



Pension Administration Internal audit 2016/17: Local Pension Board Progress Report

1. Progress log

Internal reference	Current Orbis progress comments	Current Pension Fund comments	Date	Previous Orbis progress comments	Previous Pension Fund comments	Date
PF1/IA 5.10 IA Priority HIGH Pension fund priority high	The new interim Operations Manager was appointed internally from within Business Operations and took up his post at the beginning of May. As he had no prior experience of pensions administration, it has been a steep learning curve to understand the complexities of the operation but he is now focusing on individual and team performance in relation to the 'new works' team as well as developing a training schedule (with a number of internal training	The Board notes the structure chart is to be provided in draft Service Specification.  The Board questioned whether officers were confident that staff increases were sufficient to address identified backlogs. It was confirmed that there was an increase of 4-5 Full-Time Equivalents (FTE) in the team, and that this would be a short term measure to deliver the improvement work. Officers highlighted that the internal audit activity had been conducted through late 2016-17. It was also noted	Further comments approved 27/07/17  Update by 12/10/17	A restructure was launched on 28 <sup>th</sup> February 2017 to formalise the move to split the team into two areas of focus namely 'backlog' and 'new' works. The structure change has actually been in operation since 20 <sup>th</sup> February to ensure adequate response to the urgent issue of managing down backlog.  A new interim Operations Manager post has been created to assist this change and the structure will persist as long as the backlog remains. A management dashboard	Structure chart to be provided as part of the new Service Specification. This will show FTE dedicated to administering the Surrey Pension Fund (SPF).  Backlog shall be included as a KPI as part of the new Service specification.  The Customer and Staff Experience Lead to provide a report to the Local Pension Board outlining the complaints management process.  High level view of self-	Initial comments approved 27/07/17

Page 137

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	<p>sessions already having taken place).</p> <p>The movement of personnel between the new works and existing work team has been extremely fluid with support required for the new works team following loss of resources due to a combination of long term sickness, resignation and unpaid leave due to overseas caring responsibilities. The current FTE for each team dedicated to (or mainly responsible for) SCC caseload work are shown in the attached chart. An ongoing recruitment campaign which initially commenced in May 2017 remains in place. To reduce the impact of other client work on the SCC caseload, the entire caseload for one of the four London Boroughs has been redirected to the Orbis Lewes office.</p>	<p>that the impact on benchmarking data would be seen in the 2017/18 figures. The Board note that Backlog is to be included in new proposed KPIs.</p> <p>The Board note member portal is to be rolled out for the 2017 ABS distribution.</p>		<p>has been built using Tableau to monitor backlog position.</p> <p>The responsibility for complaints management will pass to the Customer and Staff Experience Lead who will meet weekly with the Head of Service to highlight the current situation. The restructure will be compliant with Surrey Change Management procedures and has various checkpoints to ensure that the team are aware of the change.</p> <p>A project is currently underway to implement member and employer self-service and a pilot is also in place for a product i-connect which allows for bulk uploads by large employers. A communications plan to encourage uptake will form part of the planning for the self-serve project.</p>	<p>service process to be provided by the Pension Administration Team (PAT) to the Local Pension Board.</p>	

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	The rollout of the member online portal was delayed pending security approval from IMT and Information Governance but has been live since the beginning of July. The main communication to scheme members will be issued once the annual statements are online. Subject to equipment availability, Pension Services will provide a demonstration of the online portal to the Pension Board.			A further incentive will be made in August 2017 when the Annual Benefit Statements move online.		
<b>PF3/IA 5.19</b>  <b>IA</b> <b>Priority</b> <b>MEDIUM</b>  <b>Pension fund priority</b> <b>high</b>	Orbis does engage with other funds with a view to pursuing further economies of scale that will ultimately benefit the Surrey fund if the risks are clearly identified and mitigated. However, we are mindful of the potential short term impact on the Surrey fund of any new work being introduced and the intention would be for any such work to be	The Board Chairman highlighted that he was to be informed if any new business was being tendered for, and advised of what impact this was likely to have.	Further comments approved 27/07/17  Update by 12/10/17	Our commercial manager has a 'go/no go' procedure for any commercial business. This is highly structured and follows the Shipley methodology which is nationally recognised as best practice in commercial bidding. The head of service is required to assess the 'go'/'no go' outcomes and finalise the decision to proceed. A 4-	The Local Board and Pensions Fund Committee should be consulted with before any decision to take additional administration work is approved, outlining any impact of the SPF.  This is consistent with the position laid out by the previous Cabinet Member for Business Services in her letter of 16 June 2016	Initial comments approved 27/07/17

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	managed by the Lewes team, thus minimising the impact on the Kingston team responsible for the Surrey fund case load. The Local Board and Committee would be consulted before any decision to work with new partners was made.			way briefing paper is then summarised for the Leader, directors and portfolio holder to give final approval. This process should adequately cover the aspects outlined as required in the MAP.	to the Chairman of the Local Pension Board, in response to the letter from the Chairman of the Local Pension Board of 7 April 2016.	
<b>PF4/IA 5.20</b> <b>IA</b> <b>Priority</b> <b>HIGH</b> <b>Pension</b> <b>fund priority</b> <b>high</b>	Orbis recognises that the Helpdesk is the first point of call for the majority of scheme members who contact Pension Services. Significant resource has been invested in this area and the Helpdesk currently handles approximately 2,700 enquiries for the Surrey fund alone each month and has a 'first point fix' rate of around 85%. This is considered very high for a helpdesk team working in such a technical area, and is a testament to the training already invested in the Helpdesk team and the availability of supporting technology. Over Q2 and	The Board note that Backlog is to be included in new proposed KPIs.	Further comments approved 27/07/17  Update by 12/10/17	Senior members of the Pensions Operations Team and Helpdesk Team meet on a weekly basis to continue the progress of work in this area. The overall aim is to reduce the number of calls being transferred to the Operations Team enabling them to focus on case work. A plan of training sessions is in place to up skill the Helpdesk Team's knowledge in certain areas of the LGPS so that they are able to answer more queries at the first point of contact. A request is currently with IMT to implement a Hunt group system to the phones	An update report to be provided by the PAT.	Initial comments approved 27/07/17

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	Q3 the Helpdesk team will be looking to further expand their knowledge base by work shadowing the operational teams. The Customer Experience team analyse feedback for the Helpdesk team from a 'Click' rating attached to every outgoing email and this is relayed to the Helpdesk Supervisor and Pensions Manager. Satisfaction levels are currently running at around 80% (though this includes feedback for all funds managed by the Helpdesk).			within the Operations teams which will greatly improve the process for transferring calls and the speed with which the customer's query is responded to. Performance of the Helpdesk is currently reported on a monthly basis to Business Operations Senior Management, Pension Managers and Team Leaders. The review of KPI reporting will include details of Helpdesk performance so that SPFC and SLPB are updated.		
<b>PF7/IA 5.38</b>  <b>IA Priority HIGH</b>  <b>Pension fund priority high</b>	The new complaints process is the overseen outside of the Pensions team by colleagues in customer services and is the subject of a separate report to the Board.	<p>The Board were presented with the first Customer Complaints Report in the meeting of 27/07/17.</p> <p>This will be a standing report to the Board and will also be included in the proposed revised KPIs.</p>	<p>Further comments approved 27/07/17</p> <p>Update by 12/10/17</p>	The recommendation of the restructure is that the complaints management will sit outside of the service. This is to allow objectivity and greater response and structure to the complaints that are outstanding. The complaints are captured using the same technology and process as the rest of Business Operations. The	See response to PF1/IA 5.10	Initial comments approved 27/07/17

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				complaints status will be reported to the Head of Service weekly to keep the priority focused and action will be taken for repeated lack of response.		
<b>PF8/IA 5.43</b> <b>IA</b> <b>Priority</b> <b>MEDIUM</b> <b>Pension</b> <b>fund priority</b> <b>high</b>	<p>The migration of the Surrey pensions payroll from SAP to the integrated pensions database (Altair) is scheduled to go live in September 2017. This will remove the duplication of data and the associated risks.</p>	<p>The Board noted that the Fund actuary, as part of the triennial valuation, had assessed the quality of scheme data to be good.</p> <p>The Board noted that the administration software supplier (Heywood) are to produce a report assessing the quality of common and conditional data held by the fund.</p> <p>The Board noted that a global address screening activity had been tendered, with final checks on the provider underway. The Board questioned how more detailed investigations would be conducted where required. Officers commented that this would be evaluated following the results of the global exercise, though any</p>	<p>Further comments approved 27/07/17</p> <p>Update by 12/10/17</p>	<p>This will form part of the payroll migration project.</p>	<p>A risk assessment of current data quality to be carried out and reported to Local Pension Board at its meeting of 27 July 2017, by the PAT.</p>	<p>Initial comments approved 27/07/17</p>

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		<p>activity would be targeted to prioritise those about to retire or whose benefits were due.</p> <p>The PAT should provide a summary report regarding the migration of pension payroll data and the risk/benefit analysis of the proposed new provider.</p>				
<p><b>PF9/IA 5.44</b></p> <p><b>IA</b></p> <p><b>Priority MEDIUM</b></p> <p><b>Pension fund priority high</b></p>	<p>Pension Services is currently identifying all members who have not been communicated with in relation to the progress of their transfer of pension rights and individual communications will be issued to these members with an acknowledgement and expected date of resolution (where we are not awaiting external information). This work is expected to be completed by 15 August.</p> <p>A process change has already been introduced so that all new enquiries regarding a transfer of</p>	<p>The Board noted that the proposed revised KPIs to include response and follow up times.</p> <p>The Board note member portal is to be rolled out for the 2017 ABS distribution.</p>	<p>Further comments approved 27/07/17</p> <p>Update by 12/10/17</p>	<p>The change in operational design will give us much improved oversight and control of work enabling us to improve communication and service to our customers, as well as respond to reporting requests in a timely manner.</p> <p>Work ongoing with the Helpdesk Team will improve their knowledge and ability to answer initial queries, whilst the process to communicate with our customers is being improved all the time through regular review meetings with the</p>	<p>An update report to be provided by the PAT.</p> <p>New suite of KPIs to include reference to response times as part of the new Administration Strategy.</p>	<p>Initial comments approved 27/07/17</p>

Page 143

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	<p>pension rights are acknowledged to the member once the process has been initiated.</p> <p>The Helpdesk team and the roll out of the self-service portal have been covered above.</p>			<p>Operations and My Helpdesk Teams. Improvements in process and the use of new bulk mailing tools has improved the timing of sending letters to new members and as more processes are reviewed further improvements will be made.</p> <p>The projects to introduce self-service and redesign the Pensions website will greatly improve the customers' ability to gain the information they need quicker and more efficiently.</p>		
<p><b>PF10/IA 5.55</b></p> <p><b>IA Priority HIGH</b></p> <p><b>Pension fund priority high</b></p>	<p>Please refer to Pension Fund comments.</p> <p>Orbis acknowledge that the workflow reporting functions provided by the current administration system are limited and fall behind current market developments. Orbis are engaged with the software supplier to improve this</p>	<p>The Board notes the scoping document for the new Administration Strategy and will review the draft Administration Strategy at its meeting of 12 October 2017.</p>	<p>Further comments approved 27/07/17</p> <p>Update by 12/10/17</p>	<p>The core Pension KPIs are currently in line with national standard and are used for benchmarking against other authorities. Specific KPIs for each of the London Boroughs were agreed under the terms of the partnership agreements and are reported on a quarterly basis as part of the review</p>	<p>A scoping document for the new Administration Strategy to be reported at the Local Pension Board meeting of 27 July 2017.</p> <p>The draft Administration Strategy to be taken to the Pension Fund Committee meeting of 15 September 2017 for approval. The draft Administration</p>	<p>Initial comments approved 27/07/17</p>

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	<p>functionality but, in the meantime, are developing the use of an alternative reporting tool, Tableau, to assist managers in effective analysis of workflows. This does remain a resource intensive process at present, pending further development of Tableau with IMT colleagues.</p>			<p>meetings. For the Surrey Pension Fund, the Governance Team are working with colleagues in Business Operations to seek customer feedback on performance times which will feed into a revised (if required) set of KPIs under the new Administration Strategy to be presented to the Surrey Pensions Fund Committee.</p> <p>As part of the new Operational Team design there will be a much greater focus on KPI reporting of current and outstanding workloads. This will ensure we are adhering to our agreed service levels and are completing cases in a timely and efficient manner. Tools such as the reporting dashboards which are now in place provide the ability to proactively monitor KPIs so that the management</p>	<p>Strategy will then be issued for a four week consultation with scheme employers and other interested parties.</p> <p>The Administration Strategy will receive formal approval by the Pension Fund Committee at its meeting of 10 November 2017.</p>	

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				teams can adjust workloads and priorities accordingly.		
<b>PF11/IA 5.56</b>  <b>IA Priority HIGH</b>  <b>Pension fund priority high</b>	A separate risk register for administration is being developed in conjunction with the Pension Fund team and will be reported to the Board.	The Board notes the scoping document for the new Administration Risk Register and will review the Administration Risk Register at its meeting of 12 October 2017.	Further comments approved 27/07/17  Update by 12/10/17	Through the change programme and projects that are running within the department we are required in project methodologies to hold risk logs for the individual projects. These are maintained through the project lifecycle and high level risks are escalated to the project sponsor.  The Business Operations Service risk register holds current major risks relating to Pension Services and are monitored and responded to by SMT.  For this reason it is not felt that a further separate risk register needs to be developed but any risks to the Surrey Pension Fund can be reported through the existing mechanism.		Initial comments approved 27/07/17
<b>PF12/IA 5.7</b>		The Communications	Further		Review communications	Initial

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Error! Bookmark not defined.1  <b>Pension fund priority high</b>		Strategy should be reviewed at least annually. A review date should be added to the Board Forward Plan.	comments approved 27/07/17  Update in accordance with the Board Forward Plan		between PAT and members to ensure this is effective. Also see response to PF9/IA 5.44.	comments approved 27/07/17
PF13/IA5.34  <b>Pension fund priority high</b>	Please see separate report.	The Board were presented with the first Customer Complaints Report in the meeting of 27/07/17.  This will be a standing report to the Board and will also be included in the proposed revised KPIs.	Further comments approved 27/07/17  Update by 12/10/17		PAT to provide a summary of the complaints report. Also see response to PF1/IA 5.10.	Initial comments approved 27/07/17
PF5/IA 5.27  <b>IA Priority MEDIUM</b>  <b>Revised Pension Fund Priority High</b>	The high level roadmap will be shared with the Board to provide some oversight of the range of improvement works currently being undertaken.	The improvement project plan, with planned changes, outputs and timescales be provided to the Board..	Further comments approved 27/07/17  Update by 12/10/17	A roadmap of work has been developed documenting all planned projects and improvements for the department. This roadmap structures the approach and timelines for projects and will be published to the operational teams. A monthly report detailing the status of current	Annual programme to be shared by the PAT with the Local Pension Board and Pension Fund Committee.	Initial comments approved 27/07/17

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				projects is also published to the teams so that they are aware of upcoming changes and can plan effectively for them.		
<b>PF2/IA 5.18</b>  <b>IA</b> <b>Priority</b> <b>HIGH</b>  <b>Revised</b> <b>Pension</b> <b>Fund</b> <b>Priority High</b>	<p>The template of the skills matrix developed specifically for Pension Services will be shared with the Board. Training priorities have already been identified following individual discussions with team members and the skills matrix will be updated once this training has been completed. This is expected to be December 2017. Three relatively new staff will be attending a 4 day residential training course developed specifically for LGPS administrators.</p>	<p><a href="#">Training plan and update report to be provided as part of the new Service Specification.</a></p>	<p>Further comments approved 27/07/17</p> <p>Update in accordance with the Board Forward Plan</p>	<p>The restructure has been built around understanding the workload and resources have been assigned to be able to meet demands. As the new works team grows its workload, resource planning will take place between the Operations Managers and Lead Pensions Manager to assign the right resource level to each part of the operation. The process owner continues to build the process definitions which will help process understanding.</p> <p>Management coaching has taken place in February 2017 and technical training has been requested from Heywood to improve the use of the system. Customer service</p>		

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				training was mandatory and delivered through July to September 2016. A skills matrix has been developed and is with Team leaders for review. A strong requirement for the restructure is for visible performance management. The dashboard and introduction of the interim new works Operation Manager will allow for more success in this area.		
<b>PF14/IA5.55</b> <b>Pension fund priority medium</b>		Further feedback required from officers regarding a benchmarking exercise.	Further comments approved 27/07/17  Update in accordance with the Board Forward Plan		SPF should explore further benchmarking of PAT KPIs.	Initial comments approved 27/07/17
<b>PF6/IA 5.31</b> <b>IA Priority HIGH</b>	Due to resourcing constraints, this project has only commenced in July 2017. An experienced senior member of the Pension Services team	No further update.	Further comments approved 27/07/17  Update in	A project has been launched to document work instructions for all pension services main processes. These will be best practice process	Progress report should be provided in an Annual Improvement Plan, as part of the new Service Specification.	Initial comments approved 27/07/17

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<b>Pension fund priority</b> <b>low</b>	<p>has been seconded from operational work to begin reviewing current practices and documenting updated work instructions in the light of any efficiency improvements identified. This also involves training staff on any new processes. Transfers is the initial subject focus of this work as this has been identified as the main backlog area and there are clear opportunities for efficiency improvements.</p>		<p>accordance with the Board Forward Plan</p>	<p>notes at the present time but will be subject to review as processes change through planned improvements. All work instructions will be held in a library and be used to train new and existing staff members so that we have a common standard across the team.</p>		