

## PENSIONS ADMINISTRATION PERFORMANCE

Contact Officers

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Papers with this report

Capita June Performance Report

### SUMMARY

This report summarises pension administration performance across key areas of work for the period 1 April 2012 to 30 June 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 first 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 April 2012 performance reports indicated an overall performance of 97.89%. Whilst this indicates a high standard of performance and is above what was regularly achieved by the in house team, it does fall short of the contractual requirement of 100%. As a result this was raised with the Capita team who have addressed this issue and since April there have been improvements in performance, albeit that 100% has not yet been attained.

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. Unfortunately, there have been a number of queries regarding Capita’s service both from scheme members and HR Staff at Hillingdon, largely due to the transition of the service. These matters have been dealt with in a timely manner, and Capita have adapted their processes to rectify these operational problems. Monthly meetings are now taking place between Capita and the Corporate Pensions Manager to ensure service levels reach the required 100% level, in accordance with the Framework Agreement.

The performance report below shows a summary of monthly performance for the first quarter of 2012. Also attached is a copy of the June 2012 report from Capita to identify to Members the detail of reporting from Capita.

**PENSIONS ADMINISTRATION PERFORMANCE**

WORK TASK	ACTION REQUIREMENTS	APRIL 2012		MAY 2012		JUNE 2012	
		Number of cases	% completed in target	Number of cases	% completed in target	Number of cases	% completed in target
Condolence Letter	3 Days	8	100.00	13	100.00	12	100.00
Actual Retirement Benefits	3 Days	1	100.00	7	58.33	14	100.00
Letter notifying Dependants Benefits	5 Days	3	100.00	0		0	100.00
Process Refund	10 Days	0		0		0	
Transfers in Actual	10 Days	0		13	100.00	12	100.00
Transfers in quote	10 Days	0		2	100.00	0	
Answer General Letter	5 Days	50	98.00	136	99.26	130	96.92
Calc/Notify Deferred	15 Days	0		67	89.55	32	90.63
Estimate of Retirement Benefits	5 Days	23	95.65	50	98.00	39	89.74
Transfers Out Quote	5 Days	0		0		0	
Transfers Out Actual	9 Days	0		1	100.00	1	100.00
New Entrants	20 Days	8	100.00	28	96.55	43	100.00
Added Years	10 Days	0		1	100.00	9	100.00

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