

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 January 2013 to 31 March 2013. Performance targets were agreed as part of the service level agreement with Capita and conform to national targets set for England and Wales. Comparisons, by performance indicator for the year 2012/13 against 2011/12, are included in the Annual Report for the Fund and all show a significant improvement.

RECOMMENDATION

That the contents of the report be noted

INFORMATION

On 1 April 2012, Pensions Administration was outsourced to Capita Employee Benefits (CEB), as part of a pan London Framework Agreement, delivering potential 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 fourth report since CEB became responsible for pensions administration. Within the framework agreement there is a table of performance targets which CEB 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 4th quarter performance reports indicated an overall average performance of 99.01% per month over the quarter. Actual performance for each month was January - 98.70%, February – 99.12%, March – 99.22%. Details of performance by area are shown in the table below. The monthly performance on reportable areas has improved over the last quarter, Q3 reported 97.76%.

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. A meeting has been held with the Operations Director of CEB to discuss the level of rebate due

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as the annual performance of CEB has been below the Framework Agreement level of 100% and CEB are currently calculating the level of rebate to be paid to the Fund. During that meeting it was agreed that going forward, performance would be monitored and assessed on a monthly basis and any rebate calculated and repaid the following month. Future monitoring reports will include the values of any rebates paid.

Issues continue to remain regarding the quality of the data supplied by CEB to the Scheme Actuary. CEB have assured officers that processes are in place to ensure that future data submissions are correct and sent in a timely manner. Data in respect of the 2013 Scheme Valuation is due to be sent to the Actuary by 24 June 2013.

An issue also occurred, as a result of CEB requesting year-end data in a different form to previous years. The instructions were sent by CEB to Employers within the fund in the first week of April, which meant that Employers had already commenced work on submitting data in the previous format. Capita were contacted as soon as this matter was raised with Hillingdon, and the submission date was extended to allow employers to make the necessary adjustments to their data. CEB have been informed that details of annual returns must in future be with our Employers by February of each year. This will be included as part of the contract monitoring process.

The performance report below shows a summary of monthly performance for the fourth quarter of 2012/13.

PENSIONS ADMINISTRATION PERFORMANCE

WORK TASK	ACTION REQUIREMENTS	JANUARY 2013		FEBRUARY 2013		MARCH 2013	
		Number of cases	% completed in target	Number of cases	% completed in target	Number of cases	% completed in target
Condolence Letter	3 Days	14	100	0	-	20	100
Actual Retirement Benefits	3 Days	22	100	20	100	0	-
Letter notifying Dependants Benefits	5 Days	0	-	0	-	0	-
Process Refund	10 Days	1	100	10	100	30	100
Transfers in Actual	10 Days	0	-	0	-	0	-
Transfers in quote	10 Days	7	85.71	0	-	0	-
Answer General Letter	5 Days	127	100	121	97.52	93	98.92
Calc/Notify Deferred	15 Days	36	100	27	96.30	42	100
Estimate of Retirement Benefits	5 Days	45	100	22	100	20	100
Transfers Out Quote	5 Days	13	100	0	-	5	100
Transfers Out Actual	9 Days	2	100	0	-	0	-
New Entrants	20 Days	69	100	16	100	9	100
Added Years	10 Days	12	100	10	100	3	100

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PENSIONS COMMITTEE – 19 JUNE 2013