


Non-Executive Report of the: PENSIONS BOARD 16 October 2017	
Report of: Zena Cooke, Corporate Director of Resources	Classification:
Pension Fund Administration Update	

Originating Officer(s)	Tim Dean, Pensions Team Leader
Wards affected	All

Introduction

This report covers the activities and performance of the Pensions administration team.

Recommendations:

The Pensions Board is recommended to:

Note the contents of this report in respect of the update on the administration of the pension fund.

1. STAFFING

- 1.1 Interim Pensions Manager George Bruce has now left the team.
- 1.2 Tim Dean has been designated as the Senior Team Leader and is now responsible for the day-to-day tasks of the team.
- 1.3 Sue Grimstead has been seconded from Surrey County Council for two days a week starting from 4 September 2017 to provide support – focusing on the upcoming Member Self Service, iConnect and GMP Reconciliation exercises.

2. IDRP

- 2.1 There is currently one outstanding IDRP appeal. This relates to the award of a lump sum Death Grant payment.
- 2.2 The case has been review by our actuaries.

3. BENEFIT STATEMENTS

- 3.1 Statements for deferred members were sent on 22 August 2017.
- 3.2 The data for the statements for active members was sent to the printers on 31 August 2017. However, due to problems with the statement template, printing did not begin until 5 September 2017.
- 3.3 Statements were returned to the Pensions Admin team, checked and posted by 8 September 2017.

4 ACTIVITY AND PERFORMANCE

- 4.1 The activity levels and performance against service standards are reported in the appendices to this report.
- 4.2 Activity levels and performance are monitored on a monthly basis.

5. PROJECTS

- 5.1 The projects to introduce member self-service, payroll data-interface (iConnect) and GMP Reconciliation were delay while priority was given to the issue of benefit statement.
- 5.2 **GMP reconciliation** – ITM have been appointed to complete Stage 2 of the GMP reconciliation project. This stage of the project will take up to 3 months to complete.
- 5.3 **Member Self Service** – Staff training on the Member Self Service will be completed by the end of October. Scheme members will be notified of the new service following the completion of the staff training.

- 5.4 **Transfer Amnesty** – Regulations permit new scheme members 12 months to transfer in past pension rights or such longer period as the council agrees. Not all members have been notified of this deadline and the council has therefore agreed to accept transfer payments where the 12 month deadline has passed. It is proposed that we write to all members notifying them that they will be given 12 months to complete any transfers. The 12 month deadline will then be strictly enforced.
- 5.5 **iConnect** – A trial of the iConnect system will begin in October with one of our scheme employers. Assuming no problems are identified the system will be in use by all employers by the end of the year.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 There are no expenditure proposals within the paper. All the projects that are noted in this report are already funded from within existing resources

7 LEGAL COMMENTS

- 7.1 The Pensions Board is required to consider pension matters and ensure that the Council meets its statutory duties in respect of the fund. It is appropriate having regard to these matters for the Board to receive information from the Pensions Administration team about the performance of the administration function of the pension fund.
- 7.2 When carrying out its functions as the administering authority of its pension fund, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector duty).

8 ONE TOWER HAMLETS CONSIDERATIONS

- 8.1 The administration costs of running the pension scheme are a very small part of the contributions paid. An efficient administration function will contain costs over the long term, minimising the costs falling on the scheme employers, including the Council.
- 8.2 A viable pension scheme also represents an asset for the recruitment and retention of staff to deliver services to the residents.

9 BEST VALUE (BV) IMPLICATIONS

- 9.1 In each case decisions to acquire additional services have followed the Council's procurement procedures. All costs are paid for from the assets of the Pension Fund.

10 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 There is no Sustainable Action for A Greener Environment implication arising from this report.

11 RISK MANAGEMENT IMPLICATIONS

- 11.1 Risks arising from poor administration tend to be reputational but can include additional expenditure through inaccurate benefits, delays in collecting contribution, fines and interest on late payments. This and future reports are designed to provide the Pensions Committee with assurance that pension risks are being adequately managed.

12 CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 There are no crime and disorder reduction implications arising from this report.
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Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1- Activity and performance data

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

- NONE

Officer contact details for documents:

- Tim Dean – Senior Pensions Team Leader Ext. 4530
- 3rd Floor Mulberry Place, 5 Clove Crescent E14 2BG

Appendix 1 – Performance Information

Summary of first half of year 2017/18 – Percentages meeting target

	Address Changes %	Bank Account Changes %	Death of a Pensioner %	Deferred Calculations %	Estimates %	General Enquiries %	Lump Sum Payments %	Nomination Updates %	Refund Calculations %	Refund Payments %	Retirements %	Transfers In (Actual) %	Transfers In (Quotes) %	Transfers Out (Actual) %	Transfers Out (Quotes) %	Overall %
April	92.86	83.33	42.86	33.33	90.91	86.96	52.17	100.00	98.36	100.00	100.00	60.00	78.57	80.00	50.00	76.62
May	89.19	100.00	100.00	71.43	88.89	76.11	50.00	95.65	97.22	100.00	66.67	66.67	63.64	62.50	100.00	81.86
June	100.00	100.00	83.33	93.55	79.31	73.08	76.92	100.00	86.67	93.94	90.00	100.00	81.25	100.00	100.00	90.54
July	88.24	90.91	83.33	81.48	81.82	92.16	93.33	88.00	85.00	67.74	100.00	75.00	100.00	100.00	83.33	87.36
August	94.59	90.91	88.24	81.25	80.00	70.97	72.73	95.65	88.24	76.00	100.00	85.71	100.00	100.00	69.23	86.23
September	97.37	81.25	75.00	92.45	80.00	77.14	80.00	81.82	74.36	72.22	87.10	100.00	100.00	83.33	100.00	85.47

Monthly performance data

April 2017

	Target	Number	Outside Target	% in Target	Average Days
Address Changes	10	28	2	92.86	3.71
Bank Account Changes	10	6	1	83.33	5.17
Death of a Pensioner	5	7	4	42.86	3.71
Deferred Calculations	15	15	10	33.33	22.73
Estimates	10	11	1	90.91	5.82
General Enquiries	10	69	9	86.96	4.67
Lump Sum Payments	5	23	11	52.17	5.13
Nomination Updates	10	20	0	100.00	1.65
Refund Calculations	15	61	1	98.36	3.39
Refund Payments	10	18	0	100.00	2.89
Retirements	10	4	0	100.00	6.00
Transfers In (Actual)	10	5	2	60.00	6.20
Transfers In (Quotes)	10	14	3	78.57	7.71
Transfers Out (Actual)	10	5	1	80.00	12.80
Transfers Out (Quotes)	10	4	2	50.00	9.00

May 2017

	Target	Number	Outside Target	% in Target	Average Days
Address Changes	10	37	4	89.19	4.05
Bank Account Changes	10	14	0	100.00	2.21
Death of a Pensioner	5	4	0	100.00	1.00
Deferred Calculations	15	49	14	71.43	10.10
Estimates	10	9	1	88.89	5.33
General Enquiries	10	113	27	76.11	7.35
Lump Sum Payments	5	32	16	50.00	6.25
Nomination Updates	10	23	1	95.65	2.74
Refund Calculations	15	36	1	97.22	2.39
Refund Payments	10	41	0	100.00	5.68
Retirements	10	12	4	66.67	11.58
Transfers In (Actual)	10	3	1	66.67	12.33
Transfers In (Quotes)	10	11	4	63.64	7.45
Transfers Out (Actual)	10	8	3	62.50	8.75
Transfers Out (Quotes)	10	5	0	100.00	1.60

June 2017

	Target	Number	Outside Target	% in Target	Average Days
Address Changes	10	35	0	100.00	2.09
Bank Account Changes	10	12	0	100.00	2.83
Death of a Pensioner	5	6	1	83.33	2.83
Deferred Calculations	15	31	2	93.55	6.71
Estimates	10	29	6	79.31	5.92
General Enquiries	10	78	21	73.08	8.19
Lump Sum Payments	5	13	3	76.92	3.38
Nomination Updates	10	14	0	100.00	1.29
Refund Calculations	15	30	4	86.67	6.10
Refund Payments	10	33	2	93.94	5.72
Retirements	10	10	1	90.00	3.10
Transfers In (Actual)	10	6	0	100.00	5.33
Transfers In (Quotes)	10	16	3	81.25	7.25
Transfers Out (Actual)	10	3	0	100.00	2.33
Transfers Out (Quotes)	10	17	0	100.00	2.53

July 2017

	Target	Number	Outside Target	% in Target	Average Days
Address Changes	10	37	2	94.59	3.81
Bank Account Changes	10	11	1	90.91	3.81
Death of a Pensioner	5	17	2	88.24	7.53
Deferred Calculations	15	16	3	81.25	10.06
Estimates	10	5	1	80.00	5.20
General Enquiries	10	31	9	70.97	6.81
Lump Sum Payments	5	11	3	72.73	9.00
Nomination Updates	10	23	1	95.65	4.35
Refund Calculations	15	17	2	88.24	6.47
Refund Payments	10	25	6	76.00	7.88
Retirements	10	13	0	100.00	3.38
Transfers In (Actual)	10	7	1	85.71	7.29
Transfers In (Quotes)	10	7	0	100.00	5.14
Transfers Out (Actual)	10	3	0	100.00	1.33
Transfers Out (Quotes)	10	13	4	69.23	7.46

August 2017

	Target	Number	Outside Target	% in Target	Average Days
Address Changes	10	37	2	94.59	3.81
Bank Account Changes	10	11	1	90.91	3.81
Death of a Pensioner	5	17	2	88.24	7.53
Deferred Calculations	15	16	3	81.25	10.06
Estimates	10	5	1	80.00	5.20
General Enquiries	10	31	9	70.97	6.81
Lump Sum Payments	5	11	3	72.73	9.00
Nomination Updates	10	23	1	95.65	4.35
Refund Calculations	15	17	2	88.24	6.47
Refund Payments	10	25	6	76.00	7.88
Retirements	10	13	0	100.00	3.38
Transfers In (Actual)	10	7	1	85.71	7.29
Transfers In (Quotes)	10	7	0	100.00	5.14
Transfers Out (Actual)	10	3	0	100.00	1.33
Transfers Out (Quotes)	10	13	4	69.23	7.46

September 2017

	Target	Number	Outside Target	% in Target	Average Days
Address Changes	10	38	1	97.37	2.39
Bank Account Changes	10	16	3	81.25	4.56
Death of a Pensioner	5	20	5	75.00	5.55
Deferred Calculations	15	53	4	92.45	4.08
Estimates	10	5	1	80.00	6.60
General Enquiries	10	35	8	77.14	6.06
Lump Sum Payments	5	10	2	80.00	6.40
Nomination Updates	10	22	4	81.82	5.77
Refund Calculations	15	39	10	74.36	7.18
Refund Payments	10	18	5	72.22	6.67
Retirements	10	31	4	87.10	4.29
Transfers In (Actual)	10	0	0	100.00	0.00
Transfers In (Quotes)	10	2	0	100.00	1.50
Transfers Out (Actual)	10	6	1	83.33	7.66
Transfers Out (Quotes)	10	6	0	100.00	1.50