

Report to: **Pension Board**  
Date: **8 September 2015**  
By: **Acting Head of Orbis Business Operations**  
Title: **Officers' Report – Business Operations**  
Purpose: **To provide an update on the administration service provided to the Pension Fund by Orbis Business Operations**

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## **RECOMMENDATIONS**

**The Pension Board is recommended to note the update provided and highlight any areas of particular interest for consideration at future Board meetings.**

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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 Administration Performance – Key Performance Indicators**

2.1 On a monthly basis, Business Operations reports its Key Performance Indicators (KPIs) focusing on the main areas of administration that affect scheme members. These have developed based on 'industry standard' performance indicators rather than any statutory requirements. The monthly KPI reports for June and July are attached as **Appendix 1**.

2.2 Following feedback from members of both the Pension Board and the Pensions Committee, the KPI reports have been amended from those provided previously to incorporate the following additional information:-

- A) Target task completion times – see column 1
- B) Potential Impact – see new 'Impact' column and commentary on red status cases

2.3 It is hoped that this will make the summary report more meaningful for Board members in highlighting any areas of concern. The overall impact of performance below 100% target level on certain tasks is deemed to be low because of the numbers involved and the average actual task completion times. The principal reason for not meeting 100% target levels in all cases remains staff shortages and this is being addressed in two ways:-

- Ongoing recruitment to existing vacancies. This may be impacted (potentially positively) by the forthcoming relocation of the Pensions team from Uckfield to Lewes
- Review of staffing numbers to take place once CIFPA Benchmarking results are published (expected beginning of September). Benchmarking results will be provided to the Board.

### **3 Communications with members - Annual Benefit Statements 2015**

3.1 As reported previously, the LGPS regulations introduced a timescale of 31 August 2015 for the production of annual benefit statements to active and deferred members. For active members, this was always going to be a challenging timescale because 2014/15 is the first year employers have been required to provide the fund with year-end pay information for both the 2008 Final Salary Scheme and the 2014 Care Scheme.

3.2 Due to a combination of resource shortages and the complications with producing new year-end data, we have been unable to meet the 31 August target for 2015. Work is progressing

on the processing of year-end returns and a summary of the latest position is attached as Appendix 2.

3.3 Business Operations is aware that failure to complete the issuing of annual statements within the new statutory timescale will mean the requirement to report a breach to The Pensions Regulator. However, the LGA is aware that a significant number of local authority funds are facing a similar position and it is hoped they can reach an agreement with the Regulator for this first year of CARE statements. Appropriate plans will be put in place to ensure compliance in 2016.

3.4 We advised previously that a new user-friendly statement was being developed in conjunction with a number of local authority funds and this is attached as Appendix 3.

#### **4 Pensions Administration system – Procurement - update**

4.1 As reported previously, the Orbis procurement team are undertaking a joint procurement exercise to determine the most appropriate system to adopt when the current licensing contract expires in April 2016. Negotiations are still ongoing and Business Operations should be in a position to provide a decision summary at the next Board meeting.

#### **5. Conclusion**

5.1 The subject areas contained in this initial report are intended as background or the Board to assist in understanding current issues occupying the Orbis pensions administration team. We would be happy to consider the inclusion of any specific topics of interest in future.

**SIMON POLLOCK**  
**Acting Head of Orbis Business Operations**

Contact Officer: Jason Bailey  
Tel. No. 020 8541 7473  
Email: [jason.bailey@surreycc.gov.uk](mailto:jason.bailey@surreycc.gov.uk)

#### LOCAL MEMBERS

All

#### BACKGROUND DOCUMENTS

None