

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 October to 31 December 2013. Performance targets were agreed as part of the service level agreement with Capita and conform to national targets set for England and Wales. Whilst performance by indicator showed an improvement for the year 2012/13 against 2011/12, since September 2013 significant issues in terms of data quality have come to light, and there are several performance issues. Work is ongoing with CAPITA to address these concerns.

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. Performance is reported monthly and monitored against the service level agreement contained within the Framework Agreement. Targets are measured in working days for each function performed as part of the administration contract, against a target of 100%.

The 3rd quarter performance reports for 2013/14 indicated an overall average performance of 61.44% per month over the quarter, which is a drop of 15.03% over the previous quarter. Actual performance for each month was:

- October - 51.05%
- November - 45.03%
- December - 88.33%

Details of performance by area are shown in the table attached. There were 4 instances over the quarter where a Condolence Letter was not sent out within 3 days, of being notified. This is the 2nd consecutive quarter where performance on this indicator has not been 100%. Capita have been informed that this is not acceptable. Their performance in the processing of retirement and dependents benefits is also causing significant concern.

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In is now 3 months since 2 experienced LGPS Managers have been added to the Capital team, and although December performance did show an improvement, there are still concerns regarding the quality of the data held on their system. Our Actuary has brought this to our attention as a result of both the Valuation process and Annual Reporting. Further investigations will be made as to why the quality of data held appears to have deteriorated, and see what steps Capita are making to ensure the quality of the data held. A meeting with senior officer and procurement has been arranged for early April to discuss a plan for improvement.

Additional charges have been applied to Capita as well as an underperformance recharge.

**PENSIONS ADMINISTRATION PERFORMANCE
OCTOBER TO DECEMBER 2013**

WORK TASK	ACTION REQUIREMENTS	OCT 2013		NOVEMBER 2013		DECEMBER 2013	
		Number of cases	% completed in target	Number of cases	% completed in target	Number of cases	% completed in target
Condolence Letter	3 Days	2	50.00	7	85.71	10	80.00
Actual Retirement Benefits	3 Days	32	31.25	63	31.25	24	58.33
Letter notifying Dependants Benefits	5 Days	7	14.29	1	0.00	9	88.89
Process Refund	10 Days	6	66.67	66	53.03	21	76.19
Transfers in Actual	10 Days	n/a	n/a	n/a	n/a	1	0.00
Transfers in quote	10 Days	n/a	n/a	n/a	n/a	4	100.00
Answer General Letter	5 Days	122	75.41	194	49.48	112	87.50
Calc/Notify Deferred	15 Days	35	28.57	66	53.03	34	88.24
Estimate of Retirement Benefits	5 Days	8	37.50	13	53.85	16	87.50
Transfers Out Quote	5 Days	9	55.56	14	64.29	13	100.00
Transfers Out Actual	9 Days	1	100	n/a	n/a	5	60.00
New Entrants	20 Days	106	39.62	99	30.30	168	98.81
Added Years	10 Days	5	20.00	10	20.00	37	72.97

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