



Surrey Local Pension Board

25 April 2019

Administration Performance Report 1 January 2019 to 31 March 2019 (Quarter 4)

Recommendations

The Board is asked to **note** the content of this report and **make recommendations** to the Pension Fund Committee if appropriate.

Background

1. At the Pension Fund Committee of 15 September 2017, the Pension Fund Committee (Committee) approved a new Administration Performance Report (APR) to replace the existing Key Performance Indicators (KPI) from quarter 3 of 2017/18.
2. The new APR is designed give a wider snap shot of the administrative function. It is designed to provide an overview of the administration function including ongoing workflow, oversight of customer feedback and future performance plans. It also allows the Committee and Board oversight of statutory compliance and meets a recommendation from the 2016/17 internal audit.
3. At the Committee meeting of 10 November 2017, the Committee agreed that future administrations statistics reports presented to the Committee be in the form of focused summary of the APR. This summary will be produced after the full APR has been scrutinised by the Board and will include any relevant Board recommendations.

The 2019/20 Quarter 4 APR

Summary

4. The APR contains three sections:
 - Ongoing workflow;
 - Performance standards; and
 - Administration forward plan.
5. The Ongoing workflow section provides detail of the activities of the administration function, along with measurement against performance standards. It includes the following sub-sections:
 - Overview;
 - Caseload detail (members);
 - Caseload details (employers); and
 - Complaints/breaches
6. The Performance standards section highlights functions that are a regulatory requirement but also concentrates on customer driven performance criteria to inform continuous improvement work. This section consists of the following sub-sections:
 - Scrutiny;
 - Data quality;
 - Communications;
 - Value for money; and
 - Projects.
7. The Administration forward plan include reports scheduled to be brought to the Committee and Board.

Caseload performance RAG

8. Member and employer caseloads are measured against performance levels, with red, amber and green ratings. A green rating indicates the tolerable performance level has been met. An amber rating indicates that performance levels were below tolerable by 5% or less. A red rating indicates that performance levels were below tolerable by more than 5%.

Material changes since 2018/19 Quarter 3

9. The context is important in this quarter as the Pension Administration Team continue to replace number of key posts and we are in the process of transitioning to a new, and hopefully more accurate, method of reporting key performance indicators. The figures will be presented in the new format in next quarter, the new KPI template is presented in Annex 2.

10. There has been a significant increase in the number of new starters received but the figures in the other categories have not changed significantly although there has, generally, been a steady improvement the percentage of cases completed within SLA. It is encouraging that nine processes that were languishing in “red” have turned “green”.
11. The number of new starters is consistent with the amount of work an employer the size of Surrey would be expected to generate; however, some of the other categories appear to be under reported. There were fewer transfers, refunds, deferred benefits, retirements and deaths reported than would be expected for a fund of this size. For example the statistics record 94 deaths on pension (initial) during the quarter; that equates to 376 deaths per year, which is unexpectedly low for a fund with just under 95,000 active, deferred and pensioner members.
12. It has been agreed that work on the proposed backlog exercise should be excluded from the KPIs. Although the new format only allows new cases received during the quarter to be recorded the Lead Pensions Manager has promised to ring fence the completed backlog cases and report on them separately.

Next steps

13. The Board is asked to **note** the content of this report and the 2018/19 Quarter 4 APR Report (shown as Annex 1) and **make recommendations** to the Pension Fund Committee if appropriate.

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Sources/background papers:

Annexes:

1. 2018/19 Quarter 4 APR Report
2. New KPI template

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