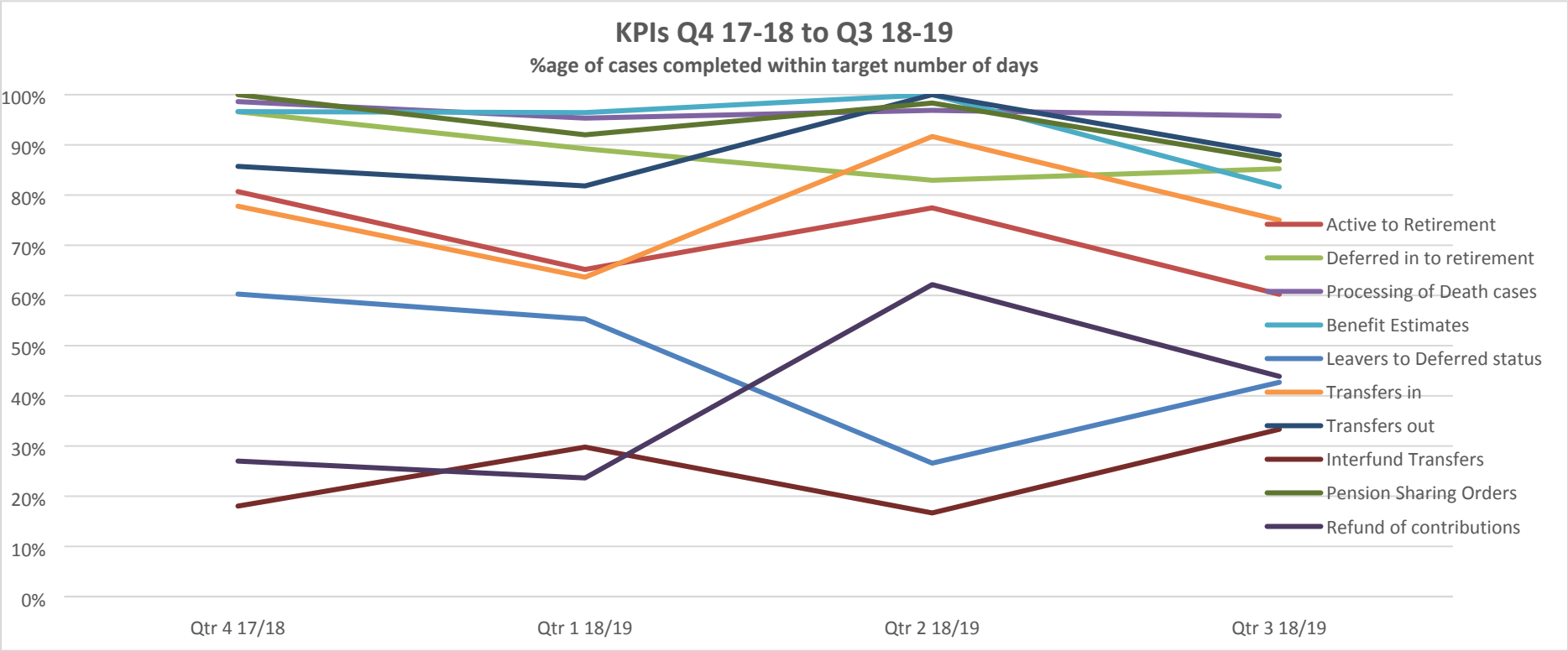
Wiltshire Pension Fund

Benefit Administration Key Performance Indicators

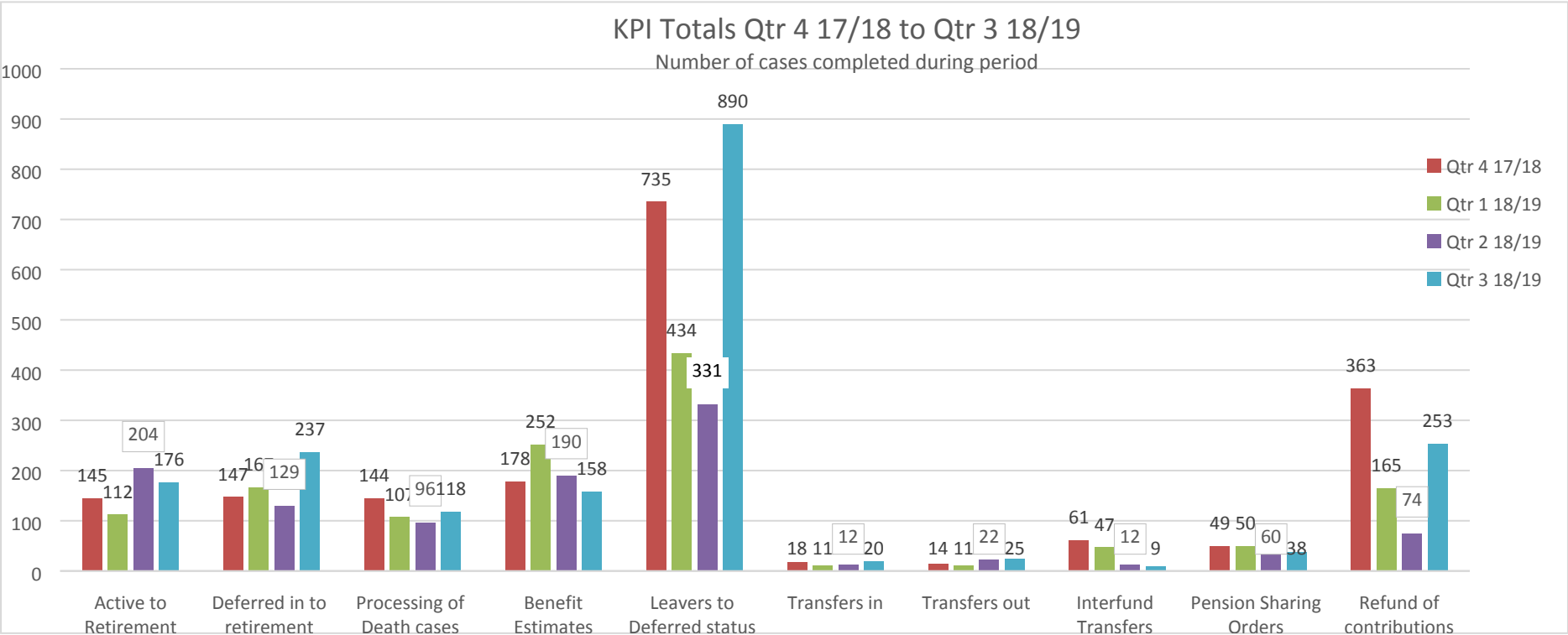
Period 01/10/2018 to 31/12/2018

| Type of case | Time to complete | | | | | | Total | Timescales % on target | Timescales working days |
|----------------------------|------------------|-------------|-----------------|-----------------|-----------------|------------|-------------|------------------------------|----------------------------|
| | 0 - 5 days | 6 - 10 days | 11 - 15 days | 16 - 20 days | 20 - 40 days | 40 days + | | | |
| Active to Retirement | 16 | 32 | 36 | 22 | 42 | 28 | 176 | 60% | 20 |
| Deferred in to retirement | 69 | 65 | 40 | 28 | 29 | 6 | 237 | 85% | 20 |
| Processing of Death cases | 96 | 12 | 4 | 1 | 2 | 3 | 118 | 96% | 20 |
| Benefit Estimates | 26 | 21 | 18 | 13 | 51 | 29 | 158 | 82% | 40 |
| Leavers to Deferred status | 48 | 34 | 31 | 33 | 234 | 510 | 890 | 43% | 40 |
| Transfers in | 5 | 5 | 1 | 4 | 0 | 5 | 20 | 75% | 40 |
| Transfers out | 15 | 3 | 3 | 1 | 0 | 3 | 25 | 88% | 30 |
| Interfund Transfers | 2 | 0 | 1 | 0 | 0 | 6 | 9 | 33% | 40 |
| Pension Sharing Orders | 21 | 5 | 0 | 3 | 4 | 5 | 38 | 87% | 30 |
| Refund of contributions | 77 | 18 | 10 | 6 | 11 | 131 | 253 | 44% | 20 |
| Grand Total | 375 | 195 | 144 | 111 | 373 | 726 | 1924 | | |
| Percentage | 19% | 10% | 7% | 6% | 19% | 38% | | | |

APPENDIX 1 (Chart 1)



APPENDIX 1 (Chart 2)



APPENDIX 2 (Table 1)

Wiltshire Pension Fund

Benefit Administration Key Performance Indicators

Period 01/10/2018 to 31/12/2018

| Type of case | Time to complete | | | | | | Total | Timescales % on target | Timescales working days |
|----------------------------|------------------|-------------|--------------|--------------|--------------|------------|-------------|------------------------|-------------------------|
| | 0 - 5 days | 6 - 10 days | 11 - 15 days | 16 - 20 days | 20 - 40 days | 40 days + | | | |
| Active to Retirement | 43 | 21 | 21 | 17 | 21 | 9 | 132 | 48% | 10 |
| Deferred in to retirement | 119 | 58 | 15 | 19 | 13 | 2 | 226 | 53% | 5 |
| Processing of Death cases | 89 | 13 | 5 | 2 | 2 | 3 | 114 | 78% | 5 |
| Benefit Estimates | 19 | 24 | 18 | 14 | 46 | 20 | 141 | 30% | 10 |
| Leavers to Deferred status | 17 | 17 | 14 | 21 | 95 | 625 | 789 | 9% | 20 |
| Transfers in | 3 | 2 | 6 | 3 | 5 | 1 | 20 | 25% | 10 |
| Transfers out | 6 | 6 | 3 | 2 | 1 | 0 | 18 | 67% | 10 |
| Pension Sharing Orders | 8 | 12 | 2 | 3 | 8 | 2 | 35 | 94% | 40 |
| Refund of contributions | 16 | 13 | 6 | 5 | 18 | 168 | 226 | 18% | 20 |
| Grand Total | 320 | 166 | 90 | 86 | 209 | 830 | 1701 | | |
| Percentage | 19% | 10% | 5% | 5% | 12% | 49% | | | |

Additional note: Timescales for the above chart are shorter than those reported under the previous KPI methodology. Interfund Transfers removed.

APPENDIX 2 (Table 2)

Employer Key Performance Indicators

Administration Strategy

Period 01/10/2018 to 31/12/2018

| Type of case | Time to advise | | | | | | | Total | Timescales | Admin Strategy |
|--------------------------------|----------------|------------|-------------|--------------|--------------|--------------|------------|-------------|----------------|----------------|
| | In Advance | 0 - 5 days | 6 - 10 days | 11 - 15 days | 16 - 20 days | 20 - 40 days | 40 days + | | Admin Strategy | Admin Strategy |
| | | | | | | | | | % on target | working days |
| <i>Retirement</i> | 84 | 9 | 4 | 6 | 4 | 10 | 15 | 132 | 64% | 0 |
| <i>Leavers</i> | 134 | 17 | 31 | 43 | 37 | 77 | 450 | 789 | 33% | 20 |
| <i>Refund of contributions</i> | 18 | 12 | 11 | 12 | 10 | 30 | 133 | 226 | 28% | 20 |
| Grand Total | 236 | 38 | 46 | 61 | 51 | 117 | 598 | 1147 | | |
| Percentage | 21% | 3% | 4% | 5% | 4% | 10% | 52% | | | |