

DERBYSHIRE COUNTY COUNCIL
PENSIONS AND INVESTMENTS COMMITTEE

23 January 2019

Report of the Director of Finance and ICT

Quarterly Pension Administration Performance Report
1 October 2018 to 31 December 2018

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 (DPF), and the performance levels achieved, in the third quarter of 2018/19 (Q3).

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3 Workload data

3.1 Membership numbers

Membership	30 September 2018	31 December 2018	Change
Actives	39654	41618	+5.0%
Deferred	31371	30780	-1.9%
Pensioners	29441	29763	+1.1%
Totals	100466	102161	+1.7%

Table 1

The increase of 5% in the number of active records during Q3 occurred almost entirely in October 2019. Schools and other educational establishments usually experience a high intake of new staff early in September each year, and information pertaining to those joining the LGPS is received and processed by the Team during the following few weeks.

3.2 Throughput Q3 2018/19

The throughput figures in Table 2 show the work that was processed through the system during 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 Q3	New Cases	Cases Closed	Number of cases in progress at End of Q3
Retirement Benefits paid	43	479	486	36
Death cases	218	240	206	252
Transfer Out paid	57	48	57	48
Transfer In quotes	198	98	105	191
Transfer Out quotes	319	153	117	355
Estimate requests	491	836	889	438
Notification of Deferred Benefits	1163	524	668	1019
Refunds paid	10	200	203	7
Aggregations	4013	1049	1284	3778
Others	11240	16161	17902	9499
Total Cases	17752	19788	21917	15623

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, GMP input, CARE and PI revaluation updates, and data cleansing activity.

Where backlog areas have been identified, they are being managed towards achieving consistent compliance with statutory targets. Work areas where backlogs previously existed but have since been cleared include 'New Joiners', 'UPM not updated', 'Data Cleanse items' and 'Transfers'. Transfers work is no longer defined as a backlog area due to the achievement of a 'business as usual' position during Q3.

Case type	Backlog at the end of Q2	Backlog at the end of Q3	Change (%)
Deferred Benefits	758	614	-19%
Aggregations	2062	1827	-11.4%

Table 3

3.3 Achievement against standards

The statutory timescales against which performance is currently measured were set by The Occupational Pension Schemes Regulations 1996, and are attached at Appendix A. Table 4 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
Retirement Benefits paid	89%	94%	94%
Death cases	90%	91%	91%
Transfer Out paid	95%	93%	93%
Transfer In quotes	100%	100%	100%
Transfer Out quotes	91%	92%	93%
Estimate requests	97%	99%	97%
Notification of Deferred Benefits	3%	3%	4%
Refunds paid	99%	100%	100%

Table 4

The figures of 3% and 4% 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. It is not expected that performance in this area will improve significantly until after the replacement pensions administration system is well established. At that point is intended to review the current approach to performance reporting and to adopt a more demanding set of targets.

3.4 Employing authority performance

The data recorded for employers' notifications of retirements, refunds and deaths-in-service in Q3 is presented in Appendix B.

3.5 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 Q3 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
October	249	221	10	3	15
November	249	230	1	6	12

Table 5

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 Q3 2018/19.

Employing authorities whose payment and/or related documentation, has been received late on three occasions or more, have received a letter explaining that they have accrued a charge under the terms of the Pensions Administration Strategy. An invoice for the amount accrued will be sent, along with invoices relating to future underperformance, if statutory compliance is not achieved by that employer each month for the remainder of 2018/19.

Furthermore, 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

Six new academies joined the Fund as scheme employers during Q3 2018/19, as follows;

New Academy	Academy Trust	New Scheme Employer From
Hilton Primary School	The Spencer Academies Trust	01/10/2018
Ashwood Spencer Academy (was Osmaston Primary School, Derby)	The Spencer Academies Trust	01/11/2018
Loscoe Cofe Primary School And Nursery	DDAT	01/11/2018
Wilsthorpe School	The Two Counties Trust	01/12/2018
Gamesley Primary School	Victorious Academies Trust	01/12/2018
Amber Valley & Erewash Support Centre	Esteem Multi-Academy Trust	01/12/2018

Table 6

Two new admission bodies also joined DPF in Q3, as follows;

New Admitted Body	Ceding Employer	Date of staff transfer
Kier Facilities Services Limited	High Peak Borough Council & Staffordshire Moorlands DC Property Portfolio	01/11/2018
Caterlink Ltd – (De Ferrer's Trust, The Pingle School)	De Ferrer's Trust, The Pingle School	01/11/2018

Table 7

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

There was one AADP case considered by Pensions and Investment Committee during Q3.

4 Communications

- 4.1 The new DPF website was launched on October 1st. Initial figures show that users are switching from the old pages on the DCC site. Work has commenced on the second phase of the website.
- 4.2 Employer events
Two major events were held at County Hall during Q3. The first, on 12th November, was open to all the employing authorities in the Fund, and the second, on November 16th, was specifically aimed at academies. The centrepiece of each event was a presentation by Geoff Nathan of

Hymans Robertson, the Fund's actuaries, on the upcoming triennial Fund valuation exercise. Geoff outlined clearly employers' responsibilities around the provision of prompt, good quality data to support the accurate determination of employer contribution rates from 1st April 2020.

The two events were received positively and a summary of feedback from attendees is provided in Appendix C.

4.3 Annual Benefit Statements (ABSs)

It was reported to Pensions and Investments Committee in October 2018 that 80.9% of 2017/18 active and deferred member Annual Benefit Statements (ABSs) were issued by the statutory deadline of 31st August 2018. Good progress has been made during Q3 against the target of providing over 90% of the ABSs due by the end of January 2019.

The remainder have been suppressed, either because home addresses are not current, data remains outstanding from employers, or cases are being held awaiting processing. Work continues in line with the Data Improvement Plan to resolve these issues ahead of the August 2019 deadline.

4.4 Further to the success of the lunchtime drop-in sessions held in County Hall in September 2018 for Fund members with queries about their Annual Benefit Statements, further sessions have been held in the Council House in Derby and at other venues around the County during Q3 (see Appendix D). All the sessions were well attended and attracted positive feedback from Fund members.

4.5 Targeted meetings and training sessions have continued throughout Q3, with the two largest employing authorities, Derbyshire County Council and Derby City Council, and a number other employers, to encourage and assist with the provision of more prompt and accurate data. The employer training events held during Q3 are also listed in Appendix D.

5 Governance and Regulations

5.1 The Pensions Regulator's Annual Scheme Return was completed and submitted within the target date of 6th November 2018.

5.2 Cost Management of the LGPS

A separate report has been prepared for Pensions and Investments Committee. While the report focusses on the cost impact for employing authorities, the fundamental changes to the LGPS benefits package that

have been proposed will impact significantly on the Team's workloads as system and process amendments are designed and implemented.

6 Projects

6.1 Replacement Pension Administration System

The new system is planned to 'go live' on 25th February 2019. Time and resource has been dedicated during Q3 to migrating the data from the current system and setting up the processes, calculations and letters in the new system. It is likely that the quarterly performance data provided to Committee will be less comprehensive during the transition period to the new system. A verbal update will be provided at the meeting.

6.2 Guaranteed Minimum Pension (GMP) Reconciliation

The deadlines of October 31st 2018 for the submission of queries to HMRC, and 31st December 2018 for the resolution of 'pensioner in payment' cases have each been achieved, subject to any further pensioner cases being identified. The risk associated with missing these deadlines has been removed from the Pension Fund Risk Register.

7 Collaboration

7.1 Members of the DPF team have continued to learn, share and network with colleagues from other Funds and the wider industry at the following events during Q3;

- Eastern Pennines Altair User Group meeting, Leeds, 16th October 2018
- East Midlands Pensions Officers Group (EMPOG), Northampton, 10th October 2018
- Collaboration meeting with Notts and Leics Pension Funds, Long Eaton, 2nd November 2018
- National Pension Managers' Conference, Torquay, 20th 21st November 2018
- LGPS Strategic Admin Group, Stafford, 30th November 2018

8 Financial Considerations

None

9 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, social value and prevention of crime and disorder.

10 Background Papers

None

11 Officer's Recommendation

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

Peter Handford
Director of Finance and ICT

Appendix A

The Occupational Pension Schemes Regulations 1996.

The statutory timescales against which admin performance is currently measured were set by The Occupational Pension Schemes (Disclosure of Information) Regulations 1996, and are as follows:

Area of Work	Statutory Timescale
Retirement Benefits Paid	1 month from date benefits become payable
Death Cases	2 months from notification
Notification of Deferred Benefits	2 months from date of leaving
Estimate Requests	2 months from date of request
Transfer Out Quotes	3 months from date of request
Transfer Out Paid	6 months from the guarantee date
Transfer In Quotes	2 months from receipt of all info
Refunds Paid	2 months from date of request for payment

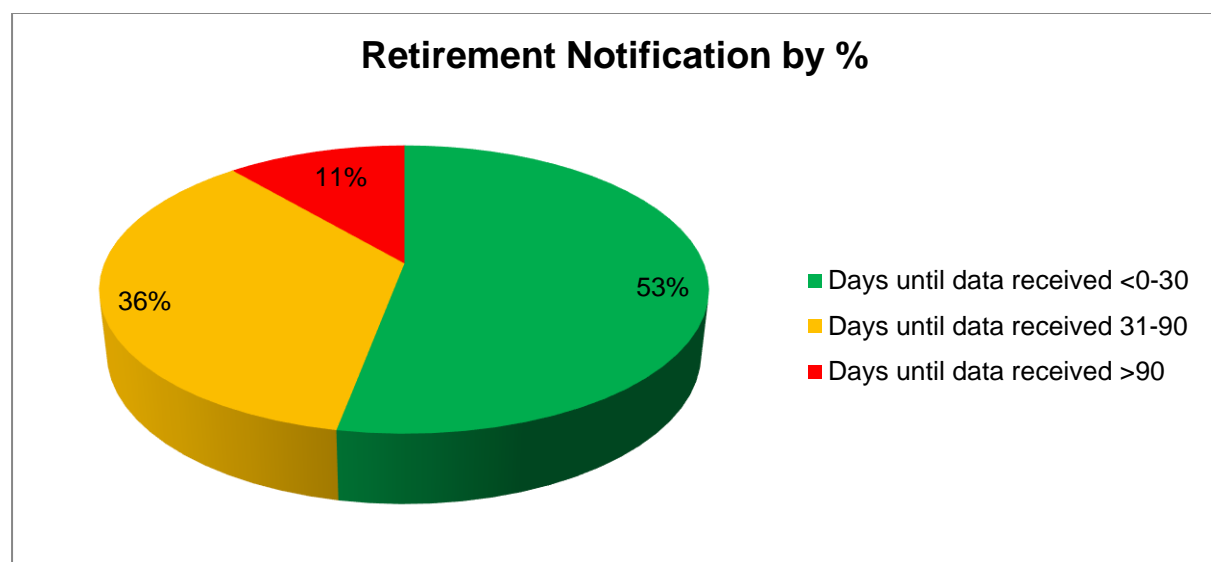
Appendix B – Employer performance measures

1 Time elapsed from date of death until 'Death in Service' (DIS) notification received by Derbyshire Pension Fund

DPF commenced processing DIS cases in Q3 further to notifications from three employing authorities as follows;

Scheme Employer	Days until data received			Total
	<0-30	31-90	>90	
Derbyshire County Council	3	0	0	3
Derby City Council	1	0	0	1
Other Employers	1	0	0	1
All Employers	5	0	0	5

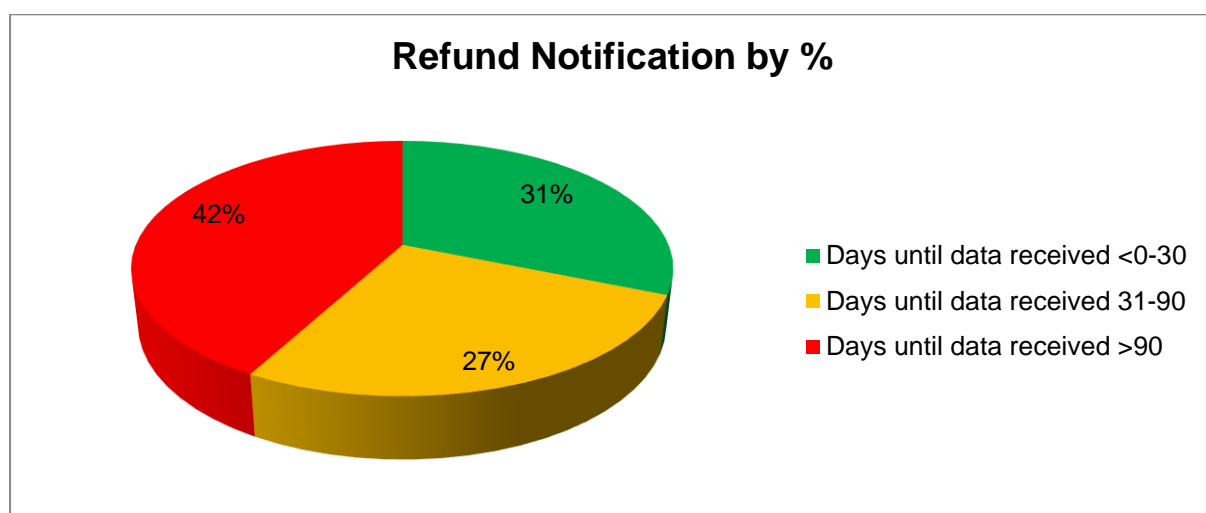
2 Time elapsed from retirement date until retirement notification received by Derbyshire Pension Fund



DPF commenced processing retirement cases in Q3 further to notifications from 37 employing authorities. Figures are available in more detail but the following table is broken down for simplicity between the two largest employers, district councils, academies and the rest.

Scheme Employer	Days until data received			Total
	<0-30	31-90	>90	
Derbyshire County Council	42	36	8	86
Derby City Council	11	6	7	24
District Councils	9	3	1	13
Academies	8	6	1	15
Other Employers	19	9	2	30
All Employers	89	60	19	168

3 Time elapsed from leaving date until notification received by Derbyshire Pension Fund to enable refund of contributions



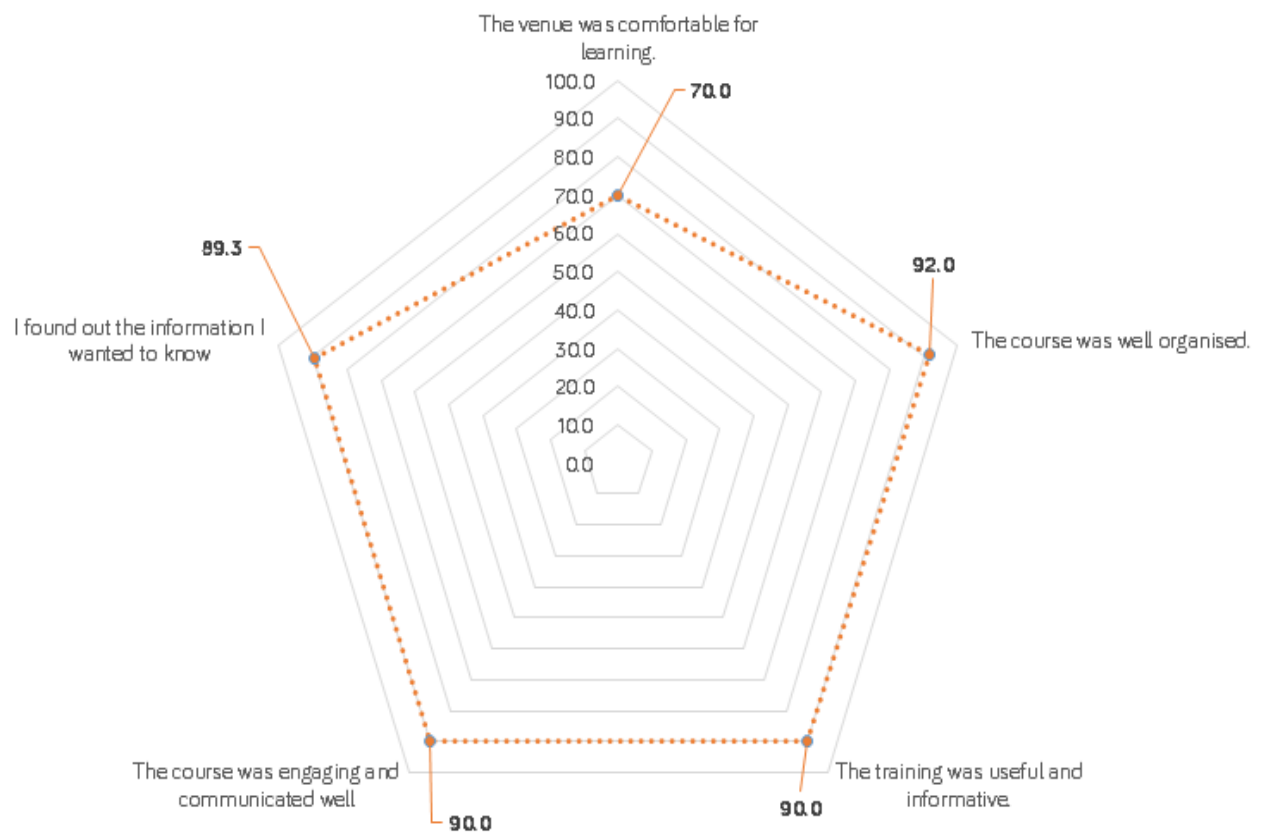
DPF commenced processing contribution refund cases in Q3 further to notifications 35 employing authorities. Figures are available in more detail but the following table is broken down for simplicity between the two largest employers, district councils, academies and the rest.

Scheme Employer	Days until data received			Total
	<0-30	31-90	>90	
Derbyshire County Council	9	23	30	62
Derby City Council	15	10	30	55
District Councils	17	6	3	26
Academies	4	7	12	23
Other Employers	18	8	10	36
All Employers	63	54	85	202

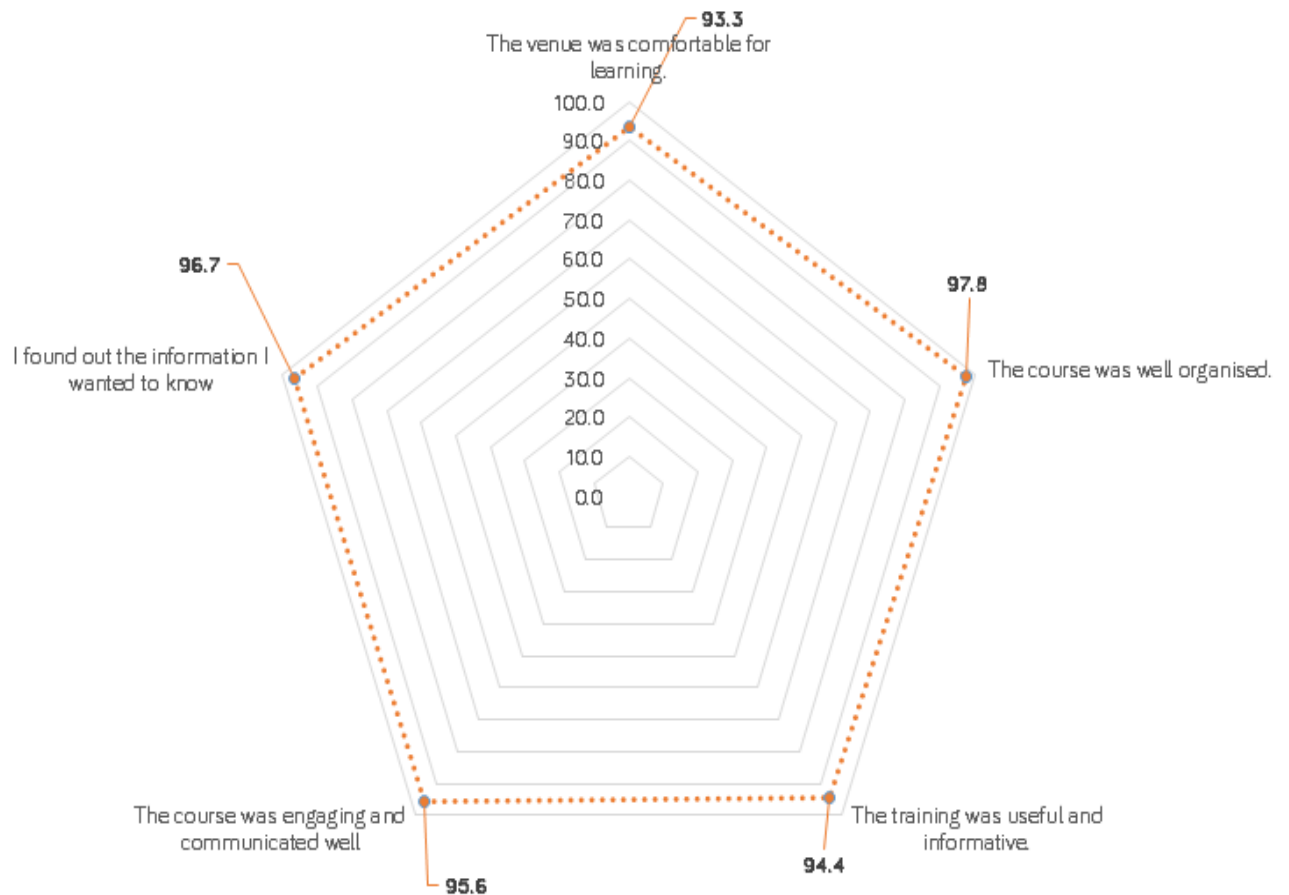
APPENDIX C

FEEDBACK FROM TWO EMPLOYER EVENTS, 12th and 16th NOVEMBER 2018

Employer Seminar Feedback Results 12/11/2018 Responses: 30



**Academy Seminar
Feedback Results**
16/11/2018
(Responses: 18)



SUMMARY

Average over both days:

Venue: 81.65%

Information: 93%

Organisation: 94.9%

Engagement and communication: 92.8

Informative: 92.2%

- The **lowest score** over both days was the comfort of the learning environment, with a lower score of 70% on 12/11/2018.

- The **highest score** over both days was how well organised the sessions were (92% and 97.8%)

- ***“Was there a specific topic that you thought the level of detail was too high or too low?”***

For this question, out of the 20 people who specifically fed back, 18 people thought the days were well pitched.

- ***“What topics would you like us to cover in future sessions?”***

For this question, 27 specific responses were provided which will help to inform future sessions.

Subjects that received two or more responses were as follows:

- Regulation changes
- Form completion
- Outsourcing
- Annual returns
- AVCs
- Flexible Retirement
- Onsite member training
- Discretions

- ***“General suggestions to help the Team to improve future sessions”***

For this question, we received 22 specific responses, although some of the responses weren't suggestions:

- 7 of the responses related to the temperature of the room
- Difficult to hear at times (Comments about noisy heaters)
- Videos on the website relating to completion of processes.
- A list of names and roles within the department so we know who to contact for what queries.
- The actuarial and employer discretions presentations attracted special mentions for how interesting they were
- Many messages of thanks

01/10/2018 – 31/12/2018 Employer training and Fund member drop-in events

Date	Venue

22/10/2018	BOLSOVER DISTRICT COUNCIL (MILL LANE, WINGERWORTH)
	Employer training session
	Annual Benefit Statement drop-in event

24/10/2018	DERBYSHIRE CONSTABULARY (BUTTERLEY HALL, RIPLEY)
	Employer training session
	Annual Benefit Statement drop-in event

26/10/2018	NORTH EAST DERBYSHIRE DISTRICT COUNCIL (THE ARC, CLOWNE)
	Annual Benefit Statement drop-in event

29/10/2018	DERBY CITY (COUNCIL HOUSE, DERBY)
	Employer training session
	Annual Benefit Statement drop-in event

07/11/2018	PEAK DISTRICT NATIONAL PARK (ALDERN HOUSE, BAKEWELL)
	Employer training session
	Annual Benefit Statement drop-in event

12/11/2018	EMPLOYER TRAINING SEMINAR (COUNTY HALL, MATLOCK)
	Guest training provided by actuary Geoff Nathan of Hymans Robertson

16/11/2018	ACADEMY TRAINING SEMINAR (COUNTY HALL, MATLOCK)
	Guest training provided by actuary Geoff Nathan of Hymans Robertson

28/11/2018	DERBY HOMES DEPOT (DERBY)
	Annual Benefit Statement drop-in event

29/11/2018	UNIVERSITY OF DERBY (DERBY)
	Assistance with the planning of a new payroll system to ensure LGPS requirements will be met

05/12/2018 DERBY CITY COUNCIL STREETPRIDE CLEANSING & REFUSE

Annual Benefit Statement drop-in event

13/12/2018 EREWASH BOROUGH COUNCIL LEISURE SERVICES (LONG EATON STAFF)

A talk with Erewash Borough Council staff affected by outsourcing

14/12/2018 EREWASH BOROUGH COUNCIL LEISURE SERVICES (ILKESTON STAFF)

A talk with Erewash Borough Council staff affected by outsourcing