Agenda Item No. 4 (b)

DERBYSHIRE COUNTY COUNCIL

PENSIONS AND INVESTMENTS COMMITTEE

22 January 2020

Report of the Director of Finance and ICT

Quarterly Pension Administration Performance Report
1 October 2019 to 31 December 2019

1   Purpose of the Report

To notify the Pensions and Investments Committee (the Committee) of the administration activity undertaken by the Pension Administration Team (the Team) of Derbyshire Pension Fund (the Fund), and the performance levels achieved, in the third quarter of 2019/20 (Q3).

2   Content

3   Workload data 3.1 Membership numbers 3.2 Achievement against standards 3.3 Throughput 3.4 Monthly contribution returns 3.5 New academies and admission bodies 3.6 Application for Adjudication of Disputes Procedure cases 4   Communications 5   Projects 6   Collaboration

3   Workload data

3.1 Membership numbers

Membership	30 Sept 2019	31 Dec 2019
Actives	36,170	37,608
Deferred	27,940	28,029
Pensioners	30,323	30,687
Work in Progress	8,830	8,609
Totals	**103,263**	**104,933**

Table 1

The 'Work in Progress' figure includes backlog as well as current work and, as part of the backlog management work referred to in paragraph 5.2 below, will help to support progress towards getting all administration work up to date.

3.2 Achievement against standards

The statutory timescales against which performance is currently measured were set by The Occupational Pension Schemes Regulations 1996. Table 2 captures performance against these targets in Q3 of 2019/20.

The number of case types being measured will be reduced for a temporary period as the Team redevelops its reporting capability on the new system. As part of this redevelopment, the performance targets used will be reviewed as the efficiencies of the new pension administration system begin to be realised.

Case type	Total number of cases	Hit target	Missed target	% achieved Q3
Retirement Benefits paid	597	568	29	96.5%
Death cases	239	208	31	87.0%
Transfer Out paid	32	29	3	90.6%
Transfer Out quotes	139	65	74	46.8%

Estimate requests	263	255	8	97.0%
Refunds paid	281	278	3	98.9%

Table 2

Table 3 shows performance each quarter of 2019/20.

Case Type	Q1	Q2	Q3	Q4
Retirement Benefits paid	97.5%	98.9%	96.5%	
Death cases	93.7%	89.9%	87.0%	
Transfer Out paid	100%	100%	90.6%	
Transfer Out quotes	94%	77.7%	46.8%	
Estimate requests	95.5%	93.8%	97.0%	
Refunds paid	100%	99.7%	98.9%	

Table 3

The process for recording workflows on the new system is subject to ongoing development.

3.3 Throughput

Reporting has now been developed within Altair to capture the number of work items processed. The figures for Q3 were as follows;

Work items open on 1/10/2019	16,949
New work items becoming due during Q3	11,392
Number of work items completed during Q3	12,486
Work items open at 31/12/2019	15,855

Table 4

3.4 Monthly contribution returns

There is a statutory requirement for employers to remit contributions by the 19th of the month following deduction from payroll. Employer performance in this area for the three months to the end of November 2019 was as follows:

Month	Total no. of returns expected	Received on time	Less than a week late	Between a week and a month late	Over a month late
September	272	261	3	1	7
October	274	269	0	1	4
November	277	261	10	3	3

Table 5

Due to the collation of responses a month after contributions are due, this report provides figures from the last month of Q2 and the first two months of Q3. A late contribution return represents a statutory breach and each case is recorded. Where remedial efforts, including charging, are not successful in improving employer performance, this evidence will be used in support of the submission of a report to The Pension Regulator.

3.5 New academies and admission bodies

Six new academies joined the Fund as scheme employers during Q3, as follows:

Employer Ref	Employer Name	Start Date	Academy Trust	Payroll Provider
728	**Ivy House School**	01/10/2019	The Shaw Education Trust	Prospects
729	**Tupton Hall School**	01/10/2019	The Redhill Academy Trust	Dataplan
730	**St Werburgh's CofE Primary School**	01/10/2019	DDAT2	Derbyshire County Council External SAP
731	**St Giles' School**	01/11/2019	The Spencer Academies Trust	Dataplan
732	**The Green Infant School**	01/11/2019	Flying High Trust	Nottinghamshire CC
733	**Lawn Primary School**	01/12/2019	Transform Trust	Own

Table 6

No new admission bodies joined the Fund during Q3.

The number of employers now participating in the Fund is 317.

3.5 Application for Adjudication of Disputes Procedure (AADP) update – progress on disputes involving the administering authority

There were no AADP cases presented to Pensions and Investment Committee for consideration during Q3.

4   Communications and Training

4.1   The following communications were sent to Fund employers during Q3;
- 25/10/2019   Employer Newsletter 164
- 04/12/2019   Employer Newsletter Special issue: i-Connect
- 11/12/2019   Employer bulletin: Employer valuation seminar
- 12/12/2019   McCloud case update

The Newsletters can be accessed on the Fund website at https://www.derbyshirepensionfund.org.uk/site-elements/documents/pdf/employer-newsletter-163.pdf.

A successful event was held for employers at Cromford Mills on 25 November 2019 covering the areas of ill-health retirement and dealing with appeals.

4.2   The following sessions were held for Fund members during Q3

Date	Event	Employer	Location
09/10/2019	Understanding your pension presentation	Chesterfield Borough Council	Chesterfield Borough Council, Town Hall, Rose Hill, Chesterfield S40 1LP
10/10/2019	ABS Drop-In Session	Amber Valley Borough Council	Town Hall, Ripley DE5 3BT
16/10/2019	ABS Drop-In Session	Amber Valley Borough Council	Leafy Lane, Heanor
17/10/2019	Understanding your pension presentation	Chesterfield Borough Council	Chesterfield Borough Council, Town Hall, Rose Hill, Chesterfield S40 1LP
24/10/2019	ABS Drop-In Session	University of Derby	Kedleston Rd, Derby DE22 1GB
30/10/2019	ABS Drop-In Session	Derbyshire County Council	County Hall, Matlock
04/11/2019	ABS Drop-In Session	Derbyshire County Council	County Hall, Matlock
05/11/2019	Annual allowance session	Derbyshire County Council	County Hall, Matlock
07/11/2019	ABS Drop-In Session	Hasland Infant School	Hasland Infant School, Eyre St E, Hasland, Chesterfield S41 0PE
11/11/2019	Understanding your pension	Dronfield Henry Fanshawe School	Green Ln, Dronfield S18 2FZ

	presentation		
13/11/2019	ABS Drop-In Session	Derby City Council (Stores Road Depot)	15 Stores Road, Derby, DE21 4BD
19/11/2019	ABS Drop-In Session	Ormiston Ilkeston Enterprise Academy	King George Ave, Ilkeston DE7 5HS
21/11/2019	Annual allowance session	Derby City Council	Corporation Street, Derby, DE1 2FS
25/11/2019	Employer training: HR Issues – Ill Health and Appeals	2 sessions – Morning: Open to all employers Afternoon: Derbyshire County Council HR	Gothic Warehouse, Cromford
28/11/2019	ABS Drop-In Session	Derbyshire Constabulary + Fire & Rescue	Butterley Hall, Ripley, Derbyshire, DE5 3RS
04/12/2019	ABS Drop-In Session	University of Derby (Buxton & Leek Campuses)	1 Devonshire Rd, Buxton SK17 6RY / Leek Rd, Stoke-on-Trent ST4 2DF
05/12/2019	ABS Drop-In Session	Derby City Council	Council Offices, Corporation Street, Derby, DE1 2FS

Table 7

4.4 Induction training was held in County Hall on 6th November 2019 for new and substitute members of the Pensions and Investments Committee and new members of the Pension Board.

5   Projects

5.1 **I-Connect**
The Fund is dependent upon the receipt of prompt and accurate data from its employers to enable accurate record keeping, funding decisions and benefit calculations. The I-Connect solution standardises, automates and validates the data received from employers each month, and uploads it into Altair much more efficiently than by current methods. This enables contribution reconciliation to take place monthly, thereby relieving the pressure at year-end.

The implementation project is underway and a number of employers are working with the Project Team as early adopters of this new functionality.

5.2 **Backlog Management Project**

A specific project is also underway to reduce and ultimately eliminate the remaining backlog areas of 'Aggregations' and 'Deferreds'. Resource has been allocated, and monitoring and reporting methods are being developed.

In the key area of 'aggregations', reporting has been able to identify that the backlog has reduced by 532 cases during Q3, from 2,861 to 2,329. It is expected that this rate of reduction will be maintained during Q4.

The current backlog of 'deferred benefit' cases is 2,282.

5.3 **Data Management**

The Data Management Group has been set up in order:

- To oversee progress on data improvement activity via a regular review of the Data Improvement Plan
- To monitor compliance with GDPR
- To consider the effectiveness of and compliance with data security procedures
- To enable a coordinated approach to data management via reports to the Pensions Officers Management Team (POM)

The Group meets quarterly and its effectiveness is measured by the improvement each year in the independently assessed data quality scores.

5.4 **Replacement Pensions Admin System**

A dedicated Project Team was created to oversee the migration of the Fund's records from the UPM system to Altair. The project has now been successfully completed with all processes and calculations working well and staff initiation training taken on board. The Project Team will now focus on I-Connect and the Altair system support work will become 'business as usual'.

6 **Collaboration**

Members of the Team have continued to learn, share and network with colleagues from other Funds and the wider industry at the following events during Q3:
- CLASS (Altair) User Group, Leeds 15th October 2019
- East Midlands Pensions Officers Group (EMPOG), County Hall, 31st October 2019

- LGPS Annual Pension Managers' Conference, Torquay, 19th and 20th November 2019
- LGA Joint Communications Group 'Plain English Training', Northampton, 29th November 2019
- LGPS Central Administration sub-group, Stafford, 29th November 2019

7 Other Considerations

In preparing this report the relevance of the following further factors has been considered: financial, legal and human rights, equality and diversity, health, environmental, transport, property, and prevention of crime and disorder.

8 Officer's Recommendation

That the Committee notes the workloads and performance levels outlined in this report.

Peter Handford

Director of Finance and ICT