

Date:	16th June 2020
Classification:	General Release
Title:	Pension Administration Update
Report of:	Sarah Hay, Pensions Officer People Services
Wards Involved:	All
Policy Context:	Service Delivery
Financial Summary:	Limited

1. Executive Summary

- 1.1. This report sets out how the fund's administration service has responded to the COVID pandemic and adapted to prioritise our services. This report provides a summary of the performance of Surrey County Council (SCC) with the Key Performance Indicator (KPI) for the period February 2020 to April 2020. The detailed KPIs are shown in Appendix 1.
- 1.2. There is an update on the situation at Orbis, the funds software procurement, end of year 2020 and the planned existence project for 2020/ 2021.

2. The Impact of COVID

- 2.1 There is only one place to start this update, the board will be aware that since the last meeting of the board on the 3rd of March the COVID pandemic has shut down or reduced many services. Our day to day pension administration service is generally provided by the administration team in Lewes and the team had to adapt from being practically 100% office based to being close to 100% home based at the end of March.
- 2.2 The Pension Regulator responded to the crisis acknowledging that funds would be under pressure during the crisis and would need to prioritise services. Orbis responded by advising that they would prioritise the processing of retirements, refunds and death cases. Additionally, ensuring the continued payment of the monthly pension payroll and the processing on time of the April pension increase. Westminster supported these key areas and we are overall pleased to

say that the running of the pension service in these areas has remained stable from March 2020 until the time of writing this report.

- 2.3 The Helpdesk is currently providing a reduced phone service with lines open between 10am and 12pm and 2PM and 4 pm daily. E-mails are being responded to by the helpdesk directly or tasks are now being fed into the normal work flow. People are being advised that the fund is prioritising the cases outlined above and that there may be a delay in responding to other cases but workflow is now normalising over all general categories.
- 2.4 Orbis have had a massive task to support their workers to adapt to home working and many have been using their own laptops in the last few months. Orbis are undertaking the issuing of work laptops and phones for administration staff and are also reviewing providing additional screens that were a standard part of normal working life in the office. Productivity having initially reduced is increasing and we are working with Orbis to ensure the service is effective going forward.
- 2.5 Two issues that Orbis have had to address is dealing with post and printing letters to send out to members. During the first weeks of lockdown a member of the team was going into the office once a week to pick up and scan post and to print off any letters that needed to be sent out in the post. Orbis have been developing a facility to get printing sent directly to a print provider that can automatically post out as well and this is now up and running however it will only work for the administration team when they have Orbis laptops.

3. KPI Performance

- 3.1 The scope of the KPIs in this report have been agreed between WCC and SCC based on the section 101 agreement, however they will continue to be reviewed on feedback from all parties, including board members.
- 3.2 This paper covers the period of February 2020 to April 2020. It should be noted as above the team had to adapt to enormous change in the way we were working late in March and we have deliberately focused our efforts in key areas including retirements, deaths and refunds.
- 3.3 KPI performance in appendix 1 is summarised below:
- 3.4 At the last board meeting on the 3rd of November we reported on November 2019 to January 2020 KPI data.
- 3.5 This board report we will focus on our key priorities. The first priority is death cases. You will note from appendix 1 that we are 100% on dealing with death and dependent benefit death cases. Overall our numbers are small although we have seen an increase in April and I expect that to continue in May and June. I am also aware that other Orbis funds have seen a corresponding increase as well.

- 3.6 On retirements we are disappointed that one set of options forms was sent out late and one retirement benefit was processed late. It should be noted the difficult circumstances in March, April and the higher numbers of retirements that the team had to deal with in April when larger numbers of people do traditionally retire. We were disappointed by the five late payments of lump sums over the three months. Although many were paid in time and we were talking late by a few days this was a priority. Getting payments checked and then processed whilst everyone was working remotely proved challenging at times. We also noted the one late pension payment in February.
- 3.7 The final priority is refunds and I am pleased to say that all new refunds have been processed within our agreed KPI.
- 3.8 On the other KPI I will not add further commentary as we agreed with Orbis what the priorities would be. I would add that overall I am pleased that the general workloads were maintained in February through April so the team were doing much more than the minimum cases dictated as a priority. I believe the admin team adapted well under the circumstances using their personal laptops to support the Orbis service and going from never working at home to constantly working at home. I am proud of the people working to support our service at this challenging time.

4. End of Year Returns

- 4.1 End of year files were due to be submitted by the end of April 2020. At the time of writing this report I am aware of two bodies with outstanding returns. One is already a ceased body and the other is an academy. Both are being chased

5. Western Union Existence Checking

- 5.1 The board will remember that last year we carried out the first existence exercise for our overseas based pensioners.
- 5.2 The existence exercise will involve members living overseas being invited to attend a Western Union agent near their home address in order to confirm that they are still alive and entitled to the pension. In order to encourage members to complete the certification process we pay them £10 incentive for completing the process.
- 5.3 The initial project call has been had with Western Union with a timeline loosely based on running a report from the pension payroll in July and then sending out the initial letters to members at the end of August this would potentially lead to any pensions being suspended early in 2021 subject to agreement.
- 5.4 Western Union had suspended ongoing existence exercises in March when the COVID pandemic made the exercise unsafe for members and Western Union agents. Western Union are reviewing the situation around the world and will

come back to us in the next few weeks but overall we are hopeful that we can run a meaningful exercise this year.

- 5.5 This years letters will recognise the pandemic and assure members that they are only to complete the certification if they feel it's safe to do so. We will be providing an e-mail address for members to get in contact with us so that we can confirm contact and not suspend the pension of anyone that is vulnerable

6. Orbis, 101 Administration Agreement and Altair Software.

- 6.1 I am sorry to advise the board that Mr Nick Weaver the current Orbis pension manager has resigned and is leaving his current role this month though there is some suggestion he maybe agreeing a part time role to support Orbis while they try and appoint a successor. Nick had started to drive through some projects that had stalled previously including a direct payment facility to ensure security. I believe Nick understood the frustration of not having a transparent Orbis pension service at a strategic level so that we could work together as partners for the benefit of both parties. Orbis have had 3 pension managers now in less than 18 months.
- 6.2 WCC and Orbis held a quarterly meeting via Teams on the 4th of June. Mike Lea Assistant Director of Business Operations at Orbis advised us that agencies have been approached and one interview was scheduled to take place for the pension manager role. Mike was advised that WCC wanted to see a more transparent and open culture between Orbis and the fund going forward. Sarah advised Mike that she had only just been advised that there maybe costs related to the implementation of the direct payments module of the Altair system weeks after Orbis was advising the fund that work was underway on implementing the change. Sarah advised that the update on issues and projects has not been consistent.
- 6.2 A revised 101 agreement has been drafted by the Interim Pension Specialist and was sent to Surrey in February, it was received back in May with their feedback and is currently with our legal team. WCC are keen to include reporting and outline expectations for delivery of a robust pension administration service that meets the needs of the Fund and the changing pensions landscape. Surrey are keen to create a Partnership arrangement that is to the benefit of both parties. Westminster has a good direct relationship with the administrators who do our funds day to day work and it's important to acknowledge that this aspect works well. In addition there needs to be a discussion on the revised costs, which is still outstanding to be agreed by the Orbis board before being shared with WCC.
- 6.3 A paper was taken to the procurement gate on 19th May to support agreement with the fund's current software provider Heywood for a contract award from November 2020. The fund is keen to ensure that a full competitive tender exercise be run for the next WCC contract starting in November 2023 to allow a two year procurement process.

6.4 At the last meeting the board expressed their concern at the situation at Orbis and wanted to write a letter to the pension manager to express their concern on the service and the level of data issues the fund had. Since that meeting we immediately had to deal with the impact of COVID and ensuring that Orbis were functioning by responding to the three key areas and that the pension payroll was running normally. A proposed letter will be forwarded to the Chair addressed for the attention of Mr Mike Lea Assistant Director of Orbis now that Nick is leaving to allow the board to express their concern. The board can agree the final letter they wish to send Orbis.

7. Summary

7.1 Overall Orbis did respond well to the COVID pandemic and the changes that they had to implement as a primarily office based team to a primarily home based team was not insignificant. The people working in our administration team did pull together running the service on their own home laptops as they did not have office ones previously.

7.2 The KPI data overall is pretty good. We want to work with Orbis to ensure improved efficiency and to help the team settle further into working at home.

7.4 The end of Year Returns for 2020 are nearly all in with two small returns outstanding.

7.5 A new overseas existence exercise has been commenced with Western Union to continue the process we started last year.

7.6 Orbis have just lost their third pension manager in 18 months. The WCC fund has a good relationship with the pension administration team but is seeking a transparent relationship with the Orbis management for the benefit of both parties. A new 101 agreement has been discussed but is currently on hold pending costing and Orbis being able to resource any new agreement.