

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 April 2013 to 30 June 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. However, significant issues in terms of data quality have come to light in the last few months which are explained in this report and Officers are working to find a resolution to these issues.

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 fifth 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 1st quarter performance reports for 2013/14 indicated an overall average performance of 94.16% per month over the quarter. Actual performance for each month was:

- April - 98.38%
- May - 86.21%
- June - 93.75%.

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Details of performance by area are shown in the table attached. The monthly performance on reportable areas has decreased over the last quarter compared to quarter 4 of 2012/13 which reported performance of 99.01%.

Significant problems have come to light over the last few months with the Capita contract which are of considerable concern, the most significant of these being the quality of their data and records which has caused a severe delay in the submission of the valuation data to the scheme actuary. Officers have worked closely with the actuary and CEB over the summer months to help clean up their data records to enable the submission of the valuation data. Whilst CEB have given assurance that they will pick up any additional costs incurred, the real concern remains as to how the data quality deteriorated to such an extent over a period of 12 months.

Plans are being developed with Corporate Procurement both to raise these issues at the highest level within CEB and to try to develop new working practices and access to data by Hillingdon officers to improve the situation going forward.

As the focus has been on the valuation submission, it is not surprising that the performance level has dipped, although that does not make the dip acceptable.

This has led to a delay in the production of the triennial valuation report, which will not now be presented to Pensions Committee until December 2013.

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PENSIONS COMMITTEE –24 SEPTEMBER 2013

PENSIONS ADMINISTRATION PERFORMANCE
April to June 2013

WORK TASK	ACTION REQUIREMENTS	APRIL 2013		MAY 2013		JUNE 2013	
		Number of cases	% completed in target	Number of cases	% completed in target	Number of cases	% completed in target
Condolence Letter	3 Days	23	100	13	100	19	94.74
Actual Retirement Benefits	3 Days	38	100	20	85	28	96.42
Letter notifying Dependents Benefits	5 Days	11	100	10	100	8	100
Process Refund	10 Days	45	100	17	100	41	100
Transfers in Actual	10 Days	n/a	n/a	n/a	n/a	n/a	n/a
Transfers in quote	10 Days	n/a	n/a	n/a	n/a	n/a	n/a
Answer General Letter	5 Days	158	98.10	109	100	116	95.69
Calc/Notify Deferred	15 Days	25	100	17	100	26	100
Estimate of Retirement Benefits	5 Days	29	100	17	88.24	61	88.52
Transfers Out Quote	5 Days	4	100	9	100	5	100
Transfers Out Actual	9 Days	4	100	n/a	n/a	n/a	n/a
New Entrants	20 Days	12	100	54	100	11	100
Added Years	10 Days	9	100	47	87.23	n/a	n/a

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