

# HAMPSHIRE COUNTY COUNCIL

## Report

<b>Panel:</b>	Pension Fund
<b>Date:</b>	16 December 2011
<b>Title:</b>	Administration performance
<b>Reference:</b>	3551
<b>Report From:</b>	Nick Weaver – Head of Pensions Services

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### 1. Summary

- 1.1. The purpose of this paper is to update the Panel on administrative performance in the first six months of 2011/12.
- 1.2. The Panel is asked to approve the administration strategy which has been drafted in consultation with employers, in accordance with regulations.

### 2. Administration performance

- 2.1. Administration performance against statutory deadlines for key casework is measured each month. As reported to the Panel in June, due to their greater time sensitivity, retirements and estimates have always been given priority, and are measured against a service standard of 4 weeks.
- 2.2. For deferred benefits and notional transfers (changes of employer within the Hampshire Pension Fund), the service standard is 8 weeks because these cases are less time sensitive.

### Quarter 1 – completed work and time taken to process

Area of work	0-5d	6-10d	11-15d	16-20d	21-40d	41+d	Total number of completed cases	% comp on time
	1 Week	2 Weeks	3 Weeks	4 Weeks	5 - 8 weeks	8 weeks+		
Retirements	461	248	178	8	3	1	899	99%
Estimates	205	135	59	3	3	0	405	99%
Pension Payroll starters	612	126	41	44	46	6	875	89%
Other leavers	18	1	0	0	0	0	19	100%
Interfunds	167	6	5	2	4	32	216	85%
Transfers	173	27	3	3	3	12	221	92%
Divorce	87	9	1	1	3	7	108	90%
Deferreds	119	96	151	244	399	131	1140	89%
Notionals	101	6	13	8	32	101	261	61%
<b>Total</b>	<b>1943</b>	<b>654</b>	<b>451</b>	<b>313</b>	<b>493</b>	<b>290</b>	<b>4144</b>	

## Quarter 2 – completed work and time taken to process

Area of work	0-5d	6-10d	11-15d	16-20d	21-40d	41+d	Total number of completed cases	% comp on time
	1 Week	2 Weeks	3 Weeks	4 Weeks	5 - 8 weeks	8 weeks+		
Retirements	422	249	251	9	10	0	941	98%
Estimates	174	123	82	5	4	0	388	98%
Pension Payroll starters	802	56	21	5	6	3	893	98%
Other leavers	16	5	1	0	0	0	22	100%
Interfunds	155	1	1	0	1	1	159	99%
Transfers	179	9	1	1	1	1	192	98%
Divorce	67	5	2	1	2	0	77	96%
Deferreds	140	102	134	129	738	119	1362	91%
Notionals	98	18	9	10	39	116	290	60%
<b>Total</b>	<b>2053</b>	<b>568</b>	<b>502</b>	<b>160</b>	<b>801</b>	<b>240</b>	<b>4324</b>	

2.3. As can be seen from the tables, there has been good delivery against service standards for the time critical processes but further progress needs to be made for deferred benefits and notional transfers. The aim is to achieve over 95% for both these areas by the end of the financial year.

2.4. Outstanding work at the end of each month is also measured by age and processed in date order to ensure achievement of service standards. The table below shows the analysis of outstanding work at the end of September.

Area of work	0-5d	6-10d	11-20d	21-40d	41+d	Total number of outstanding cases
	1 Week	2 Weeks	3 - 4 Weeks	5 - 8 Weeks	8 weeks+	
Retirements	49	11	5	0	0	65
Estimates	19	10	0	0	0	29
Pension Payroll starters	10	3	1	0	0	14
Other leavers	1	0	0	0	0	1
Interfunds	4	2	2	0	0	8
Transfers	5	0	1	0	0	6
Divorce	6	1	1	0	0	8
Deferreds	101	197	107	104	1	510
Notionals	80	30	41	45	94	290
<b>Total</b>	<b>275</b>	<b>254</b>	<b>158</b>	<b>149</b>	<b>95</b>	<b>931</b>

2.5. In addition to the casework monitored through the task management system, the focus of work during the first six months of 2011/12 has been on reconciling employer end of year data and producing annual benefit statements for active and deferred members.

2.6. Annual benefit statements are produced after the reconciliation and validation of an employer's end of year data. For all but six employers, returns were received by, or shortly after, the deadline and statements were produced by the end of September 2011. Annual benefit statements for the employees of the six employers whose returns were very late are due to be run by December 2011.

2.7. A significant amount of work has been generated by the transfer of schools to academy status, both in terms of their admission but also ongoing support for the pension administration. Under LGPS rules academies are treated as separate employers and therefore are required to take on the employer responsibilities which previously undertaken by the local education authority.

### **3. Employer events**

- 3.1. Following the Panel's approval to appoint Prudential as an additional AVC provider, the Prudential held a formal launch for the benefit of employers. This well attended event gave employers information about the Prudential's administration requirements as well as detailing the presentations that Prudential offer free of charge to members. Many employers, including Hampshire County Council, are taking up this service.
- 3.2. Burges Salmon, a firm of specialist pensions lawyers, provided a free event for employers covering the pension implications of outsourcing and TUPE transfers. Again there was significant attendance from a wide range of employers and very positive feedback. Burges Salmon have offered to do a further presentation in 2012.

### **4. Administration strategy**

- 4.1. The Local Government Pension Scheme (Administration) Regulations 2008 allow administering authorities to prepare a pension administration strategy in relation to their administering authority responsibilities. The strategy can include:
  - procedures for liaison and communication with employing authorities
  - establishment of levels of performance for both the administering and employing authorities
  - procedures to ensure compliance with statutory requirements
  - the circumstances in which employing authorities may be charged for extra costs arising because of the employing authority's performance
  - publication of annual reports detailing performance
  - any other issues considered appropriate
- 4.2. This strategy is not compulsory, but where one is produced it must be published and regularly reviewed.
- 4.3. The administration strategy focuses on ways in which the administering authority liaises with employers and its performance against defined service standards.
- 4.4. Although Pensions Services are consistently delivering against service standards and provide an employer's guide which outlines employer responsibilities, a formal document setting out respective responsibilities would help provide clarity, especially with the numbers of new employers, mainly academies, joining the fund.
- 4.5. A draft administration strategy has been shared with employers and is attached in Appendix A. The Panel are asked to approve the strategy for publication.

## **5. Recommendations**

5.1. It is recommended that the Pension Fund Panel:

- note the improved position regarding pension administration processing
- approve the publication of the administration strategy in the appendix

CORPORATE OR LEGAL INFORMATION:

**Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	yes/no
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes/no
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes/no
Corporate Improvement plan link number (if appropriate):	

**Section 100 D - Local Government Act 1972 - background documents**

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

Document

Location

None



## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

1.1. Equality objectives are not considered to be adversely affected by the proposals in this report.

### **2. Impact on Crime and Disorder:**

2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

### **3. Climate Change:**

a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact



## APPENDIX: