

Report to: Pension Board

Date of meeting: 8 February 2018

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 to:

- 1) note the update provided; and
 - 2) comment on any aspect of pension administration which they wish to receive further information on.
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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 alphabetical order and not perceived importance.

2 Key Performance Indicators

2.1 **Appendix 1** shows the monthly performance summary for the months of October to December 2017 inclusive.

2.2 At the last meeting, the Board requested further information on any national standards for which administration performance could be benchmarked. Business Operations advised that there was no nationally accepted performance measures as each fund decides on each own targets but indicated that information could be provided from other funds as a comparator.

2.3 Recent performance reporting information provided to Local Pension Boards has been obtained from other County Council funds and this information is shown as follows:-

Appendix 2 Essex County Council

Appendix 3 Hampshire County Council

Appendix 4 Kent County Council

Appendix 6 West Sussex County Council

2.4 The Board will note that there are differences in target performance levels as well as case load reporting between funds but that the performance targets for the East Sussex pension fund are broadly comparable with other County Council funds.

3 Procurement of Pensions Administration System

3.1 Following the presentation of the market analysis of pensions administration systems at the last Board meeting, the Board is asked to note that the Pension Committee at its meeting on 27 November 2017 resolved that a restricted tender process for the pension administration system should commence in January 2019 in order that a new contract is in place by the end of the current contract in April 2021.

4 GMP Reconciliation - update

4.1 The Board will recall that ITM was previously engaged to carry out an accelerated two month project in order to commence work on the reconciliation of Guaranteed Minimum Pensions

(GMPs) between the ESCC fund records and HMRC. The final report from ITM is provided at **Appendix 6** for reference.

4.2 Business Operations is currently working with the East Sussex procurement team and with potential external providers to run a mini-tender for the second phase of the GMP reconciliation work. This phase is a larger piece of work than the accelerated project and is intended to resolve all outstanding reconciliation queries prior to any decisions being made regarding rectification of pensions in payment.

4.3 Business Operations expects to be in a position to present the costing analysis and options to the Chair of the Pensions Committee and Pension Board at the end of February. Early indications are that the second phase project will require a five month project and providers are indicated that they have resources available to complete the work required.

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