

## Pensions Administration Performance

Contact Officers

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Papers with this report

nil

### SUMMARY

This report summarises the key work areas of the pension's administration section. The targets shown are within the nationally agreed targets for England and Wales. Full year performance data is also included in the Annual Report for the fund. All data shown is extracted from the Pensions Administration System and monitored on a monthly basis.

### RECOMMENDATIONS

**That Committee notes the officer action to address the fall in specific aspects of pensions administration performance.**

#### Background

From September 2010, Pensions Administration was combined with Payroll under a single manager. Whilst this change required a small initial investment in staffing, the business case for change was that efficiencies could be realised through the merging of these teams and a reduction in the duplication of work. An initial drop in performance would be expected as experienced staff left the team, and new staff were developed.

The performance detailed below covers the four quarters of the year 2010/11. Quarter 1 and 2 were under the previous separate team structure and quarters 3 and 4 were under the new structure. The report to Committee in March explained the drop in performance from quarter 2 to quarter 3 could be attributed to the recruitment of 2 new members of staff, and that it was largely in the area of deferred benefits, which would be as a result of appropriate prioritisation of work.

Quarter 4 results show that performance has now improved over quarter 3 results in a number of areas, particularly in deferred benefits. The performance results for notification of dependant benefits unfortunately have not improved, with three cases out of eighteen not being processed within the agreed timescales. Further investigation in this area has identified that a new procedure has been introduced to for this task which appears to be delaying the process. This new procedure helps to improve accuracy; however it is now being reviewed to ensure there is a balance between improved accuracy against the impact on the customer at this sensitive time.

Performance in the area of issuing actual retirement benefits is of concern. Urgent action is now being taken to address a related knowledge gap which has recently been identified through staff absence. In addition the team have also been involved in producing a larger than usual number of redundancy estimates. In view of these increasing numbers, the process of calculating redundancy estimates is under

review, with a view to transferring this task to the responsibility of other HR Shared Services officers.

Improving performance in pensions administration is a key priority for officers from Corporate Finance and HR, who are now working closely to develop an action plan for rapid improvement in the short term. Serious consideration will also be given to alternative options for the future delivery of this service. Progress will be reported to Committee in September.

**KEY PERFORMANCE INDICATORS – for the fourth quarter - 2010/2011**

<b>Area of Work</b>	<b>Target (Days)</b>	<b>Percentage within Target Quarter 1</b>	<b>Percentage within Target Quarter 2</b>	<b>Percentage within Target Quarter 3</b>	<b>Number processed within target</b>	<b>Percentage within Target Quarter 4</b>	<b>Total Cases</b>
Transfer in Quote	5	80.00	91.30	75.00	39	81.25	48
Transfer Out Actual	9	100.00	100.00	91.67	14	43.75	32
Transfer Out Quote	5	74.19	100.00	80.00	17	70.83	24
Refund	5	87.50	60.00	50.00	2	66.66	3
Estimate of Retirement Benefits	10	94.35	95.08	91.35	215	71.67	300
Actual Retirement Benefits	5	90.12	95.71	86.15	45	55.56	81
Condolence Letter	2	96.43	96.67	98.08	41	100.00	41
Notification of Dependants Benefits	5	100.00	100.00	90.00	15	83.33	18
Deferred Benefits	10	98.06	99.28	37.68	51	91.07	56
Answer General Enquiry Letter	7	100.00	100.00	100.00	194	100.00	194
Benefit Statement Enquiry	10	100.00	100.00	100.00	78	98.73	79
Admit new entrant	20	97.32	99.21	97.60	132	93.62	141
Additional Service Purchase	10	100.00	100.00	50.00	1	100.00	1

