

**REPORT OF THE SERVICE DIRECTOR (HUMAN RESOURCES &  
CUSTOMER SERVICE)**

**LOCAL GOVERNMENT PENSION SCHEME  
PENSIONS IMPROVEMENT PROJECT**

**1. Purpose of the Report**

- 1.1 The purpose of this report is to provide an update to Pensions Sub-Committee on the Pensions Improvement Project (PIP) and the implementation of reviewed processes and new ways of working from 20<sup>th</sup> November 2012.

**2. Information and Advice**

- 2.1 As previously reported, the objective of the Pensions Improvement Project is for the Pensions Office to identify, review and re-engineer their key business processes in conjunction with other Business Support Centre projects.
- 2.2 A core team of staff from within the Pensions Office was set up in December 2011 to undertake the Pensions Improvement Project.
- 2.3 Phase 1 (January 2012 to March 2012) involved a comprehensive assessment of the Pensions Office's current position in order to identify gaps in regard to process, people, technology and service provision. This involved identifying 'as is' processes, monitoring incoming calls, analysing the technology used and reviewing the 'service journey' taken by scheme members.
- 2.4 Part of the assessment included focus groups undertaken independently with scheme members and scheme employers. A telephone survey was undertaken with a sample of scheme members and the results showed an overall positive perception of the Pensions Office e.g. 96% believed that the Lump Sum Retiring allowance was paid in a timely manner. The Employer focus group represented 8 Employers of various sizes. The results showed that scheme Employers' overall view of the Pensions Office are good, specifically amongst the larger employers. A feedback report was produced and distributed to all scheme employers following this event and employers are keen to repeat this exercise regularly.

- 2.5 As part of phase 1, over 200 Pensions Office existing processes were identified and these have subsequently been reduced to 29 business processes identified for review and re-engineering.
- 2.6 These business processes were also prioritised for review and re-engineering in consideration of customer service standards, statutory obligations and volume of work. Priority work areas included retirements, starters and estimates.
- 2.7 During phase 2 (April 2012 to October 2012) the core team held workshops to identify the best method of undertaking the processes bearing in mind benefits to be gained (e.g. less documentation produced, less people involved) and also produced step by step procedural notes.
- 2.8 By the end of Phase 2, 14 processes had been re-engineered and the new process signed off by Nottinghamshire County Council's internal audit. Pensions Office staff were involved in all aspects of phase 2 either through attending workshops and question and answer sessions or by providing feedback to the core team.
- 2.9 Employer briefing events were held on 10<sup>th</sup> October 2012 to introduce the reviewed processes to scheme employers. Approximately one third of scheme employers were represented at these events. The events covered process changes which impact on employers. This included introduction of revised notification forms (starters, leavers, retirements etc.) and also the new process for employers requesting estimates of pension benefits and strain costs for early retirements. The new process means that priority and timescale is determined by the actual leaving date to ensure most urgent and prioritised targets are met. This controls expectations and ensures consistency whilst maintaining service provision. It has also enabled the Pensions Office to better plan for incoming work.
- 2.10 The mutual benefits to be gained from consistency across employers, clarification of respective Employer and Pensions Office responsibilities, clear contact points and efficient Pensions Office processes were stressed at these events.
- 2.11 Phase 3 has involved finalising the review and re-engineering of the key processes and planning for implementation. The 14 completed processes and procedures went live on 20<sup>th</sup> November 2012 along with new interim operational ways of working and a training needs assessment/development schedule for Pensions Office staff. A further two higher priority processes are nearing completion and sign off.
- 2.12 A different way of allocating work has also been introduced. Work tasks are 'auto assigned' to staff members through the AXISE Pensions system with reference to their skills and grades. This means that work

then becomes the responsibility of individuals to follow through rather than a work group. It also means that performance can be more accurately monitored against set targets. Capacity to undertake each process has also been identified which will allow the Pensions Office to plan resources and workloads more proactively.

2.13 Overall the Pensions Improvement Project has incorporated an integrated approach to this review in terms of processes, technology and people recognising that all of these things need to be considered in the changes made. It has ensured consistency in how tasks and processes are undertaken, gives individuals ownership over tasks whilst allowing target setting and monitoring of individual and office performance and workloads.

2.14 Pensions Improvement Project phase 4 will continue as a Pensions Office project from January 2013, using the same principles to re-engineer the remaining, lower priority, Pensions Office processes. New staffing structures will then be finalised and implemented to ensure a fitter, more streamlined organisation.

### **3. Statutory and Policy Implications**

3.1 This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

#### **Human Resources Implications**

### **RECOMMENDATION/S**

1) That the report be noted.

**M TOWARD  
SERVICE DIRECTOR (HUMAN RESOURCES & CUSTOMER  
SERVICE)**

**For any enquiries about this report please contact: Sarah Marshall, Joint Acting Pensions Manager, 0115 842 3342.**

#### **Constitutional Comments (KK)**

This report is for noting only.

**Financial Comments (SEM)**

There are no financial implications arising directly from this report.

**Human Resources Comments (CD)**

The HR issues are outlined within the body of the report.

**Background Papers**

None