

Report to: Pension Board

Date of meeting: 3 November 2016

By: Chief Operating Officer

Title: Officers' Report – Business Operations

Purpose: To provide an update on current administration themes in relation to the service provided to the Pension Fund by Orbis Business Operations

RECOMMENDATIONS

The Board is recommended: 1) to note the update provided; and 2) provide any feedback on the new Key Performance Indicators which are due to be fully operational from Quarter 3 of 2016/17.

1 Introduction

1.1 Business Operations within Orbis has prepared this summary of topical administration areas that may be of interest to the Board. This report is provided for information and subjects are presented in alphabetical order and not perceived importance.

2 Review of Key Performance Indicators (KPIs)

2.1 The Board and Committee previously agreed to Business Operations proposals for an updated set of KPIs to provide full transparency of the scale of the scheme administration and to provide assurance of key standards and deadlines being met. A number of additional measures previously not incorporated in KPI's are being introduced and a customer feedback section is now included allowing a sense check of how customers and employers rate the service.

2.2 Although the new KPIs are due to be fully operational from 1 October 2016, Business Operations has reported the last quarter's performance using the new design in order to provide the Board with early sight of the new arrangements.

2.3 **Appendix 1** shows the individual months performance levels using the new proposed layout. All individual KPIs previously reported are still included and new measures will be reported from 1 October. Board members are invited to comment on the layout.

3 Scheme Member communications – Annual Benefit Statements

3.1 At the last Board meeting we advised that we were hopeful of meeting the 31 August deadline for the production of annual benefit statements. In the event, the issue dates were as follows:-

Active Members	13 September
Deferred Members	August 2016
Councillor Members	August 2016

3.2 In line with the Reporting Breaches Policy approved by the Pensions Committee in May 2016, Business Operations notified the S151 Officer and the Monitoring Officer of this breach. We explained that the deadline was a particularly challenging one for active members because it relied on both timely receipt of year- end financial returns from all employers in the fund and accuracy of content of such returns. The workload associated with processing and validating year-end returns was more involved this year because of the timing of the first tri-ennial valuation of the pension

fund (at 31 March 2016) since the new career average scheme was introduced in 2014. The administration team dealt with a higher than anticipated 13,000 queries associated with the new data specifications from the pension fund actuary as a direct result of processing the year-end returns.

3.3 Business Operations advised members through this year's statements that we will be making future statements available online from 2017 onwards via a secure scheme member's portal. As well as a cost saving, the additional benefit is that this will eradicate the inevitable time delay associated with printing and distribution of annual statements. It is expected this will save at least three weeks.

3.4 The annual statements this year were produced by the Surrey based team who interrogated two completely separate databases for Surrey and East Sussex to extract and configure the complex data set used to produce the statements. Following the data merge referred to in Section 4 below future production can be run from a single source, increasing efficiency of production. As a result of both of the above, Business Operations is confident of meeting the 31 August date from 2017 onwards.

3.5 The Regulator's Code of Practice provides further guidance on matters that may be considered to be of material significance, focusing on the effect of the breach on scheme members. Business Operations did not consider that a delay of two weeks would have a material effect on scheme members or would affect their retirement planning in any way. We were of the opinion that this breach was not of material significance and it was not necessary to report it to the Pensions Regulator. The Monitoring Officer concurred with this view and asked to be informed of any complaints regarding the delay. No such complaints have been received.

4. Systems Update

4.1 In October 2016, Business Operations successfully completed the migration of the pensions database from an externally hosted environment to the integrated Orbis database. As well as producing a direct cost saving for the pension fund, as previously shared, this will start to provide efficiencies through the removal of duplication of effort for back-office support and facilitate a move to a single set of processes.

4.2 Now that the integration has been completed, work has now commenced on the next phase of the system development programme to provide an online portal for scheme members. Business Operations will update the Board on the launch of this portal at the next meeting.

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Background documents:

None