



The Surrey Local Pension Board 25 April 2019

Administration Update 1 January 2019 to 31 March 2019

Recommendations

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

Background

2. 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.

Staffing Update

3. An Engagement & Education Lead is being recruited to focus on increasing the level of scheme knowledge for members, employers and staff.
4. This role will also ensure compliance with legislative changes.
5. In addition, a Communications Officer is an additional role that is being recruited.
6. The role will focus on producing regular newsletters and updates to members and employers.
7. This role will also carry out regular reviews of the pension fund website and any correspondence issued to members and employers.
8. This is to ensure that the information being provided is fit for purpose, compliant with legislation and easy to understand.
9. The new trainee team are attending the LGPS Practitioner Training event and Insight Residential Course.

Customer Complaints Report

10. Complaints received for this quarter have reduced slightly in comparison to the third quarter of 2018/2019, with a total of 12 received. This is still significantly low in relation to the number of cases processed during the period. Initial acknowledgement of all 13 complaints have been carried out within the turnaround time of 5 working days.
11. It is noted that Quality of Service and Service Delay have been the highest subject of complaints received with 33.33% and 25% 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.
12. 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.
13. The lead officer will be analysing complaints to understand where lessons can be learned and any process improvements made where appropriate.

CIPFA Benchmarking Report

14. The report is provided in Annex 1.

Projects

15. **GMP Reconciliation** – JLT are now 76% of the way through the collation and investigating of all member queries and discrepancies. They are on track to finish this area of work by the end of April 2019 as per their plan. There are various queries being distributed to the admin service to provide more detailed answers on certain member queries that JLT are not in a position to answer, based on the information they have access to. These queries have now all been answered and returned to JLT. The HMRC deadline for submitting queries was 31 October 2018, plus additional automated runs available until 21 December 2018 in specific categories. For the Surrey Pension Fund, 48 were submitted and to date 39 have been returned with responses from HMRC. HMRC are currently running 6 weeks behind their scheduled return dates. At this stage it is not possible to provide the potential liability to the pension fund, this is likely to come in September 2019 once HMRC have provided a final cut of the data held by them, which JLT will then run a final analysis on and compare this to the results they have recorded, based on the work undertaken as part of the reconciliation. JLT have provided assurance that the reconciliation work will be completed by the agreed dates outlines above and in September 2019, the pension fund will have a clear understanding of the liability amounts.
16. **Backlog** - The signing of the contract with JLT is close to be completed. Once signed the cases will start being sent to JLT to process. There is significant work taking place between payroll and the automation lab to obtain all data within SAP to calculate pay data for those records we currently do not hold the information for. Once this information is obtained, it will allow the remaining cases to be sent to JLT in the coming weeks/months. There is a strong desire to clear as many backlog cases as possible prior to the valuation. So far close to 1,500 frozen refunds have been processed as part of this project. Regular updates will be provided to the

pension fund and a process for escalating risks and issues will be agreed to ensure collaborative work during this project.

17. **Data Cleanse** – The admin team is working on the data cleanse and good progress is being made on clearing the critical errors. Many of the errors lie with missing pay figures from undecided or unknown leavers, which is being worked on collaboratively between employers and our Technical Team. The current errors counts shown in Annex 2 are typically missing FTE and care pay figures which will be removed once the latest end of year figures are received. The team has liaised with Hymans and are working closely with them to ensure we remove as many of the critical errors as we can.
18. **End of Year/Annual Benefit Statement** – Communications to employers regarding end of year data have been sent out once a month for January and February, twice in March and will be twice again in April. The increase in March and April is to ensure the importance of timely and accurate data is emphasised due to the Triennial Valuation this year. In mid-April there will be a review of all responses and escalate where anything is outstanding that may require support from the pension fund.
19. **Early Retirement Invoices** – There is a long running issue regarding outstanding pension strain costs for prior years, which have not been invoiced by the Surrey Pension Fund to Employers within the fund. Officers from the Pension Fund are working closely with the Pensions Administration team to resolve this and the current position has been summarised below:
 - Progress - Officers have begun investigating all cases from April 2009 - March 2019 which need to be invoiced within this time period.
 - Timeline - As this is a long term issue which requires significant time. Officers expect this work to take between 6-9 months to complete and will aim to have this resolved within this calendar year (31 December 2019).
 - Communication - Once these costs are finalised officers will send communications to each employer to inform them in advance of the outstanding amount fund will be invoicing with details of the cases. These case details will be sent Encrypted through our Egress Secure email system.

Process Improvements

20. A Process Improvement Group, consisting of representatives across the pensions administration team and pension helpdesk, is being set up to drive forward continuous improvement and efficiencies.
21. The scope of the work is currently being defined and the Service Delivery Manager will act as the project sponsor for this group.
22. The intention is for them to meet on a monthly basis to identify, plan, develop and implement changes to processes.

Next Step

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

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Sources/background papers:

Annexes:

1. CIPFA Benchmarking report
2. Data Cleanse
3. 2018/19 Customer complaints Q4
4. Admin Scheme Calendar