

Report to: Pension Board

Date of meeting: 16 November 2017

By: Chief Operating Officer

Title: Officers' Report – Business Operations

Purpose: Update on current administration themes in relation to the service provided to the Pension Fund by Orbis Business Operations

RECOMMENDATIONS

The Board is recommended to:

1) consider and note the update provided; and

2) note the intention to engage with other local authority pension teams on the implications of the Brewster judgement

1 Introduction

1.1 Business Operations within Orbis have 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 in no particular order.

2 Key Performance Indicators

2.1 Appendix 1 shows the monthly performance summary for the months of June to September 2017 inclusive.

2.2 The performance levels of the team and the levels of customer satisfaction (captured from survey feedback) over this four month period are generally high, though the Board are invited to comment on any areas of concern. It should be noted that performance was impacted in September by the high volumes of queries received from scheme members following the issue of the annual benefit statements. This peak of workloads will be mitigated in future years by the phasing of the production of statements now that Business Operations have moved to online provision of statements.

2.3 The Pension Committee had requested additional explanation in terms of the timescales for cases reported as late and this information has been included in the commentary in respect of August and September.

3 Customer Feedback

3.1 The Board expressed an interest in the outcome of the survey that was sent to Business Operations customers earlier this year as part of the application for accreditation under the "Customer Service Excellence" award earlier this year. The Board may be aware that Business Operations was successful in gaining this accreditation.

3.2 An online survey was issued to customers who had contacted Business Operations via email in the six months prior to the survey being issued. In total 142 responses were received and the summary of responses is shown as Appendix 2. Whilst we are proud of our strong results in staff providing a polite and friendly service, clearly there are areas of improvement we will be focussing our improvement plan on. This includes focussing on our communications in respect of providing progress updates which is entirely in our control. Our ambition is for satisfaction ratings

to meet the importance ratings as determined by the customer. In cases where feedback references concerns related to non administrative responsibilities such as the nature of fund investments, we will work closely with the relevant parties to respond and improve the customer experience.

3.3 In addition to the survey responses, a total of 75 individual comments were received. Business Operations has established an action log detailing the handling of each individual comment and, for completeness, the full list of comments received as well as any follow up actions taken in response to the comments (where appropriate) have been extracted from the log and included as Appendix 3.

3.4 Business Operations intends to repeat the survey in 2018 to continue to monitor levels of customer satisfaction and identify if any of the actions taken in the light of feedback from the 2017 survey have had a positive impact.

4 'Brewster' court decision

4.1 The Board may be aware of a recent Court judgement in Northern Ireland where a member successfully challenged the requirement that a surviving co-habiting partner had to be nominated in order to qualify for survivor benefits. The LGPS has removed the requirement for a nomination from 1 April 2014 but the rules of the LGPS have not been amended to cover entitlements that may have arisen prior to that date.

4.2 The government has proposed that LGPS funds should accept the judgement in respect of any cases that may have arisen between 2008 and 2014 and award a backdated pension in the event that the qualifying criteria are met.

4.3 The government has further recommended that funds should take 'reasonable steps' to identify cases where an application for a survivor's pension was rejected for want of a nomination.

4.4 Business Operations is consulting with colleagues in our regional LGPS funds network to establish as consistent an approach as possible in terms of the resource time to be allocated to identifying any potential cases affected by this judgement.

5 HMRC Annual Allowance

5.1 In early October, Business Operations completed the annual exercise to notify scheme members if their pension growth in the financial year 2016/17 had exceeded the allowance of £40,000.

5.2 It is evident that, over time, the impact of the reduction in the annual allowance (from £50,000 to £40,000 from 2014/15) as well as the introduction of a tapered allowance for high earners is having a wider impact on LGPS members as the benefits of the facility to carry forward up to 3 years of unused allowances is progressively reducing.

5.3 The Board may wish to note that a total of approximately 60 Pension Savings statements were issued to scheme members with at least 8 known to be facing a tax charge (and this may increase). In previous years no more than 2-3 members had been directly affected.

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