



## **Surrey Local Pension Board**

### **24 October 2019**

## **Administration Update (1 July 2019 to 30 September 2019)**

### **Recommendations:**

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

### **Background**

1. Surrey County Council (the Council) is the Administering Authority for the Local Government Pension Scheme (LGPS) on behalf of the employers participating in the LGPS through the Surrey Pension Fund (the Fund). The LGPS is governed by statutory regulation.
2. The Pensions Administration Team (PAT) based within Orbis Business Services carries out the operational, day-to-day tasks on behalf of the members and employers of the Fund and for the Council. They also lead on topical administration activities, projects and improvements that may have an impact on members of the LGPS.
3. 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.

### **Service Improvement Plan**

4. Following the last LBP, the Chair and the Executive Director for Resources for Surrey County Council exchanged correspondence on the plans for service improvement. The Pensions Administration Team has produced a detailed plan to address the legacy and transform the service for future growth.
5. This proposal is now in a consultation period with Officers and Stakeholders. The Pension Fund Committee agreed at their meeting on 13 September to delegate authority for assurance and approval of the plan to the Chair of the PFC and the Chair of the LPB.

6. Two workshops have taken place, 4 September and 9 October, in order to keep the LPB updated with progress.
7. Relevant correspondence and attachments relating to Service Improvement Plan are attached as **Annex 1**.

### **Internal Audit**

8. A project board meets monthly to manage the progress of agreed actions resulting from the Internal Audit report. The board is made up of senior representatives from Internal Audit, Pensions Administration, and Corporate Finance Officers.
9. The actions within the report have been incorporated into the next stage of the Service Improvement Plan. The most recent highlight report is attached as **Annex 2**.

### **KPI Performance**

10. KPI results for the period 1 July to 30 September can be found at **Admin Performance Report**. The average time from start to finish (column I) has been calculated from the date the case was first created to the date it was fully completed. The timings do not take into account any periods when a case is placed on third party hold whilst additional information is outstanding.
11. In the majority of areas, the number of cases completed in the period was greater than the number of cases received.
12. The average performance score across all case types for the period was 82.35%.
13. Performance on payment of retirement benefits (standard and ill health), plus payment of survivor pensions were above target for the period.
14. The priority areas that require some attention going forward to improve performance are initial death correspondence and payment of death grants.
15. Performance on refund cases is currently below target but there is positive news behind it because the increased number of refund cases is due to progress of the backlog of unknown leavers (status 2s) being moved to the correct status (refund) for processing. The team are currently working with the Robotics Lab to build an automated process for accelerating the productivity.
16. Clearance of the backlog of New Starter cases has increased the volume of Transfer In cases being received, however a recent change to the initial part of the process will improve the customer journey in this area (more information can be found under the Service Improvements section).
17. As the backlog of Leaver cases is being progressed the volume of Transfer Out cases is increasing. Dedicated resource within the Administration Team has been assigned to work on transfer cases.

## Staffing and Training Update

18. The new Communications Officer (promoted from the Pensions Helpdesk) is due to start in post on 21 October. This role will focus on the delivery of the items within the Communications Strategy which is currently in draft format. **See Annex 3.**
19. This new member of the team has already attended a recent member presentation as part of his transition to the Engagement & Education Team.
20. The new Engagement & Education Lead is due to start a CIPP Foundation Degree in Pensions Administration and Management. This will help strengthen the knowledge and experience within the team, and ensure the postholder is qualified to deliver the education required for members and employers.
21. The Engagement and Education Lead has provided a number of very well received member presentations recently, and further sessions have been booked well into January.
22. A member of the Trainee Team has been successfully promoted to a position within the Pensions Helpdesk. This will help increase her knowledge of the scheme and expose her to frontline member enquiries.
23. Following the retirement of a Senior Pensions Officer, one of the Pensions Officers has successfully been promoted within the team.

## Customer Complaints Report

24. Complaints received for this quarter have increased slightly in comparison to last quarter, with a total of 18 received. This equates to 0.21% of the total work completed in the period. Initial acknowledgement of all but 1 of the 18 complaints have been carried out within the turnaround time of 5 working days.
25. It is noted that Quality of Service has been the highest subject of complaints received with 50%. It is also noted that two complaints are still to be resolved and are 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.
26. As a result of a recommendation within the latest Internal Audit report, the Pensions Team have adopted the Corporate Complaints reporting system.
27. The change of system would allow for better management information allowing for improved analysis of trends which would feed into service improvement plans.
28. The Customer Complaints Table can be found at **Annex 4.**

## Service Improvements

29. Various changes have been implemented over the last few months to improve the service provided to scheme members or to ensure processes are as efficient and effective as possible.
30. All New Starters now receive an e-mail welcoming them to the LGPS within the first 1-2 months of joining (for those whom we don't hold an e-mail address, a letter is sent instead). This has been made possible by the use of a bulk e-mail facility within Altair so that multiple members can be contacted in one communication. This has also been used to clear the backlog of new starters that hadn't been written to. The New Starter Welcome Pack provides more information on the scheme, how to register for MSS and how to investigate a transfer of previous pension benefits.
31. Members are now responsible for initiating their own transfer of previous pension benefits. The New Starter Welcome Pack directs them to a form to complete which is then sent to their previous scheme requesting details of the Transfer Value. By removing this part of the process from the Administration Team it releases the resource to focus on the next stage of the process so that the customer journey is improved and members are not having to chase to find out what is happening with their transfer.
32. All employer related functions that were previously being carried out by the Pensions Team have now transitioned to their correct place in the Employer Payroll Team. This has resulted in resource within the Pensions Team being released to focus on Pensions related work. One of the functions transferred is the provision of pensionable pay when a member leaves or requests an estimate of their benefits if they were to leave. The Pensions Team were calculating these figures, however the recent development of a SAP extract means that the Payroll Team will now be responsible for producing this data and this can also be fed directly into the automated process by the Deferred robot (Chewie).
33. The process for dealing with Ill Health Retirement applications has moved to HR and the Pensions Team are now only involved in the process once the employer's decision has been made. This has streamlined the process as there are now fewer hand offs throughout the process.

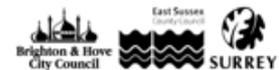
### **Pensions Helpdesk**

34. For the period July to September the Pensions Helpdesk handled 7,973 calls, of which 5,455 were Surrey Pension Fund related calls. The team also responded to 9,436 email enquiries, of which 5,307 related to Surrey.
35. With support from the robotics lab, MACK has been created to clear any member self-service keys that come through the helpdesk. When a member signs up to the portal using a different e-mail to the one held on record, an e-mail notification is sent to the helpdesk. When the portal was first in use, the helpdesk would send a letter to the member, this was then improved to an e-mail and now MACK the robot runs every day.

36. This is a significant win for the helpdesk as it's both cost and time saving, and has improved the customer journey. Since August the robot has sent 1,336 MSS activation keys.

37. The Pensions Helpdesk receives more feedback than any other Helpdesk teams through the customer thermometer tool. The graph below shows the feedback for August.

### MHD Pensions



Gold Star	31 Aug 19 14:14	This was made easy for me, thank you to Kacey Watson.
Gold Star	30 Aug 19 22:03	Kacey gave very quick and accurate responses - I am very grateful that such service still exists!
Gold Star	30 Aug 19 16:11	Very efficient
Gold Star	29 Aug 19 15:44	Millie was patient when I called to say that the previous evening I had not been able to log in after registering. She confirmed my details and stayed around ( on the line) while I checked all was well today in case I needed to change anything. Courteous and cheerful throughout.
Gold Star	28 Aug 19 22:54	So pleasant, helpful and responsive - especially with old crusties like me
Gold Star	28 Aug 19 16:57	Very helpful, talked me through everything and gave me contact info if I had any problems.
Gold Star	28 Aug 19 12:56	Natalie was really helpful today and is always very polite
Gold Star	28 Aug 19 11:30	Prompt, helpful and clear advise. I thought my enquiry was going to be complicated but it wasn't. Thanks :)
Gold Star	27 Aug 19 16:23	Very efficient and fast response to my enquiry. I appreciate it very much. Thank you very much.
Gold Star	27 Aug 19 15:52	Excellent service! I have called before and was despairing in making this phone call based on my past experiences, but the lady I spoke today was amazing and helped me more than anyone has in our 5 minutes conversations, than me trying to get any information for ages in the past. Please pass my gratitude to: Millie Porter (just got the email she promised! with her name), she was amazingly helpful!

38. The helpdesk supported with the ABS launch this year by lining up with the administration team to deliver a workshop on how to read an Annual Benefit Statement.

39. These drop in sessions, ran by the Engagement and Education lead, were held at County Hall, Surrey and were very well attended. Staff had to book a slot to speak with one of the pensions team that were in attendance.

40. The helpdesk also created a how to read your ABS video which is published on the MSS Portal, Snet and YouTube, and encourages members to self-serve. There have been 728 views since this went live in August.

### Member Self Service

41. The Pensions Team are currently reviewing the Member Self Service portal which will involve highlighting key areas for improvement, implementing these changes and also promoting MSS to the wider audience through different media sources.

42. Surveys are being issued to members to gather feedback on the functionality of MSS to help inform any improvements that are needed.

### Annual Benefit Statements

43. The ABS work in general is complete, with all statements being published/sent to members where possible.

44. More detail can be found in the summary report of the 2019 ABS exercise at **Annex 5**.

### Annual Allowance

45. A total of 202 member records were reviewed as part of the Annual Allowance checks with 96 Pension Saving Statements being issued. The majority were issued during July and August, with the final 4 being sent at the end of September. The statutory deadline for issuing these statement is 6 October.
46. In future years the plan will be to produce a High Earner pack including the Annual Benefit Statement, Pension Saving Statement and explanatory notes all in one place. The aim is to provide information on how the two statements relate to each other and provide guidance and support to this cohort of members as to what actions, if any, they need to take.

### Data Quality

47. Heywood's were recently commissioned to carry out the testing on Common and Scheme Specific Data which have to be reported to the Pensions Regulator as part of the annual Scheme Return.
48. The results show a significant improvement in the quality of the data, which is a result of the efforts of the data cleanse leading up to the submission of the Triennial Valuation data.
49. The scores for 2018 and 2019 can be found below:

	2018	2019
<b>Common Data</b>	85.60%	90.10%
<b>Scheme Specific (Conditional) Data</b>	73.80%	97.00%

50. A full report will be produced by Heywood's detailing the areas that require improvement which will then be fed into the Data Improvement Plan.

### Robotics

51. The process for producing Deferred into Payment quotations, for members who have either requested this information or have reached their Normal Pension Age, has been automated by a robot named Dippy.
52. A robot named Chewie is being developed to automate the Deferred Benefit process. This will have a significant impact on the Pensions Administration Team as well as the customer experience. Whilst no payment of benefits is due, Deferred Benefit cases are the highest volume of work.
53. The next area of focus for automation will be Refund of Contributions as this is another high volume area and is a simple process to automate, allowing the resource within the team to focus on more complex cases.

### GMP Reconciliation

54. The work on the GMP Reconciliation has been progressing well and is close to understanding the liability costs. JLT have now matched over 99% of membership for all Funds and will implement the decisions on the stalemate cases once received by the Pension Fund.
55. HMRC will be sending the final SRS data cut from November onwards. JLT will then complete the final reconciliation.
56. JLT have also been working with HMRC to review all CEP payments to ascertain whether HMRC have allocated them correctly or whether they are still a liability held against the Fund.
57. This has now been completed and e-mails were sent to all Funds recently to confirm the status.

### **Valuation**

58. The data cleanse and valuation work was completed on time and delivered to Hymans by 19 July as agreed with the Pension Fund.
59. This project is now closed down for Orbis Admin Services.

### **System Review**

60. Having undertaken a detailed analysis and having now explored this further with SCC Procurement, the Pension Admin Service will need to undertake a full procurement process to explore all other system providers in the market.
61. The first step in this process will be to agree a short term extension with the current supplier, Heywood, to enable the Project Team sufficient time to carry out the full review and tender process.
62. Once this has been agreed, engagement with procurement will begin in full, along with other key services such as IMT to begin working on creating a fully functional specification document.
63. Based on timeframes, it is anticipated the full review will begin in January 2020.
64. Further information on current projects can be found at **Annex 6**.

### **Legacy Cases**

65. As at 8 October 2019, 5,001 legacy cases have been completed by JLT.
66. The quality assurance has been signed off and JLT are preparing their first bill.

67. As previously mentioned, the SAP extract is now live so leaver data can be extracted which allows for more cases to be sent to JLT to clear without any input from the Pensions Team.

68. A Highlight Report containing more information on current status, next steps and key risks/issues can be found at **Annex 7**.

### **Next steps**

69. 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:**

Annex 1 – Service Improvement Plan

Annex 2 – Internal Audit Update

Annex 3 – Draft Communications Strategy

Annex 4 – Customer Complaints Table

Annex 5 – Annual Benefit Statement Summary Report

Annex 6 – Project Highlight Report

Annex 7 – Backlog Highlight Report

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