



Surrey Local Pension Board

25 July 2018

Administration Update 1 April 2018 to 30 June 2018

Recommendations:

The Board is asked to **note** the content of this report and make recommendations if any further action is required.

Background

1. The Board has previously requested to be kept updated on progress relating to a number of key administration projects and planned improvements which may have an impact on members of the pension fund and the purpose of this report is to provide an update on the current status and progress against any specific target dates.

Data Improvement Plan

2. The Board will be aware that the next Triennial Valuation is due to take place in 2019.
3. The main purpose of the valuation is to assess the fund employer's assets and liabilities, and to set employer contribution rates for the next three years.
4. Prior to the 2019 valuation it is vital that existing data quality is of the highest possible standard in order to reflect the true position for each scheme employer.
5. Once all end of year data has been posted to member records for 2017/18, the Pensions Technical Team will be planning an Annual Data Cleanse as at 31/03/2018. In addition, the 2018 Scheme Return requires that all funds report on their common and conditional data scores.
6. The detailed Annual Data Cleanse plan can be shared with the Board at the October meeting. The plan will be to complete the data cleanse in December 2018/January 2019. Going forward, an Annual Data Cleanse will be carried out each year with the results reported to the Board.
7. In order to address the issue with new data being received from scheme employers, the Pensions Team are looking to recruit an Employer Liaison Officer. The role of this officer will be to educate scheme employers via online material, roadshows, newsletters, one-to-one meetings etc.

8. The Fund are also in the process of updating the Administration Strategy which will allow closer monitoring of employer performance and support the effort to work closely with those employers who continue to submit inaccurate or incomplete data.

Customer Complaints Report

9. Complaints received for this quarter have risen slightly in comparison to the last quarter of 2017/2018, with a total of 12 received. Initial acknowledgement of all 12 complaints have been carried out within the turnaround time of 5 working days.
10. It is noted that Service Delay and Lack of Communication have been the highest subject of complaints received with 42% and 33% respectively. It is also noted that one complaint is still to be resolved and is therefore outstanding. The team have ensured that any customers with complaints that cannot be answered within the turnaround time of 10 working days are contacted regularly to keep them informed of the delay.
11. It is to be noted that the department is going through a significant period of change, with processes being investigated to improve the customer service provided. This has meant that resource has been limited at times throughout the department.
12. The lead officer will be analysing complaints to understand where lessons can be learned and any process improvements made where appropriate.

GDPR

13. GDPR is European legislation that is more robust than existing data protection legislation and it came into force on 25th May 2018.
14. The Administering Authority sent all its employing authorities a memorandum of understanding setting out how data should be treated.
15. We need to put data sharing agreements in place for all new contracts, and potentially existing ones, with our major partners. Surrey County Council has commissioned a generic legal agreement; however, the Procurement Section only received a draft copy on 29 June 2018.
16. The Pension Section produced a privacy statement which it placed on the website. It has been unable to publicise it (e.g. on payslips) but it will draw the members attention to it when the Annual Benefit Statements are sent out in August.
17. In future, new systems must have a data protection impact assessment and all data breaches must be reported within 72 hours. Surrey County Council has run a series of events to raise awareness of GDPR and associated issues.

GMP Reconciliation

18. The contract with JLT is now in its final stages. Final terms should be agreed by the end of July 2018.
19. The data for JLT has now been provided by ITM who were the original supplier for phase 1.
20. An additional Heywood license will be requested at the cost of £30,000 to allow the supplier to access Altair. SCC IT are also currently sorting out the access for the supplier so they can securely log in via our systems.

21. Resources have been requested to ensure there is a point of contact within the Pensions Team to answer any queries that will be raised throughout the duration of the work.
22. There will need to be a decision made soon by the Pension Committee regarding the tolerance levels (in terms of member pension accuracy). It will be necessary for the board to be on call to make any potential necessary decisions on an ad hoc basis between now and December 2018. More information will be provided on this in the near future.
23. We anticipate the initial analysis of the data to be made by the end of July 2018 by the supplier and this will be reported back to SCC by the beginning of August 2018.

Staff Training and Competency Plan

24. To ensure that all administrators within the Pensions Team are working to their full capacity and customers are responded to in an efficient manner, the Pensions Service Delivery Manager will be leading on a project to roll out skills matrices to the team.
25. This will allow identification of any knowledge gaps or single points of failure and a plan is to be agreed with the Pensions Team Leaders to agree training plans for all staff.
26. Monthly 1-2-1 meetings will be held with all staff for Team Leaders to discuss productivity, accuracy and training requirements with their direct reports. This meetings will also be used to ascertain progress against any objectives set.

Service Review and Continuous Improvement

27. As part of the first stage of improving the service the Pensions Team provide to all their customers, the Lead Pensions Manager and Service Delivery Manager have invested time reviewing the current resourcing levels within the Pensions Team and have carried out Capacity Planning to ascertain whether there are the correct levels of resource within the team.
28. A plan has been agreed to recruit additional resource at Trainee Pensions Administrator level, as well as a Business Support Team who will be responsible for all non-pensions related work i.e. post, scanning, mailboxes etc.
29. In addition, the role of Support and Development Manager will be recruited to oversee the work carried out by the Technical Team in support of the Pensions Administration Team.
30. Within the Technical Team, additional resource will also be recruited to support employer and member liaison and education.
31. In conjunction with bringing in additional resource to support with the service improvement effort, a Customer Service and Process Improvement Officer has been recruited to review all current Pensions processes with a view to removing unnecessary waste and streamline processes resulting in a more efficient and effective Pensions Team providing an exceptional service to customers.

Annual Benefit Statement

32. As the Board will be aware, the statutory deadline for issuing Annual Benefit Statements (ABS) is 31 August 2018.
33. A Project Manager has been assigned to oversee the end to end process with weekly meetings being held to check on progress.
34. 11 scheme employers are yet to return their End of Year Data Submission despite a reminder being issued with an extended deadline of 30 June 2018.

35. The ABS template has been drafted with accompanying notes, with the new GDPR Privacy Notice included. Pre dispatch and publication communications to members have been drafted and dates/method for dispatch agreed.
36. Testing has been carried out on the first batch of statements created and any issues reported back to the Technical Team.
37. The plan is to issue all active statements by 24 August 2018.
38. 2018 Pensions Increase has been applied to all Deferred Benefits with a view to issuing Deferred ABS' on or around 27 July 2018.

Audit Report - Pension Administration 2016/17

39. The Board will be aware from the previous meeting of the high level pensions plan which was drafted to show progress against a number of improvement and development outputs aimed at addressing the recommendations of the Internal Audit report.
40. Annex 1 provides an update of the plan previously presented. Any updates have been provided in red.

Next steps

41. The Board are asked to note the updates and agree on the form of any future updates that are required.

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Annexes:

1. Update of management response to the 2016/17 administration audit