

# HAMPSHIRE COUNTY COUNCIL

## Information Report

<b>Panel:</b>	Pension Fund
<b>Date:</b>	7 November 2014
<b>Title:</b>	Pensions administration performance update
<b>Reference:</b>	6248
<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 between April and September 2014.

### 2. Administration performance

2.1. Pensions Services provide the administration of pension entitlements for members of the Hampshire Pension Fund, as well as for members of the Police Pension Schemes and Firefighter's Pension Schemes.

2.2. Pension scheme regulations set out the requirements for providing members with information about their pension benefits. For most types of calculation or correspondence, the statutory service standard is 8 weeks.

2.3. Pensions Services' administration performance against statutory deadlines for key casework is measured each month. Due to their greater time sensitivity, retirements and estimates have always been given priority, and are measured against a service standard of 4 weeks.

2.4. 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.

2.5. The processing times for casework in the first two quarters of 2014 / 15 is shown in the tables below.

### 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	564	154	316	14	0	0	1048	100%
Estimates	175	154	234	10	0	0	573	100%
Deferreds	144	139	105	557	473	0	1419	100%
Notionals	80	47	43	46	3	0	219	100%
Interfunds	116	19	47	20	0	0	202	100%
Transfers	198	58	42	2	0	0	300	99%
Divorce	69	39	14	0	0	0	121	100%
Other leavers	40	4	5	0	0	0	49	100%
Pension Payroll starters	670	6	4	9	0	0	688	100%
<b>Total</b>	<b>2057</b>	<b>619</b>	<b>811</b>	<b>658</b>	<b>476</b>	<b>0</b>	<b>4620</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	432	186	460	40	2	0	1120	100%
Estimates	154	73	268	32	0	0	527	94%
Deferreds	98	42	54	186	857	25	1262	98%
Notionals	60	24	22	23	12	1	142	99%
Interfunds	57	12	37	33	1	0	140	100%
Transfers	162	96	42	1	1	0	302	99%
Divorce	53	33	2	0	1	0	89	99%
Other leavers	95	24	5	0	0	0	124	100%
Pension Payroll starters	723	5	5	0	2	0	735	100%
<b>Total</b>	<b>1834</b>	<b>495</b>	<b>895</b>	<b>315</b>	<b>876</b>	<b>26</b>	<b>4441</b>	

Work in progress 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 for the key processes at the end of September.

Area of work	0-5d	6-10d	11-20d	21-40d	41+d	Total number of outstanding
	1 Week	2 Weeks	3 - 4 Weeks	5 - 8 Weeks	8 weeks+	
Retirements	70	56	14	3	0	143
Estimates	54	21	13	1	0	89
Deferreds	112	128	390	128	0	758
Notionals	10	0	12	0	0	22
Interfunds	2	4	0	0	0	6
Transfers	11	9	2	0	0	22
Divorce	10	0	0	0	0	10
Other leavers	13	6	0	0	0	19
Pension Payroll starters	1	0	0	0	0	1
<b>Total</b>	<b>283</b>	<b>224</b>	<b>431</b>	<b>132</b>	<b>0</b>	<b>1070</b>

- 2.6. During September, Pensions Services experienced four days of unplanned system downtime. The cause of this was the current image server hitting capacity as it reaches the end of its useful life. The impact of this downtime can be seen in the quarter's performance, as two retirement calculations were not completed by the target of 4 weeks, and 25 deferred benefit cases were outside their target of 8 weeks.
- 2.7. The impact is also clear in the outstanding work at the end of September, which has increased from its usual level of around two week's work to be nearer three week's work.
- 2.8. There is a plan in place to clear this outstanding work, with staff being offered overtime to ensure there is no detrimental impact on the service provided to members. In addition, Pensions Services have recently recruited six new staff to replace leavers over the last 18 months. These staff are undertaking a training programme to ensure they can deliver the work to standard.

### **3. New pension administration system**

- 3.1. Pensions Services are moving to a new pension administration system from November 2014 and work is well underway on the implementation and migration project.
- 3.2. It was necessary to change system because the existing product reaches the end of its life at the end of this year. As well as streamlining existing processes, with greater use of electronic document management and workflow solutions, the new system offers significant opportunities to increase administrative efficiency. These opportunities will be explored further following the successful implementation.

### **4. New LGPS 2014**

- 4.1. The new LGPS 2014 came into effect on 1 April 2014. The transition to the new scheme was smooth and there have been very few queries raised by members. This is in part due to the communication of the changes prior to April, but also because the immediate impact of the change on existing members was minimal because of the protections in place.
- 4.2. However the new scheme places increased demands on employers as there are additional requirements to provide information, and it is even more important under a career average pension scheme for the information to be accurate and timely.
- 4.3. Employers have been supported in their understanding of the new requirements through a series of workshops and training events. The employer focus group, which was set up to ensure employers were given the opportunity to feed into the 2014 communication plan, continues to meet six monthly to discuss the changes.
- 4.4. Pensions Services are increasing the resource which is focussed on supporting employers. This is necessary not only because employers face increased demands from the new scheme but also because there is a

growing number of employers in the Fund. Since April, there have been 37 new employers as a result of 15 new academies, 19 private contractors accessing the LGPS for staff who have been transferred to them and 3 new scheduled bodies.

## **5. Councillor pensions**

- 5.1. Under the new LGPS 2014, it is no longer possible for a councillor to join the scheme. Existing councillors will remain in the scheme until their current term of office ends.
- 5.2. The LGA has written to council leaders to gauge interest in making alternative pension arrangements available to councillors. This would either be in the form of a group personal pension, or a Trust based scheme. It is not clear whether these proposals will be developed, but a further update will be included when more information is available.

## **6. Recommendations**

- 6.1. It is recommended that:
  - the Panel note the administration performance for April to September 2014.

**CORPORATE OR LEGAL INFORMATION:**

**Links to the Corporate Strategy**

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



## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a. The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b. Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c. Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2. Equalities Impact Assessment:**

1.3. 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.