

DERBYSHIRE COUNTY COUNCIL
PENSIONS AND INVESTMENTS COMMITTEE

8 May 2019

Report of the Director of Finance and ICT

Quarterly Pension Administration Performance Report
1 January 2019 to 31 March 2019

1 Purpose of the Report

To notify the Pensions and Investments Committee (the Committee) of the administration activity undertaken by the Pensions Administration Team (the Team) of Derbyshire Pension Fund (the Fund), and the performance levels achieved, in the fourth quarter of 2018/19 (Q4).

It is to be noted that, due to the implementation of the new pensions administration system (Altair) on 4th March 2019, the figures in paragraphs 3.1, 3.2 and 3.3 below refer to months 10 and 11 of 2018/19 only.

2 Contents

- | | |
|---|--------------------------------------------------------------|
| 3 | Workload data |
| | 3.1 Membership numbers |
| | 3.2 Throughput |
| | 3.3 Achievement against standards |
| | 3.4 Monthly contribution returns |
| | 3.5 New academies and admission bodies |
| | 3.6 Application for Adjudication of Disputes Procedure cases |
| 4 | Communications |
| 5 | Projects |
| 6 | Collaboration |

3 Workload data

3.1 Membership numbers

Membership	31 December 2018	28 February 2019	Change
Actives	41618	41491	-0.3%
Deferred	30780	30807	+0.1%
Pensioners	29763	29909	+0.5%
Totals	102161	102207	

Table 1

3.2 Throughput Q4 2018/19

The throughput figures in Table 2 show the work that was processed through the system during the first two months of the quarter. These figures exclude other areas of activity such as dealing with telephone and email queries.

Case type	Number of cases in progress at Start of Q4	New Cases	Cases Closed	Number of cases in progress at end of Feb
Retirement Benefits paid	37	305	309	33
Death cases	252	172	150	274
Transfer Out paid	48	48	31	65
Transfer In quotes	191	122	77	236
Transfer Out quotes	356	84	111	329
Estimate requests	438	746	571	613
Notification of Deferred Benefits	1019	471	188	1302
Refunds paid	7	115	104	18
Aggregations	4182	484	1301	3365
Others	9725	9201	10220	8706
Total Cases	16255	11748	13062	14941

Table 2

'Others' covers numerous work areas including, for example, new joiners which are uploaded monthly in bulk from the larger employers, changes to members' personal details, Guaranteed Minimum Pension (GMP) input, Career Average (CARE) and Pensions Increase (PI) revaluation updates, and data cleansing activity.

Throughput could not be measured during March 2019 due to the switch from UPM to Altair.

3.3 Achievement against standards

The statutory timescales against which performance is currently measured were set by The Occupational Pension Schemes Regulations 1996. Table 3 captures performance against these targets in each quarter of 2018/19 so far.

Case type	% achieved against statutory timescales Q1	% achieved against statutory timescales Q2	% achieved against statutory timescales Q3	% achieved against statutory timescales Jan and Feb
Retirement Benefits paid	89%	94%	94%	91%
Death cases	90%	91%	91%	94%
Transfer Out paid	95%	93%	93%	86%
Transfer In quotes	100%	100%	100%	100%
Transfer Out quotes	91%	92%	93%	83%
Estimate requests	97%	99%	97%	100%
Notification of Deferred Benefits	3%	3%	4%	2%
Refunds paid	99%	100%	100%	100%

Table 3

The figures against 'Notification of Deferred Benefits' continue to reflect the low priority level attached to this work relative to work areas that result in immediate payments to Fund members.

The dip in the figures for 'Transfers out paid' and 'Transfer out quotes' were the result of resource being allocated from that area to assist with the accurate migration of data from the UPM system to the Altair system ahead of implementation.

Performance against the statutory timescales could not be measured during March 2019 due to the switch from UPM to Altair. Once the Altair system is fully established, it is intended to review the current approach to performance reporting and to adopt a more demanding set of targets.

3.4 Monthly contribution returns

There is a statutory requirement for employers to remit contributions by the 19th of the month following deduction from payroll. Employer performance in this area during Q4 was as follows:

Month	Total no. of returns expected	Received on time	Less than a week late	Between a week and a month late	Over a month late
January	250	215	24	6	5
February	261	249	8	2	2

Table 4

Due to the collation of responses a month after contributions are due, this report can only include a full set of figures from the first two months of Q4 2018/19. A late contribution return represents a statutory breach and each case is being recorded. Where remedial efforts, including charging, are not successful in improving employer performance, this evidence will be used in support of the submission of a report to The Pension Regulator.

3.6 New academies and admission bodies

Fourteen new academies joined the Fund as scheme employers during Q4 2018/19, as follows;

New Academy	Academy Trust	New Scheme Employer From
Lakeside Primary Academy	The Harmony Trust	01/01/2019
Laceyfields Academy	Djanogly Learning Trust	01/01/2019
Walton on Trent CofE Primary & Nursery School	John Taylor MAT	01/01/2019
Horsely Woodhouse Primary School	Embark Multi-Academy Trust	01/01/2019
Kilburn Junior School	Embark Multi-Academy Trust	01/01/2019
Aldercar Infant School	Embark Multi-Academy Trust	01/01/2019
Heath Primary School	Embark Multi-Academy Trust	01/01/2019
Howitt Primary Community School	Embark Multi-Academy Trust	01/01/2019
Derby St Chad's CofE (VC) Nursery and Infant School	Derby Diocesan Academy Trust	01/01/2019
Griffe Field Primary School	Derby Diocesan Academy Trust 2	01/01/2019
Arboretum Primary School	Derby Diocesan Academy Trust 2	01/02/2019
Springfield Primary School	Odyssey Collaborative Trust	01/03/2019
Borrow Wood Primary School	Odyssey Collaborative Trust	01/03/2019
Asterdale Primary School	Odyssey Collaborative Trust	01/03/2019

Table 5

Five new admission bodies also joined the Fund in Q4, as follows;

New Admitted Body	Ceding Employer	Date of staff transfer
Caterlink Ltd	DCC – Cavendish Learning Trust (Whitecotes Primary School, Poolsbrook Primary, Barrow Hill Primary, Dunston Primary, Gilbert Primary)	23/12/2018
Accuro	Two Counties Trust (Swanwick Hall)	01/01/2019
Churchill	Spencer Trust (Inkersall, Heanor Gate, Wyndham)	01/01/2019
Parkwood Leisure	Erewash Borough Council	01/02/2019
Parkwood Leisure	Buxton Pavilion Gardens	01/02/2019

Table 6

3.7 Application for Adjudication of Disputes Procedure (AADP) update – progress on disputes involving the administering authority

There were three AADP cases presented to Pensions and Investment Committee for consideration during Q4.

4 Communications

4.1 Employer events

An employer training event was held at The Whitworth in Darley Dale on 13th March. The sessions focussed on two key areas, the valuation and employer discretions policies.

The event was well attended and generally well received. Focussing in more detail on specific aspects of LGPS administration, rather than taking a generalist approach, was agreed to have been effective and may represent the way forward as the team develops its output.

4.2 Employer Newsletters

Two Newsletters were issued to employing authorities in February 2019. The first included information on the 2018/2019 year end and fund valuation, the employer discretions policy, the Fund's Annual

Report, new fair deal and ill health retirement. The second included an invitation to the employer training event on 13 March 2019, as well as information about a Pension Board vacancy, the year-end return and the LGPS employee contributions bands for 2019/2020.

- 4.3 Other employer information and member drop-in events have been held during Q4 as follows;

Date	Employer	Event
07/01/2019	High Peak Borough Council	Employer training
07/01/2019	High Peak Borough Council	Member drop-in session
16/01/2019	High Peak Borough Council	Member drop-in session
01/02/2019	Derbyshire Finance Officers Association	Presentation
28/01/2019	University of Derby	Employer training - HR presentation
27/02/2019	Derby City Council	Member session - Deaf Independence
07/03/2019	Chesterfield Borough Council	Employer training - HR Presentation

- 4.4 The Pensions calculator service provided for Fund members on the Fund's website has proved very popular during 2018/19 with a total of 36,755 calculations carried out during the year. The diagram below shows a significant spike during the period that deferred and live Fund members receive their Annual Benefit Statements.

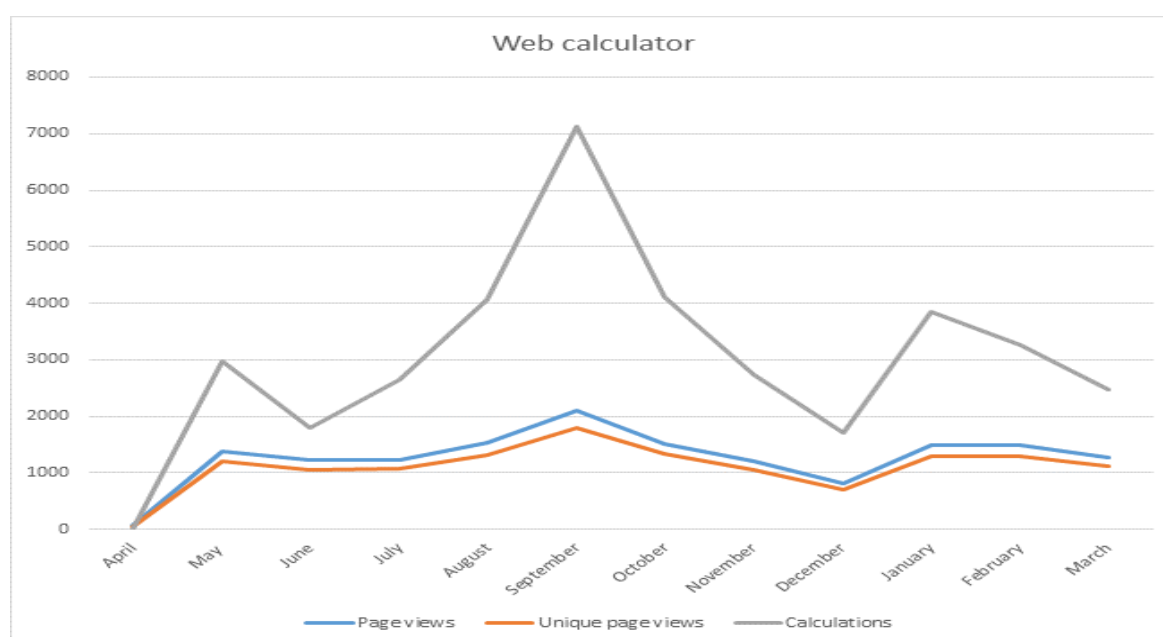


Table 7

- 4.5 During the switch from UPM to Altair, there have been periods of limited systems access for the team. One opportunity that has arisen from this situation, however, has been to take a closer look at the phone calls received via the Pensions Helpline number.

During the period from 18th March 2019 to 15th April 2019, so overlapping into Q1 of 2019/20, a total of 607 calls were received and the issues raised resolved by the team.

The collection and analysis of this data is not only helpful in managing resource, it can also be used to drive improvements in the team's communications activities. Once Altair is established, it is intended to include the figures and any subsequent actions relating to the Pensions Helpline in the quarterly performance reports.

5 Projects

- 5.1 **Replacement Pension Administration System**
The Altair system successfully went live on 4th March 2019. As with all major new systems, there have been a number of initial issues to work through. The system supplier, Heywood, and the staff in the Pensions Team had worked well together in preparation for the implementation, and, since go live, have been resolving outstanding aspects of functionality. The Team has also been catching up with the backlogs of work created over the Go Live" period. A verbal update will be provided at the meeting.
- 5.2 **GDPR**
The DPF Document Retention Schedule was developed and agreed, and will be published as part of the overall Retention Schedule for the DCC Finance and ICT division.
- 5.3 **Address tracing**
Work has been ongoing with Target Professional Services to trace and update addresses for missing deferred beneficiaries. Just over 2,600 deferred benefit statements could not be delivered in 2018 because of out of date addresses. It is intended that this work will be completed before this year's deferred benefit statements are issued in June 2019.

6 Collaboration

6.1 Members of the Team have continued to learn, share and network with colleagues from other Funds and the wider industry at the following events during Q4;

- East Midlands Pensions Officers Group (EMPOG), Leicester, 9th January 2019

- LGPS Strategic Admin Group, Conference Call, 8th February 2019
- Eastern Pennines Altair User Group meeting, Leeds, 12th February 2019
- Altair i-Connect User Group, Manchester, 27th February 2019

7 Financial Considerations

None

8 Other Considerations

In preparing this report the relevance of the following further factors has been considered: legal, human rights, human resources, equality and diversity, health, environmental, transport, property, value and prevention of crime and disorder.

9 Background Papers

None

10 Officer's Recommendation

That the Committee notes the workloads and performance levels outlined in this report.

Peter Handford
Director of Finance and ICT