



Report of Paul Darby, Corporate Director of Resources

Purpose of the Report

- 1 This report briefs the Board on the Fund's pension administration and service provision to members, as well as providing an update on key performance information.

Executive summary

- 2 Pension administration services have been provided to members uninterrupted since lockdown and working from home guidance. Communication with members has continued through the provision of the Fund's Telephone and Online Services. During period following lockdown, the Fund paid benefits to 1,774 retirees. Whilst in the third quarter of 2021/22, 204 retirement cases were processed with 100% of those retirees receiving a statement within 10 days of the team receiving the necessary information. This report seeks to provide the Board an overview of pension administration performance.

Recommendation(s)

- 3 The Board is asked to note the report.

Background

- 4 This report provides an update to the Board on pensions administration performance, its key communications with members, and any issues impacting the service provided to scheme members.

Key Performance Indicators (KPIs)

- 5 Included in Appendix 1 are a number of Performance Indicators, with the aim of making the Board aware of administration performance in key areas. Reporting is included for the third quarter of 2021/22, ie. up to 31 December 2021. The data covers services to members in respect of retirement, deferment (leaving scheme before pension payable), Helpline support, and Online services.
- 6 In the third quarter, the administration team processed 204 retirement cases. Measured in line with the Disclosure requirement of providing scheme members a statement containing retirement information within one months of retirement, the Fund met this target in 91.18% of the 204 cases. The majority of failures were as a result of late information from employers. In respect of performance within the administration team's control, the Fund provided a statement containing retirement benefit information within 10 days of receiving all required information in 100% of cases in the quarter.
- 7 In respect of deferment cases, in line with Disclosure requirements the Fund provided 531 early leavers information as to their rights and options available. Of the 531 deferment cases, 79.66% of these cases were within one month of the Fund being notified of an early leaver.
- 8 During the third quarter, the pension administration team received 2,329 telephone calls to the Fund's Helpline. Of these calls, the team answered 98.67% of scheme members' calls first time. In respect of Online services for members, 14,762 members have registered for the Fund's Pensions Online portal, where 14,960 online calculations have been completed, 9,596 changes have been transacted and 1,622 secure messages have been sent.
- 9 It is proposed that the KPI reporting provided to the Local Pension Board is expanded during 2022-23 to reflect KPI data on pension transfers, estimates, and deaths. Reporting will commence from 1st April, though the first full quarter of data (to 30th June) will not be available until the Board's September meeting.
- 10 Recognising the key role played by the Fund's participating employers in delivering services to members, the Fund recently commissioned training tailored for those employers. The three

training sessions provided an overview of Fundamental Employer Responsibilities, Ill Health Retirements, and Pensionable Pay respectively. 90 places were booked by employers across the three sessions. At the time of writing, the programme is ongoing but feedback from the first sessions has been positive.

Services to members during Lockdown

- 11 From the beginning of the covid-19 crisis and UK lockdown, the pension administration team worked from home. During that time, the Fund's Telephone Helpline, Pensions Online portal and email inbox were available to members uninterrupted. Since commencing working from home, the team processed 1,774 retirements (lump sums paid, new pensioner payroll records created), benefits were paid to 1,282 bereaved families, and 392 transfers were paid in or out.
- 12 From mid-September the Team returned to the office on a hybrid basis but in line with work from home guidance, the Team returned to home-based working in mid-December. At the time of writing, the Fund's teams had again returned to the office on a hybrid basis.

Prudential

- 13 Members of the LGPS are able to increase their benefits through an Additional Voluntary Contribution (AVC) facility. As such, each Administering Authority is required to have arrangements with an AVC provider (often an insurance company or building society). Durham County Council Pension Fund offers its members two providers: Prudential and Standard Life.
- 14 It was reported to the Board previously, that one of those providers, Prudential, has recently introduced a new ICT system across its business. The implementation has resulted in delays for members who have invested through Prudential. In particular, claims for cash at retirement, and the processing of contributions had been delayed. Board Members were previously provided with a copy of communications received from Prudential.
- 15 The Fund is cautiously optimistic of improvement in the service received. Whilst issues remain, performance has improved with scheme members' contributions being allocated more quickly and remain up to date. Disinvestment timescales have also improved and are currently within the 30-day SLA. The Fund has received delayed accounting information – an issue affecting LGPS clients of Prudential across the country. Both the Pensions Regulator (nationally) and External Auditor (locally) have been made aware of the issues.

- 16 Officers continue to monitor the situation and will continue to feedback to the Board.

Annual Benefit Statements

- 17 A copy of the 2021 Annual Benefit Statement was shared with the Board at its July Meeting. Since that meeting, all Annual Benefit Statements for both Active and Deferred members of the Scheme were made available ahead of the statutory deadline of 31 August 2021. Unless a member has opted out of the service, the Statements were be made available through the Fund's Pensions Online portal. A paper copy was provided to the small number of members who have opt-ed out.

Author(s)

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