

Pension Administration Performance Report

Report of the Strategic Finance Director

1. Pension Administration during COVID-19

In line with national guidance, it was identified from the outset of the Covid-19 pandemic that member of the pensions administration team clearly fell within the description of “key workers”, due to essential need to continue to calculate and pay benefits to the schemes beneficiaries as they became due.

It was similarly identified that for the Pensions team to effectively continue to administer the LGPS and pay accurate benefits in a timely manner, whilst retaining robust checking and authorisation processes, was going to require an office presence. Due to this, and in order to deliver the key services whilst protecting the health of staff, the decision was taken from the outset to divide the Pension Administration team into two sub teams. These teams work on a rotational basis of one week in the office, followed by one week working at home.

Under this arrangement the management and staff of the pension administration section have worked through the different tasks and workloads of the section, dividing them into those that can be completed effectively and securely from home, and those that require an office presence for effective delivery.

An additional step that was implemented from the outset, to further improve staff safety, was to separate the “in office” team across the office space of not only the Pensions Section, but also of a neighbouring vacant office. This has delivered an effective service whilst also ensuring substantial “social distancing” from the beginning of the COVID-19 pandemic. Meetings are held with the “in office” team at least weekly to remind all staff of social distancing requirements and to update them on any matters.

In summary, working in this manner has:

- enabled the section to continue to operate as efficiently as possible in the circumstances, with key tasks including the calculation and payment of new pensions and lump sum payments and payments of death grants being continued;
- effectively helped to reduce the risk to staff of covid-19 transmission;
- ensured that staff do not feel isolated from their colleagues due to continued working from home and has helped continue the feeling of “belonging” to the team;
- allowed the ongoing day-to-day technical “brainstorming” that needs to take place between team members in such a technical area of work.

These new procedures have certainly resulted in the delivery of an effective service given the difficult circumstances, as evidenced by the performance figures for the first quarter of 2020/21, as detailed in table 1 below. As the Director of Finance responsible for the Gloucestershire LGPS I would like to take the opportunity to applaud member of the Pensions Administration team for the professional manner in which they have embraced the changes that have been implemented for their own safety and the ongoing efficient running of the section. It is also good to see that feedback from team members has particularly appreciated the feeling of “normality” during their week in the office.

Whilst the Covid-19 crisis has created (and continues to create) substantial additional challenges, I am also pleased to be able to report that the section has still managed to produce and distribute the 2019/20 Annual Benefit Statements by the statutory deadline of the end of August 2020 for circa 18,000 active and 16,300 deferred members.

The section also took on two new Pensions Officers at the start of the Covid-19 pandemic. Following initial challenges in commencing the individuals’ employment due to the pandemic, the individuals are now in post and training is progressing well. Additionally, the internal promotion of one member of staff from a Pensions Officer role to a Lead Pensions Officer during the year, is now gradually benefiting the section following months of detailed training and work-shadowing.

2. Pension Administration Performance in 2017/18, 2018/19, 2019/20 and 2020/21 to date

Table 1 – Summary Performance

Service Standards – Processing tasks within internal targets	Target Achievement %	2017/18 full year – Actual %	2018/19 full year – Actual %	2019/20 full year Actual %	2020/21 first quarter %
Estimates to employees (15 days)	90%	85%	96%	98%	97%
Retirements and lump sums (15 days)	90%	75%	69%	61%	91%
Refunds Paid (15 days)	90%	96%	98%	99%	96%
Death Grants Paid (8 days)	90%	74%	82%	67%	72%
Annual Benefits Statements issued within the statutory deadline	100%	100% see note 1	100% see note 1	100% see note 1	N/A
“Transfers Out” Paid (15 days)	90%	92%	98%	99%	100%

Table 2 – 2020/21 Performance to date

Service Standards – Processing tasks within internal targets	Target Achievement %	No. Processed	No. processed on time	Actual % achievement	Average days taken (averaging all cases)	Average days taken (averaging cases exceeding target ONLY)
Estimates to employees (15 days)	90%	106	103	97%	4.8	not available
Retirements and lump sums (15 days)	90%	181	164	91%	10	19
Refunds Paid (15 days)	90%	108	104	96%	9	21
Death Grants Paid (8 days)	90%	25	18	72%	10	21
2020/21 Annual Benefits Statements issued within the statutory deadline	100%	N/A	N/A	N/A	N/A	N/A
“Transfers Out” Paid (15 days)	90%	23	23	100%	4	N/A

Table 3 – 2019/20 Performance (full year)

Service Standards – Processing tasks within internal targets	Target Achievement %	No. Processed	No. processed on time	Actual % achievement	Average days taken (averaging all cases)	Average days taken (averaging cases exceeding target ONLY)
Estimates to employees (15 days)	90%	739	724	98%	8	not available
Retirements and lump sums (15 days)	90%	983	603	61%	13	19
Refunds Paid (15 days)	90%	649	641	99%	7	23
Death Grants Paid (8 days)	90%	76	51	67%	7	10
2019/20 Annual Benefits Statements issued within the statutory deadline	100%	34434 see note 1	34434 see note 1	100%	N/A	N/A
“Transfers Out” Paid (15 days)	90%	194	192	99%	4	16

Note 1 - Regarding Annual Benefits Statements, all of the year end returns from all employers were received by the Administration Team within the statutory deadline. All returns were matched to the pensioner records held within the Administration team, and where a definitive match was made, 100% of the Annual Benefit Statements were distributed to active and deferred members by the statutory deadline.

Recommendation

That the Committee notes the Pensions Administration Performance.

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