



Surrey Local Pension Board

12 November 2020

Administration Performance Report Quarter 2

Recommendations:

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

Background

1. The key performance indicators (KPIs) were revised in order to capture the amount of work received and completed more effectively.
2. The new format has bedded-in, and it enables like for like comparisons with previous quarters.

Content

3. A concrete format for reporting KPIs has been agreed, which means that the figures are reported in a consistent manner and the Board is able to compare like with like in previous quarters and identify trends.
4. These figures reflect the period 1st July 2020 – 30th September 2020, which was a lockdown quarter and it was agreed that we should focus on a handful of core tasks.
5. This report does not try to dissect the figures but, rather, to shine a spotlight on a few key case types that give an insight into how we are coping with the challenges.
6. We completed 3,246 cases, which shows a slight improvement on last quarter's 3,088 cases. However, we are carrying out analysis on the current utilisation rate and will update the Board when this analysis is complete.
7. Although these figures should be viewed in the context of the lockdown, which presents several challenges, the staff should be adjusting to the new ways of working and we are monitoring productivity.

8. The largest individual number of cases is new starters, which are not ragged because they are processed electronically at present.
9. The headline figure does not include backlog cases, although some employers are slow to report new starters.
10. There were a very high number of new starters added to the pension administration system last quarter and again a high number (1,537) reported this quarter. This compares with 811 new starters in the same quarter last year and we are investigating why there has been such a spike in cases in the second quarter of a lockdown.
11. The intuitive reason for large numbers of new starters would appear to be schools recruiting for the new year starting in September; however, the figure for the whole of Surrey, which is by far the largest employer, was only 674 (44% of the total).
12. We have identified deaths as a key priority and the Board monitors the figures closely.
13. Only 108 (63%) of initial death notifications were processed within SLA this quarter.
14. This is significantly lower than last quarter and is not ideal given that the process only entails stopping the pension and sending out a pro forma condolences letter requesting copies of the death certificate, any dependant's birth certificates and their bank details. We are currently reviewing the overall death process and as a result of that review, performance measures for this stage of the process will improve going forward.
15. Delays in processing deaths can lead to pensions being overpaid, which can be difficult recover and may cause unnecessary distress for the deceased's relatives.
16. The distribution of cases reported is unbalanced and even processes that are related to each other do not appear to be in proportion.
17. For example, 15% of new starters transferred their pension benefits within local government when a much higher figure would normally be expected 2% of new starters brought in non-local government transfers, which is again a lower number than projected.
18. Many of the completed transfer cases relate to the previous quarters but, given that there were more new starters in the previous quarter, if we divided this quarter's transfers by last quarter's new starters the percentages would be even lower.
19. Overall, the figures have suffered a little but that is to be expected in a lockdown. Nonetheless, performance has been sub-optimal in too many of the core processes and we are monitoring the reasons for this.
20. A lot of time and energy has been invested in improving administration performance and we expect to see this begin feed through into the statistics.

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Sources/background papers:

Annexes:

1. 2020/21 Quarter 2 KPI Report

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