

Meeting of the Board 1 December 2017

ITEM 9a

## **ABS survey update**

### **Purpose of report**

For information.

### **Background**

1. To measure the success of the ABS process, the LGA team surveyed FRAs following the statutory deadline of 31 August. A ten question survey was developed using free Survey Monkey software and email invitations sent to Local Pension Board Chairs and Clerks with the instruction that one response per FRA should be completed by the board.
2. The invitation was issued to 110 individuals across the 44 English FRAs and the survey ran from 4 October 2017 to 14 November 2017. During that time 26 total responses were received, which included three duplicate replies. This therefore equates to an overall response rate of approximately 50% across applicable FRAs.

### **Survey results**

3. Of the 26 survey responses, 15 were fully completed and 11 only partially completed by answering the first question only. Reasons for this will be discussed under the findings section of the report. The significance of the results analysis is somewhat compromised by only 60% of respondents completing all of the questions

### 4. Q1. Did you meet the statutory ABS deadline of 31 August 2017?

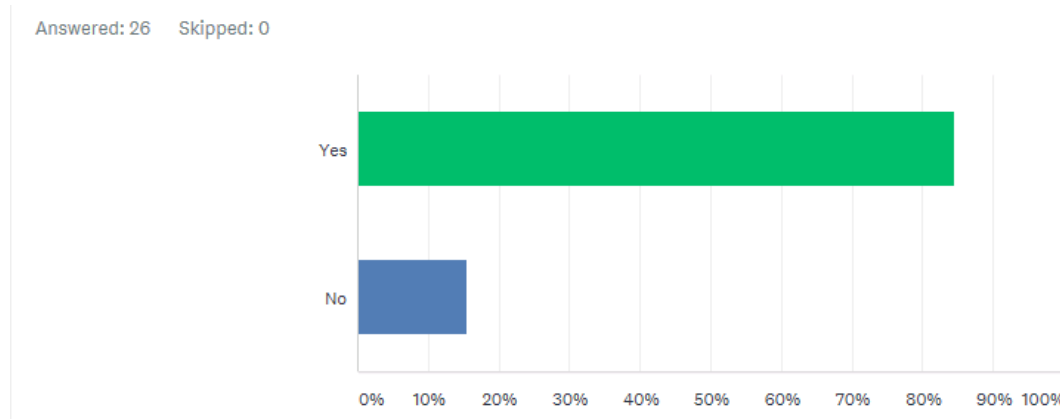


Figure 1. Responses to Q1.

5. All respondents answered Q1, with the majority of those (84%) achieving the statutory deadline. Four FRAs answered no and reasons for non-compliance are detailed at Q4.

### 6. Q2. If you answered yes to Q1, did you do anything differently to last year?

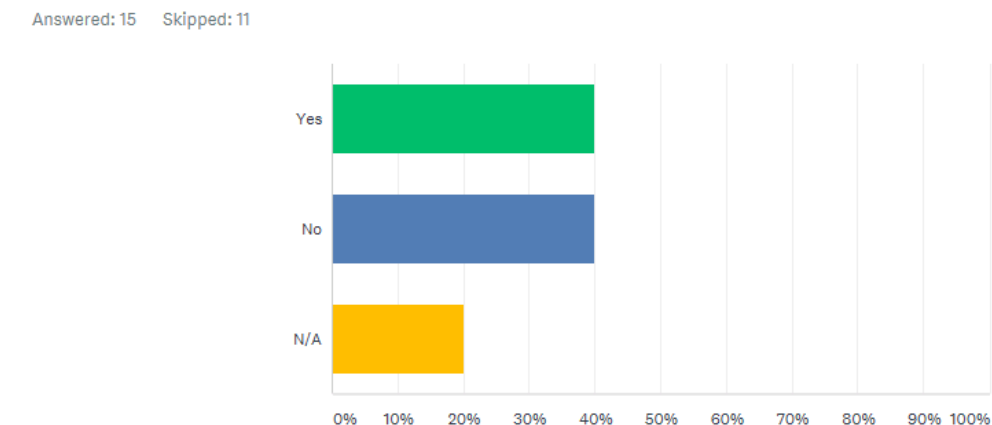


Figure 2. Responses to Q2.

7. This question yielded a fairly even split between yes and no responses. N/A relates to those FRAs answering no to Q1 where they proceeded through to Q2.

### 8. Q3. If you answered yes to Q2, what did you do differently?

Answered: 8 Skipped: 18

We purchased the Aquila Heywood Modified upgrade to enable the system to calculate the correct accrual rate and we conducted a full data reconciliation and manual update of Modified Altair records to ensure service, PT hours, modified contributions were correct and up to date in accordance with AquilaHeywood's guidelines. We have also made sure that those who have purchased 2006 benefits under the Modified scheme receive the correct accrual rate.	10/20/2017 1:06 PM	<a href="#">View respondent's answers</a>
We applied more pressure to Civica to ensure that there were no delays with delivery of software for 2016/17	10/20/2017 11:09 AM	<a href="#">View respondent's answers</a>
Provided age 55 calculations for 2015 scheme members	10/16/2017 8:22 AM	<a href="#">View respondent's answers</a>
N/A	10/11/2017 10:02 AM	<a href="#">View respondent's answers</a>
system update	10/5/2017 4:05 PM	<a href="#">View respondent's answers</a>
Online statements were sent this year rather than paper statements	10/5/2017 8:39 AM	<a href="#">View respondent's answers</a>
N/A	10/4/2017 10:25 AM	<a href="#">View respondent's answers</a>
Software issues from last year were resolved.	10/4/2017 9:56 AM	<a href="#">View respondent's answers</a>
Project	10/2/2017 9:59 PM	<a href="#">View respondent's answers</a>

Figure 3. Responses to Q3.

9. Q3 allowed a free text box for responses and a variety of comments were received. Of the 40% that stated they had amended their ABS process from the previous year, changes were mainly around technology – software issues were resolved and there was some movement towards provision of online statements via Member Self Service.

10.Q4. If you answered no to Q1, what was the main cause of the delay?

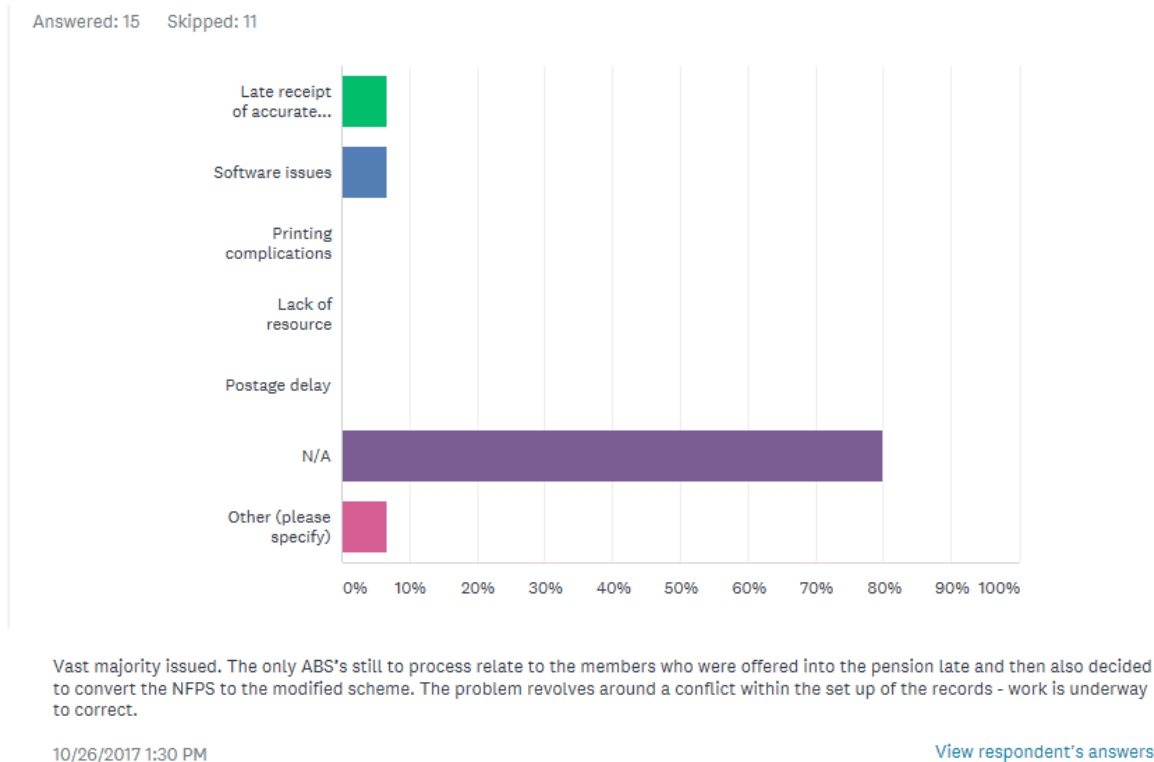


Figure 4. Responses to Q4.

11. A drop down list of the most common reasons for not being able to meet the deadline was pre-populated at Q4. Of the options provided the most frequent were late receipt of accurate payroll data and issues with software. One respondent answered other and provided a detailed response.

12. Note: N/A reflects those FRAs that were able to meet the statutory deadline.

13. Q5. If you answered no to Q1, did you report a material breach to the Pensions Regulator?

Answered: 15 Skipped: 11

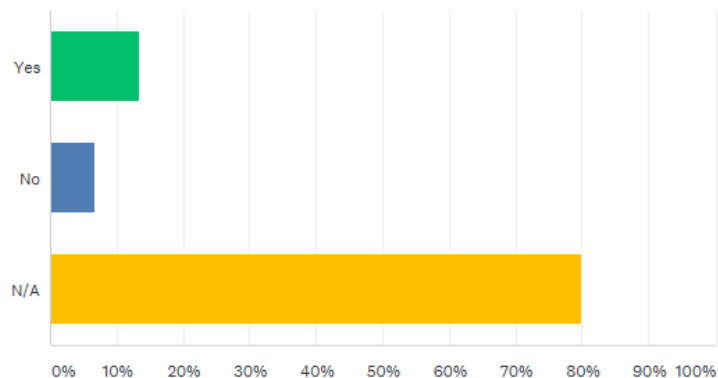


Figure 5. Responses to Q5.

14. This question again yielded a fairly even split 2:1 between yes and no responses. N/A relates to those FRAs answering yes to Q1.

15. Q6. If you answered no to Q5, why was a material breach not reported?

Answered: 7 Skipped: 19

The majority of ABSs were sent out on time, but a few were not (less than 5%0 and it was therefore felt that this was not a material breach.

10/26/2017 1:30 PM

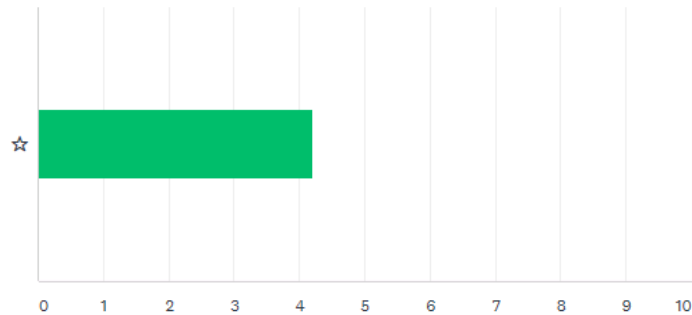
[View respondent's answers](#)

Figure 6. Responses to Q6.

16. Q6 allowed a free text box for replies. Excluding the non-applicable and test responses from the seven received, one FRA provided appropriate justification for not reporting a material breach to the Pensions Regulator (TPR).

17. Q7. On a scale of 1 to 5, with 1 being very dissatisfied and 5 being highly satisfied, how satisfied were you with the ABS process overall?

Answered: 15 Skipped: 11



	1	2	3	4	5	TOTAL	WEIGHTED AVERAGE
☆	0.00% 0	0.00% 0	13.33% 2	53.33% 8	33.33% 5	15	4.20

Figure 7. Responses to Q7.

18. All respondents noted satisfaction of three out of five or above with the overall process.

19. Q8. What, if anything, do you plan to do differently next year to improve the ABS process? Please enter N/A if you have no plans for improvement.

Answered: 15 Skipped: 11

We are moving to a new single provider, and moving away from two current providers. We will ensure that the issuing of ABSs is planned in in good time and that as a FRS we have good communication links re the issuing of ABSs.

10/26/2017 1:30 PM

[View respondent's answers](#)

We are configuring i-connect software to help continue with up keep of data. This software will enable our payroll system to interface with the Altair system on a monthly basis. This will help ensure we have good quality end of year data in a timely manner.

10/20/2017 1:06 PM

[View respondent's answers](#)

Better communication to members

10/20/2017 11:09 AM

[View respondent's answers](#)

Will review and if any improvements can be made will implement them

Further contract management of outsources payroll provider

10/11/2017 10:02 AM

[View respondent's answers](#)

looking at introducing iconnect and monthly inputting

10/5/2017 4:05 PM

[View respondent's answers](#)

We will be looking at sending out more of these electronically.

10/4/2017 2:07 PM

[View respondent's answers](#)

Try to stream line the despatch process a bit better

10/4/2017 10:51 AM

[View respondent's answers](#)

Ensure all data is with administrator as soon as possible after payroll closedown

10/4/2017 10:25 AM

[View respondent's answers](#)

We are hoping to furnish WYPF with monthly payroll data, this will therefore speed up things and reduce the number of anomalies.

10/4/2017 9:56 AM

[View respondent's answers](#)

Figure 8. Responses to Q8.

20. Q8 allowed a free text box for responses and a range of improvement plans were detailed. A recurring theme among the comments received was the increasing use of available technology to improve processes; other responses described internal procedure improvements relating to data or service provision.

21. Q9. Which pension administration system do you use?

Answered: 15 Skipped: 11

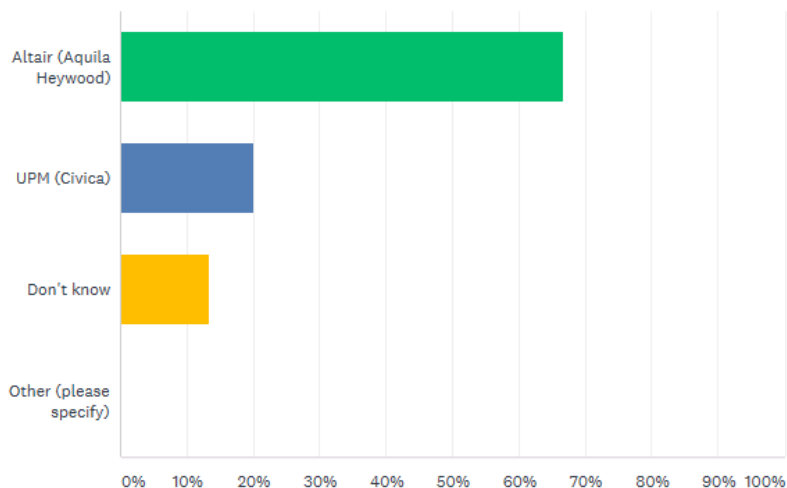


Figure 9. Responses to Q9.

22. Two-thirds (66.67%) of those completing the survey use Altair provided by Aquila Heywood, 20% use Civica's Universal Pension Management (UPM), and the remaining 13.33% did not know which system was in use. This represented only 2 FRAs who responded.

23. Q10. Did you use an outsourced printing provider or print your statements in-house?

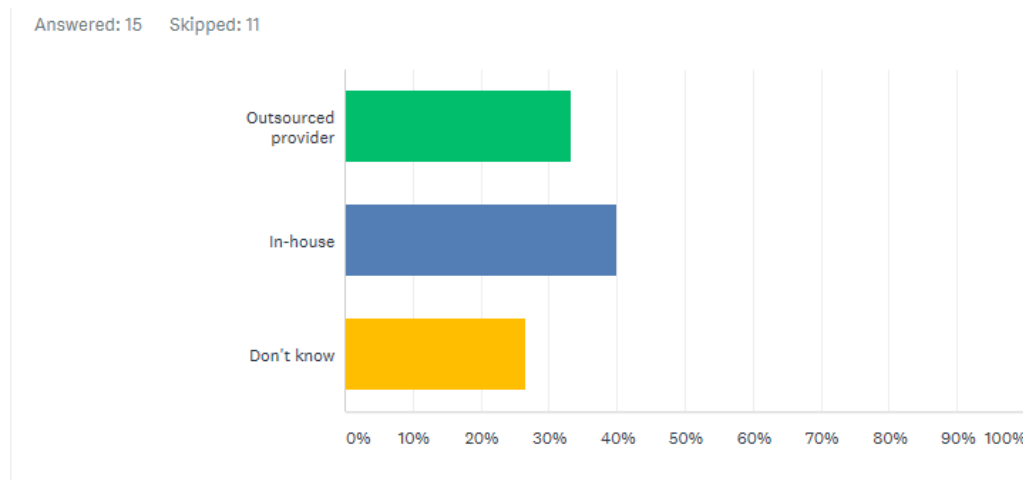


Figure 10. Responses to Q10.

24. The most common method of printing ABSs was in-house at 40%, with one-third (33.33%) outsourcing. A higher number of respondents to this question didn't know how the statements were printed: 26.67% or 4 FRAs.

### Findings

25. A disappointingly low number of responses to the survey were received. It was hoped that by keeping the number of questions to a minimum that completion would not be onerous to FRAs and the email invitation clearly detailed why the data was being collected. Use of the free web application Survey Monkey allowed for a maximum of ten questions and provided clear display of the results for analysis.



Sent invitation

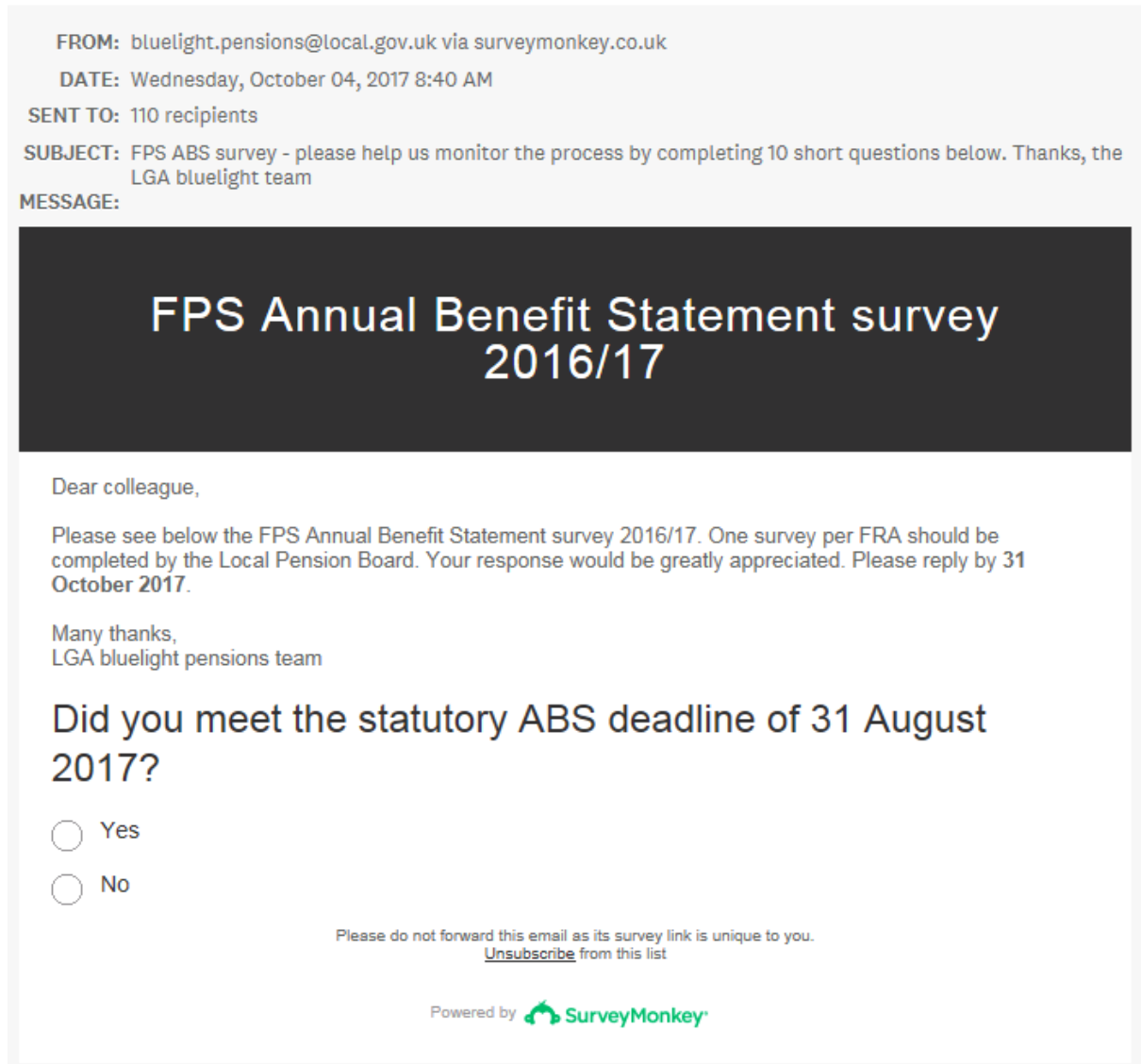


Figure 11. Email invitation sent to LPB chairs and clerks.

26. However, technical difficulties were encountered in that the survey could only be completed by the individual that the email link was sent to and in some cases the emails were blocked by the authority's ICT systems.
27. Additionally, the survey was embedded within the email as at Figure 11. Clicking the yes or no radio buttons should have taken the participant straight to Q2 to complete the remainder of the questions. The volume of responses with only the first question completed suggests that this either did not happen, or the respondent did not realise that there were further questions.

28. These combined issues appear to have significantly reduced the number of responses received and the quality of those responses, although the survey was sent to board chairs and lead contacts, who should have been able to complete the survey without delegation.
29. From the limited data received, it is evident that there has been a marked increase in the number of FRAs providing Annual Benefits Statements by the statutory deadline of 31 August. TPR specified in the results of their last Governance and Administration survey that only a third of fire and rescue schemes reported that all members received their ABS on time<sup>1</sup>.
30. Technology has played a large part in this, but it is clear that FRAs are now also more aware of their responsibilities in terms of record keeping (data) and communication.
31. The authorities who were unable to meet the deadline were clear on their responsibility to report a breach to TPR, or be able to justify their decision not to, showing positive governance awareness.
32. While a high level of satisfaction with the process was recorded, FRAs completing the survey in full gave a wide variety of suggestions for future improvement, showing a commitment to high standards of administration, utilisation of available technology and ultimately, achieving better member outcomes.

### **Recommendations**

33. The Board are recommended to note the contents of this report.

### **Actions for Board Members**

34. To note the contents of this report.

Board Secretary  
15 November 2017

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<sup>1</sup> <http://www.thepensionsregulator.gov.uk/docs/public-service-research-2017.pdf>