

Pension Administration Performance 2023/24

Durham County Council Pension Fund Administration 2023/24



Pensions Online Portal

52,931 log ins



Pensions Helpline

13,846 Calls



Retirements 2023/24

850



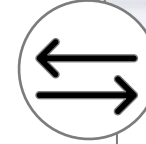
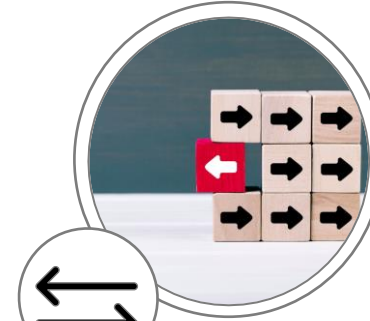
Pensions Team*

28.00 FTE



Online Calculations

51,153



Transfers calculated

123

How is the service performing against delivery of its priorities?

How is the fund delivering against its priorities in 2023/24?

- The key pensions administration priority for 2023/24 was completion of the Fund's **GMP Rectification** exercise. Individual GMP values can often misalign with the values held by HMRC with discrepancies occurring both in terms of membership periods for which GMP accrued, and the GMP value itself. Following the conclusion of the reconciliation exercise, the Fund has commenced implementation of its approach to GMP Rectification. This work was brought to a conclusion in October 2023, with the Fund communicating with affected pensioners ahead of October pensions payroll. Individual overpayments were exacerbated by the April 2023 pensions increase of 10.10%, however, around 550 pensions in payment were adjusted and despite this higher than usual rate of inflationary increase, 83% of pensions changed by no more than £10 per month. The total amount of arrears paid to underpaid pensioners was c£41k whilst the total amount of overpayments written-off by the Fund was c£171k. Both the value of arrears and value of write offs compare favourably with initial modelling. The Pensions Team have received a very low volume of telephone queries from impacted pensioners, and a single IDR appeal.
- The Fund has continued to strengthen its **governance** arrangements and, following consultation with both the Pension Fund Committee and Local Pension Board, formalised a Training Policy for members of the Fund's governance bodies. The Policy builds on the extensive training already undertaken by members of these bodies, bringing together activity into a unified approach. The Fund's approach to training will be reviewed during 2024/25 to inform an annual review of the Policy.
- In terms of LGPS **asset pooling**, the Fund continued its progress against its transition plan. During 2023/24 the Fund transitioned its emerging markets mandate into Border to Coast's innovative Emerging Markets Alpha Fund which will feature China specialists complementing EM ex-China managers. Additionally, the Fund committed £45m to 'UK Opportunities' which whilst primarily seeking returns, may well be impactful through the creation of jobs, housing and infrastructure amongst other benefits additional to return. This is a UK-wide strategy, with no guarantee of deployment into Border to Coast Partner Fund regions. The thematic UK Opportunities Fund will invest in the UK across (a) Real Estate – housing and commercial property (20-60%), (b) Infrastructure (20-60%), (c) Corporate Finance (10-30%), (d) Social Bonds (0-10%).

How is the service performing against delivery of its priorities?

What are the key areas of performance in 2023/24?

- The Fund is required to issues **Annual Benefit Statements** to all active members by 31st August, and Pensions Savings Statements by 6th October. As in previous years, the Fund completed the necessary calculations and preparatory work to issue the required communications ahead of the statutory deadlines.
- Following the **pooling** of the Fund's Emerging Markets mandate, all listed elements of the Fund's strategic asset allocation are now pooled. The only assets intentionally held outside of the pool, aside from cash, will be small impact investments such as the Fund's allocation to North-East SMEs. Transition of the Fund's Real Estate assets will be a key focus during 2024/25. The most recent savings generated from pooling total £9.02m – this cumulative total is expected to continue to increase as the Fund's leverages the pool's economies of scale.
- The Fund strengthened its **AVC arrangements** by supporting the introduction of Share Cost Salary Sacrifice AVCs by a number of Fund employers, including Durham County Council. The arrangements benefits both scheme members and employers through National Insurance savings.
- Take up of the Fund's **Online Portal** has continued to prove popular with our members who logged in to their online pension accounts 52,931 times during 2023/24. The Portal was accessed by 9,142 unique users during 2023/24. These users have completed 51,153 self-service calculations since the Portal's inception – significantly enhancing the provision of information to the Fund's members.
- Performance against local **KPIs** has remained strong during 2023/24:
 - 850 retirements were processed, with 98% of those retirees receiving a statement of retirement information within 10 days of the Fund receiving the necessary information to do so
 - 1,376 deferments were processed, with the Fund issuing a statement to 96% of those leavers within a month of being notified
 - 123 transfers out were processed, with a CETV issued within 3 month for 93% of requests
 - 13,846 Helpline calls were taken with 99% of those calls answered first time

2023/24 Service Key Performance Indicators

A – Casework Processing

Key Performance Indicators		Total Cases	Performance Target	Performance 1/1/24 - 31/3/24	Performance 2023/24	Performance 2022/23	Performance 2021/22
A1	Retirements Disclosure - Within two months of retirement provide a statement containing retirement benefit information.	850	100%	77.13%	81.94%	82.61%	86.65%
A2	Retirements in Fund's Control - Within 10 days of receiving all required information provide a statement containing retirement benefit information.	850	100%	96.28%	98.23%	98.47%	98.99%
A3	Deferment Disclosure - Within one month of being notified of a leaver, provide that member information as to the rights and options available.	1,376	100%	99.02%	96.07%	95.91%	86.70%
A4	Transfers out Disclosure - Within one month of a request, provide that member information as to the transfer rights and options available.	108	100%	100%	100%	99.22%	-
A5	Transfers out Quotation - Within three months of a request, provide a quotation of the cash equivalent transfer value to which a member is entitled.	123	100%	81.25%	93.00%	99.22%	-
A6	Estimates - Within two months of a request, provide a statement* of estimated pension entitlement online or in writing.	14,733	100%	100%	100%	100%	-

*primarily made available through self-service, online

2023/24 Service Key Performance Indicators

B – Communications

Key Performance Indicators		Total Calls	Performance Target	Performance 1/1/24 - 31/3/24	Performance 2023/24	Performance 2022/23	Performance 2021/22
B1	Pensions Helpline - Calls from Scheme Members answered first time	13,846	100%	98.9%	99.30%	99.40%	98.47%
Key Performance Indicators			Total Registrations to date	Total Online Calculations Completed	Total Self-Service Online Changes	Secure messages sent Through Portal	
B2	Online Portal Since Launch - Total Registrations & Activity through Pensions Online portal (https://pensionsonline.durham.gov.uk/)		22,438	51,153	20,672	4,038	
Key Performance Indicators			Total Log ins during 2023/24		Individual Members logging in during 2023/24		
B3	Online Portal in Year - Total logins through Pensions Online portal during year (https://pensionsonline.durham.gov.uk/)		52,931		9,142		
Key Performance Indicators			Performance Target	Performance 2023/24	Performance 2022/23	Performance 2021/22	
B4	Annual Benefit Statements – Statements made available online* by 31 st August for active members known to the Fund		100%	100%	100%	100%	

*paper copies made available to those opting out of online services

2023/24 Quarter 4 Performance Indicators

A – Casework Processing / B – Communications

Key Performance Indicators		Total Cases In Quarter	Performance Target	Performance Q4	Total Cases In Year	Performance 2023/24
A1	Retirements Disclosure - Within two months of retirement provide a statement containing retirement benefit information.	188	100%	77.13%	850	81.94%
A2	Retirements in Fund's Control - Within 10 days of receiving all required information provide a statement containing retirement benefit information.	188	100%	96.28%	850	98.23%
A3	Deferment Disclosure - Within one month of being notified of a leaver, provide that member information as to the rights and options available.	306	100%	99.02%	1,376	96.07%
A4	Transfers out Disclosure - Within one month of a request, provide that member information as to the transfer rights and options available.	33	100%	100%	108	100%
A5	Transfers out Quotation - Within three months of a request, provide a quotation of the cash equivalent transfer value to which a member is entitled.	48	100%	81.25%	123	93.00%
A6	Estimates - Within two months of a request, provide a statement* of estimated pension entitlement online or in writing.	4,932	100%	100%	14,733	100%

Key Performance Indicators		Calls in Quarter	Performance Target	Performance in Quarter	Total Calls In Year	Performance 2023/24
B1	Pensions Helpline - Calls from Scheme Members answered first time	3,611	100%	98.90%	13,846	99.30%