Audit, Governance and Standards Committee
20 April 2016

Pensions Administration Update

Report by Head of Revenues, Benefits and Pensions (Kingston) and the Executive Head of Business Services (Interim) (Sutton)

Purpose

To update the Committee on the workload in the Pensions Team on transfer into the shared service and an update on the shared service which went live on the 1st April 2016.

Recommendations

To RESOLVE that

The Panel notes the position regarding:

1. the Kingston workload on transfer into a shared service
2. the workload of the shared service
3. plans for the shared service short and medium term
4. Software issues update
5. self service implementation update

Key Points

A. The Kingston Pensions Team have moved into a shared pensions service with Sutton Council from the 1st April 2016.

B. Prior to the move into the shared service the Kingston Pensions Team suffered reduced resources that affected the level of work transferred into the shared service. The scale of the problems presented a red risk on the Finance and Pensions risk register.

C. Software issues have been ongoing and have affected the workload across both sites.

Context

1. The report to the 24th February 2016 Pension Fund Panel advised that the backlog in the Kingston Pensions Team was:

<table>
<thead>
<tr>
<th>P1 over 10 days</th>
<th>9</th>
</tr>
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<tbody>
<tr>
<td>P1 over 20 days</td>
<td>3</td>
</tr>
<tr>
<td>P1 over 30 days</td>
<td>101</td>
</tr>
<tr>
<td>Total</td>
<td>113</td>
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2. The report highlighted that the Team had suffered vacancies over the previous 6 months and still had two vacancies. As a result of the impending shared service the recruitment was suspended by Kingston and taken over by Sutton. As a result there has been a delay in recruiting to these posts.

3. The Pensions Team Leader was absent on Jury Service for over 7 weeks during February and March impacting again on the backlog.

4. In addition the Pensions Manager, Sue Grimstead will be leaving the service during April and therefore key areas of work that could have been phased over coming months have been prioritised ahead of normal priority one work which again has impacted on backlog.

5. There has been increased sick absence in the team during February and March which has exacerbated the workload position further.

6. Two temporary posts were brought into the Kingston Team during in 2015 to deal with the backlog and administrative functions and have been invaluable. This resource has been extended into the shared service for at least 6 months. However the impact of 3 staff leaving in the summer of 2015, continuing vacancies, jury service, sick absence and ongoing software issues together with the Pensions Manager resigning, has created a significant gap in the team's resource and put enormous pressure on the remaining staff.

Current Position

7. As at the 31st March the current position in the Kingston Pensions Team was:

8. Backlog:

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<tbody>
<tr>
<td>P1 over 10 days</td>
<td>14</td>
</tr>
<tr>
<td>P1 over 20 days</td>
<td>10</td>
</tr>
<tr>
<td>P1 over 30 days</td>
<td>148</td>
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<tr>
<td><strong>Total</strong></td>
<td>172</td>
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<tr>
<td>P2 over 30 days</td>
<td>51</td>
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<tr>
<td>P2 over 60 days</td>
<td>46</td>
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<tr>
<td>P2 over 90 days</td>
<td>201</td>
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<tr>
<td><strong>Total</strong></td>
<td>298</td>
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<tr>
<td>P3 over 60 days</td>
<td>210</td>
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<tr>
<td>P3 over 120 days</td>
<td>137</td>
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<tr>
<td>P3 over 180 days</td>
<td>720</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>1067</strong></td>
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9. Annual Benefit Statements for Kingston current employees have now all been issued and work continues on the other employers and deferred cases.

10. The priorities for the Pensions Team running up to the 31st March 2016 include: the actuarial valuation, pensions increase, end of year work including reconciliation and priority 1 backlog cases.

11. There will be a verbal update on the outstanding Kingston workload as at the 19th April 2016.

**Shared Service plans going forward**

12. Workload in the Shared Service will be a verbal update on the 20th April.

13. Work has commenced on a strategy for integration / action plan following the induction of RBK staff on 1 and 4 April (2 dates offered to ensure all staff attend).

14. The strategy for integration comprises five separate themes:

   * Integration of the Team
   * Upskilling of officers
   * Address Backlog
   * Harmonisation of functions
   * Evolving Development & Support staff (Revenues and Benefits) to support Pensions

15. **Integration of the Team** - commences with a full induction with the Executive Head of Business Services and the Head of Revenues, Benefits, Insurance and Pensions. The induction will be an opportunity to discuss the improvement journey with staff. There has been a Google community page developed and all LBS staff have signed up, this will be followed up with RBK staff. The community will be central to the staff communication strategy and will include regular updates on performance and work completed. Staff will be encouraged to complete suggestions / ideas through the community to ensure we capitalise on skills and knowledge. Team Meetings will be booked for the year, along with monthly one to ones. Staff will also have a one to one with the Head of Revenues, Benefits, Insurance and Pensions by the end of May.

16. **Upskilling of officers** - Work has begun to identify officers knowledge gaps with the development of a skills matrix. This will be used to identify training needs and prioritise necessary training to help improve administration performance. Training delivery is generally managed through peer to peer support. This will continue but with senior management directing the priorities and resource distribution. The community page will also be used to present
performance information, system changes and procedures to ensure that staff
are all accessing the same information

17. **Address Backlog** - Clearly resourcing is an issue for the new shared service
to address this the recruitment of the Head of the Shared Pensions Service is
underway. Despite extensive outreach activity intended to generate interest
only 2 applications were received; one person has been selected for
interview. As the team is subject to a service review, which may reduce
resources Sutton HR has advised we should not recruit to vacancies.
Therefore, Sutton has transferred the 2 temporary resources employed by
RBK onto Sutton agency contracts. This will help to maintain some service
continuity and provide capacity. In addition, Sutton has agreed to engage 3
further agency staff; one recruited has pensions experience. A further agency
resource with strong data processing skills has been appointed. From the pool
of pensions staff, and dependant on the work type, resources will be identified
to train the agency staff. Finally, we intend to create a backlog team working
solely on the oldest and priority work to ensure that other important work
streams are not neglected e.g. triennial valuation. It is intended that the
backlog will be largely cleared by 31 July 2016.

18. **Harmonisation of functions** - The staff engagement session on 25
November began to highlight some difference in processes. These included:

- Overpayments
- Discharge forms
- Starter pack
- Refunds: more steps at Kingston than Sutton.

It also appears from the review of workloads that Sutton may have more work
sitting outside of the system; this will be addressed to ensure that we are
correctly accounting for the work completed. Sutton has identified a project
resource to continue this work, organising a series of meetings to engage with
staff and develop an improvement / change plan with nominated lead officers.

19. **Evolving Development & Support (D & S) staff** - Sutton has another Civica
product, Universal Revenues and Benefits (URB) , which is administered and
supported by the D & S Team. This product is broadly comparable to the
Civica UPM product. The team has experience of creating workflows, using
barcoding, bulk indexing and attaching documents. It is therefore, intended to
use this resource to support pensions colleagues to either create or amend
UPM processes.

20. **System update** - weekly conference calls are taking place between Civica
and LB Sutton to address any issues with the system and to ensure the
agreed service improvement plan is progressing. Testing is largely complete
on a reducing list of errors.

**Background papers** - none

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