

Pensions Administration Performance

Contact Officers

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Papers with this report

SUMMARY

This report summarises pension administration performance across key areas of work for the period 1 July 2012 to 30 September 2012. Performance targets were agreed as part of the service level agreement with Capita and conform to national targets set for England and Wales. Previous full year performance data is included in the Annual Report for the fund.

RECOMMENDATION

That the contents of the report be noted

INFORMATION

On 1 April 2012, Pensions Administration was outsourced to Capita Hartshead, as part of a pan London Framework Agreement, delivering annual savings in administration costs of 27% to the pension Fund. Their performance is reported monthly to the Corporate Pensions Manager who monitors performance against the service level agreement contained within the Framework Agreement.

This is the second report since Capita Hartshead became responsible for pensions administration. Within the framework agreement there is a table of performance targets which Capita report against on a monthly basis. The targets are measured in working days for each function performed as part of the administration function. The contract sets the performance standard at 100% and performance levels are analysed to ensure performance achieves the required level.

The 2nd quarter performance reports indicated an overall average performance of 96.26% per month over the quarter. Actual performance for each month was July – 94.00%, August – 97.50%, and September – 97.28%. Details of performance by area are shown in the table below. This quarter there are 3 particular areas of underperformance:

- Actual Retirements – in July performance was only 91.3% with 2 cases not being completed on time and in September there was 1 case not completed in time;
- Estimate of Benefits – in July performance was only 93.33% with 4 cases not being completed on time, however performance did improve to 100% in each of the next two months; and

- New Entrants – performance in this area was particularly poor in July with only 85.71% indicating 2 cases were not completed on time. Although performance has since improved, it has not yet reached the target 100%.

Within the framework contract there is an underperformance “claw back” arrangement, such that should performance across a contractual year fall below 100%, a monthly reduction would be applied to the monthly contract fee. This will be reviewed on the first anniversary of the contract.

As part of the overall management of the Capita contract, their services levels have been closely monitored. There has been a reduction in the number of queries regarding Capita’s service both from scheme members and HR Staff at Hillingdon. Monthly meetings are taking place between Capita and the Corporate Pensions Manager to ensure service levels reach the required 100% level, in accordance with the Framework Agreement. Specific mention was made regarding the continued underperformance and this will be monitored closely going forward. In respect of Transfers in Actuals a new team member has taken over responsibility for this area, hence the low performance.

The performance report below shows a summary of monthly performance for the second quarter of 2012.

PENSIONS ADMINISTRATION PERFORMANCE

WORK TASK	ACTION REQUIREMENTS	JULY 2012		AUGUST 2012		SEPTEMBER 2012	
		Number of cases	% completed in target	Number of cases	% completed in target	Number of cases	% completed in target
Condolence Letter	3 Days	5	100.00	16	93.75	13	100.00
Actual Retirement Benefits	3 Days	23	91.30	23	100	14	92.86
Letter notifying Dependants Benefits	5 Days	0	0	0	0	2	100.00
Process Refund	10 Days	0	0	0	0	0	0
Transfers in Actual	10 Days	0	0	1	100.00	3	33.33
Transfers in quote	10 Days	2	100.00	6	100.00	4	100.00
Answer General Letter	5 Days	138	97.83	126	98.41	108	99.07
Calc/Notify Deferred	15 Days	50	86.00	94	96.81	31	93.55
Estimate of Retirement Benefits	5 Days	60	93.33	39	100.00	40	100.00
Transfers Out Quote	5 Days	5	100.00	7	100.00	12	91.67
Transfers Out Actual	9 Days	5	100.00	10	80.00	5	80.00
New Entrants	20 Days	14	85.71	38	97.37	99	97.37
Added Years	10 Days	0	0	0	0	0	0

