

your
pension
service

LANCASHIRE COUNTY PENSION FUND

Interim Administration Report

1 April to
31 August 2017



1. INTRODUCTION

Purpose

This administration report is produced in accordance with the Service Level Agreement (SLA) for the provision of pension administration services to Lancashire Pension Fund. The report describes the performance of Your Pension Service (YPS) against the standards set out in the SLA during the period 1 April to 31 August 2017.

Annual Plan – 2017/18



Due



Completed

Event	Responsibility Your Pension Service (YPS)											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Application of Pension Increases												
Issue Annual Benefit Statement to Active Members												
Issue Annual Benefit Statement to Def Members												
Issue P60s and Newsletter to Pensioners												
Issue Newsletter to Active Members												
Complete HMRC Scheme Returns												
Provide FRS17 data												

2. MEMBERSHIP

Lancashire County Pension Fund	31/03/17	31/08/17
Number of active scheme members		
County council	26,416	26,558
Other employers	29,499	29,428
Total	55,915	55,986
Number of pensioners		
County council	23,141	23,431
Other employers	23,012	23,344
Total	46,153	46,775
Number of deferred pensioners		
County council	34,668	34,746
Other employers	30,573	30,931
Total	65,241	65,677
Total membership	167,309	168,438

As at 31 August there were 6,029 Pending Leavers.

3. PERFORMANCE STANDARDS



Target Hit



Target Missed

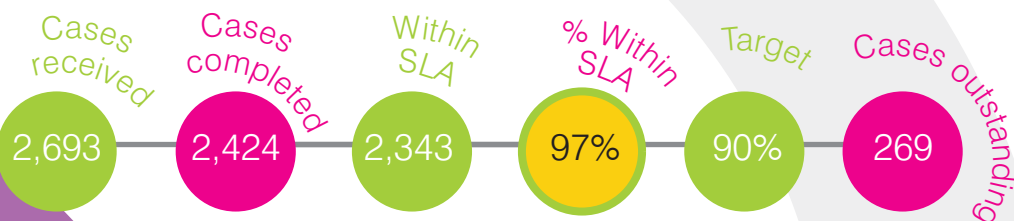
Service Level Agreements (LGPS Members)

During the reporting period 10,725 individual calculations/enquiries were completed, of which 10,348 met the performance standard, an overall performance of 96% was achieved.

LGPS

Performance Standard

Estimate benefits within 10 working days



Payment of retirement benefits within 10 working days



Payment of death benefits within 10 working days



Implement change in pensioner circumstance by payment due date



Respond to general correspondence within 10 working days of receipt



Action transfers out within 10 working days



Action transfers in within 10 working days



Pay refunds within 10 working days



Provide leaver statement within 10 days



Amend personal records within 10 working days



VR Estimates



VR Payments



4. CUSTOMER SERVICE

Retirement Experience

Elapsed time from retirement to first pension payment.

Average 41 days
to payment
of pension
(45 days in 2016/17)

1,147 new
pensioners

Compliments/Complaints

13 compliments
(11 in Quarter 1)

22 complaints
(15 in Quarter 1)

During the period the service received 13 compliments and they related to the helpful and prompt service provided by the staff within Your Pension Service.

Almost all the complaints were from members relating to the length of time taken to process pensions. We are currently working with employers to assist them in providing more timely/accurate information.

Telephone helpdesk

A dedicated Pension's helpdesk is the first point of contact for both Scheme members and Employers. Over the period 93% of calls were successfully answered against a target of 90%. The service also received 14,395 emails and completed 14,088.

2017/18	Calls offered	Calls answered	% Calls answered	Target %	Average call wait time
April	3,970	3,701	93	90	1m 48s
May	4,709	4,334	92	90	1m 14s
June	4,355	4,036	93	90	1m 11s
July	7,073	6,494	92	90	1m 14s
August	7,775	7,238	93	90	1m 4s
Total Period	14,848	13,732	93	90	1m 33s

5. FIRST STAGE APPEALS

Members who disagree with decisions taken by their employer or administering authority may appeal using the Internal Dispute Resolution Procedure (IDRP) under the LGPS rules. The IDRP is a formal appeal procedure which contains two stages. The first stage allows the person to ask the body who originally made the decision to review it, i.e. either the employer or the administering authority. The second stage allows the person if they are not satisfied with the outcome at the first stage, to ask the Appeals Officer at the administering authority to review the disagreement. The appeals in the main related to ill health pensions.

Period 01/04/2017 - 31/08/2017



6. EMPLOYER RISK TEAM REPORT

Covenant Assessment

The covenant assessment process which we have developed has been used to assess all relevant employers' financial covenant. The Fund's policy in line with best practice and the Pensions Regulator's guidance, is to monitor covenant to maintain an overview of current and potential longer term risks to the Fund.

The results of the covenant review are being analysed to assist in developing longer term risk mitigation strategies.

Risk and Security Issues

Two property charges are being progressed, one relating to a large Housing Association and the other a charity, both of which are existing employers within the Fund. These are the first property charges which have been implemented, and ongoing dialogue with other employers may require the implementation of more charges or similar risk reduction measures.

There is a general shift in the legislative environment which surrounds the risk of employer default for certain categories of employers, for example the regime which would apply in the event of insolvency of Further Education colleges. Whilst there is no immediate perceived risk to the Fund, risk and solvency issues require a medium to long term view, and we continue to keep abreast of the wider regulatory environment accordingly.

Admissions and Exits

Twelve new admissions to the Fund have been either completed or are being processed. The bulk of these admissions arose from existing Fund employers contracting out services; such admissions tend to involve small numbers of staff, however that is not always the case, and there have been 2 significant admissions, one involving a large council's outsourcing of Leisure Services, and a Housing Association.

Three employers left the Fund in the period.

Liaison and Support

We continue to provide ad-hoc advice and support to a number of employers who raise queries, including dealing with the implementation of the Fund's new approach to 'insuring' smaller employers (i.e. those with less than 150 active members) against the cost of ill health retirements.

7. COMMUNICATIONS

The Team

Communications are delivered by the Partnerships Team. The team consists of a manager and three client liaison officers. They are the link between Your Pension Service scheme members and employers.

Employers

The Partnerships Team have started the annual employer visits and have completed over 14 out of a total of 31 planned visits. These are provided automatically to all employers who have at least 100 active members. The annual employer visits are extremely popular, they give the scheme employer an opportunity to give feedback, discuss possible improvements in the service and the opportunity to build and maintain excellent working relationships.

Employees/Scheme Members

The team continues to host My Pension Online surgeries at specific employers in order to increase the take up of My Pension Online sign ups. These sessions enable scheme members to enrol and receive a tutorial on using the system.

The team also continues to attend routine pre-retirement presentations and scheme basics presentations. An additional piece of work was completed for University of Cumbria members who faced potential redundancy and the team delivered a bespoke presentation.

8. EPIC UPDATE

Employer Performance

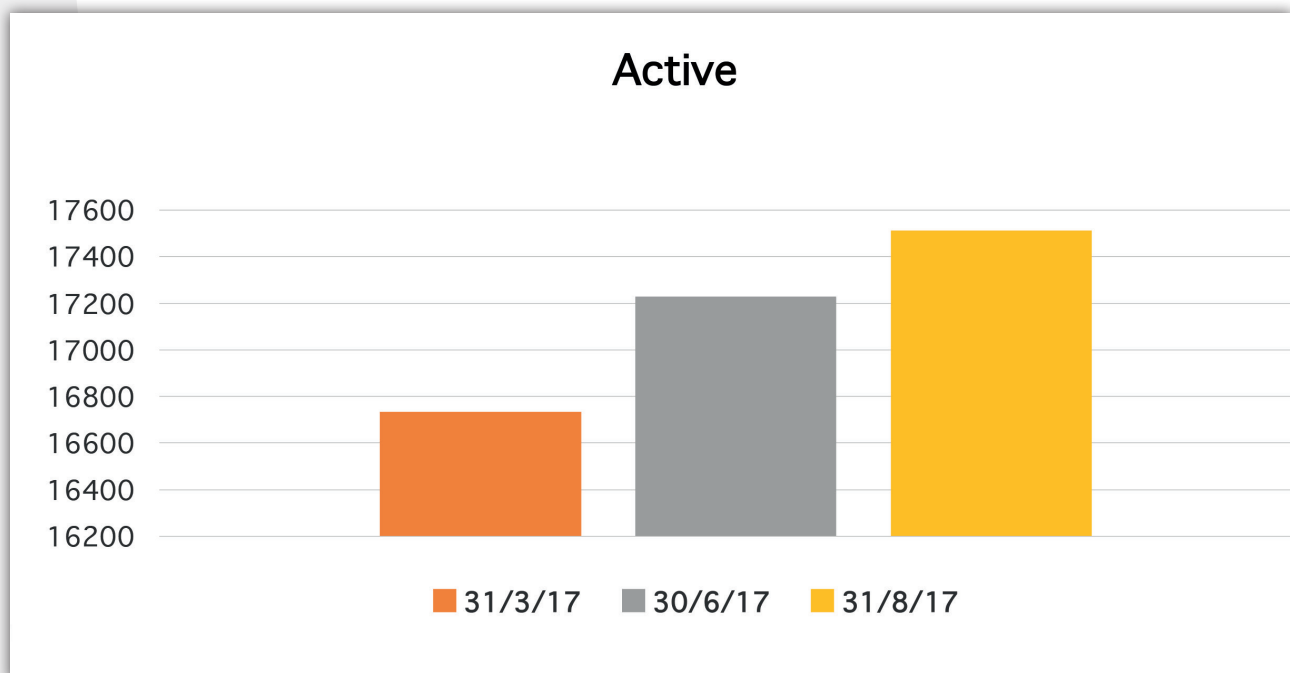
The 'EPIC' system, which is used to manage employers' data returns, has now been enhanced, and is now able to assist in proactively monitoring employers' performance in this respect. Employers are required to submit their data within defined timescales – this data is vital to ensure membership records are up to date and accurate, sanctions can be applied to employers who do not support this process.

We have worked proactively and supportively with some employers to enforce the Fund's data requirements and intend further monitoring of performance following the 'EPIC' enhancement.

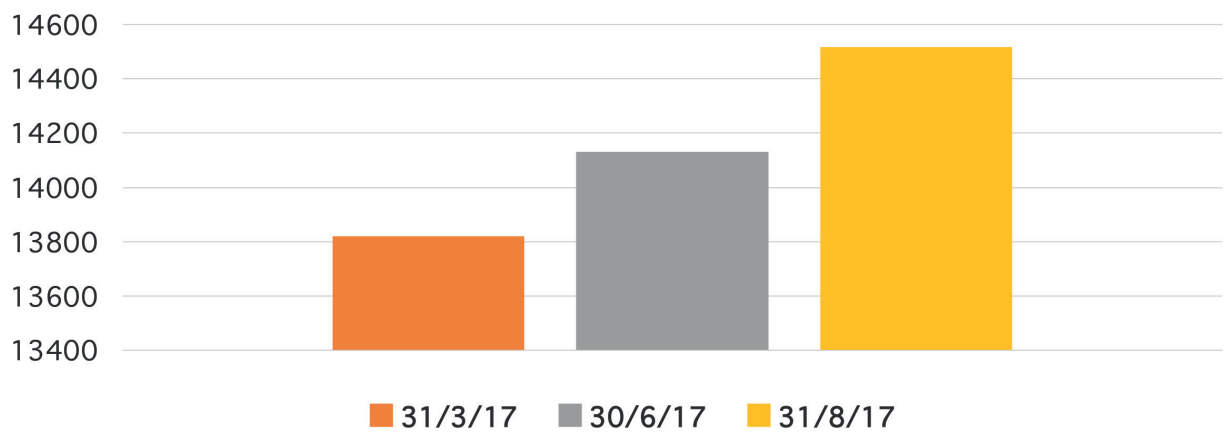
Almost 100% of employers submitted monthly files on time. Employers who fail to submit by the deadline are contacted initially with the offer of support and training. Repeated failure to meet the deadline for submission of monthly files is escalated within the employer organisation.

9. MY PENSION ONLINE (MPO)

My Pension Online is an online facility that was developed in 2012 and launched comprehensively throughout 2013. Through 'My Pension Online' members can view their details and also securely update any changes in contact details. As well as this members can run various pension estimates assisting with planning for retirement. Members can also view their annual benefit statement via My Pension Online. Other benefits of the system include allowing members to view their nominated beneficiaries, access to forms and guides and measures that Your Pension Service can communicate with registered members via email. Currently over 50,000 Lancashire LGPS members are registered online (30% of total membership).



Deferred



Pensioner / Spouses

