

Open Report on behalf of Pete Moore - Executive Director of Finance and Public Protection

Report to:	LGPS Local Pension Board
Date:	25 July 2018
Subject:	Employer issue – LCC Improvement Plan

Summary:

The Pension Board have been working closely with Lincolnshire County Council (LCC) and the Fund's administrator, West Yorkshire Pension Fund (WYPF), to ensure that backlogs in providing certain required information are cleared, and that internal monitoring is improved. Following a number of meetings and LCC self-reporting to the Pensions Regulator, this paper presents an update from LCC to provide assurance on their progress in addressing this issue and establishing robust arrangements to fulfil their statutory responsibilities as an employer in this area.

Recommendation(s):

That the Board consider progress against the Council's improvement plan and agree any further action required.

Background

- 1 It has previously been brought to the attention of the Board that the Fund's largest employer, LCC, had developed a backlog in providing detailed leaver information to the Fund's administrator, WYPF. At the meeting in January the Board received a presentation from LCC and their payroll provider detailing how they were addressing the situation and setting out an improvement plan. The improvement plan documented the actions to be taken to provide WYPF all outstanding leavers' information for 31 May, which would allow WYPF to process and issue all Annual Benefit Statement to employees within the statutory deadline.
- 2 A report on progress was presented to the Board at their meeting in March. At this meeting it was resolved that the Board's concerns would be raised with the Executive Director for Finance and Public Protection and they would advise the Executive Director to self-report the breach to The Pension Regulator (TPR). Following this meeting LCC self-reported this breach to TPR. At this meeting it was also agreed that a further update would be provided to the Board in June, as all information should have been submitted to WYPF for processing by this date.

- 3 The update provided at the June meeting assured the Committee that, whilst the backlog hadn't been fully cleared, the remaining cases (approx. 500) were the more complex ones that required further information and manual data checks to complete. The Board was assured that the backlog would be cleared within three months.
- 4 The points below provide the latest update as at the time of writing this report. This highlights the additional monitoring across all areas that is now taking place.
- **Leavers backlog** – 320 left from original backlog – numbers reducing slowly due to complexity of cases and old data.
 - **Annual benefit statements** – following initial submission of data, there were 1,704 queries (a big improvement to 2016, when there were 6,500 and 2017 when there were 5,500). Team concentrating on clearing these to meet the ABS deadline of 10th August. At the time of writing there were 1,348 in quarantine (where they are able to be issued but with potential errors) and 304 blocked (where they cannot be issued).
 - **Part time hours mismatch** – originally over 1,500 cases which have now reduced to 940. Resourcing being directed here.
 - **Academy conversions** – the transfer process has been looked at by an HR advisor, as establishments not contacting payroll on conversion. FAQ document sent to schools contains information needed and additional reminders will be sent via schools bulletins.
 - **Maternity leave** – policy on returning employees to be checked to ensure that they have been offered option to buy back service.
 - **Other issues** – also discussed were opt-out forms, annual allowance breaches, reduction in pay notifications, and communications for LCC staff.
- 5 Monthly meetings are now taking place, and are currently scheduled to the end of the year, and communication between WYPF, LCC and Serco has improved. LCC will provide a further update at the next Board meeting in October.

Conclusion

- 6 The Pension Fund monitors the performance of the scheme employers against their statutory responsibilities, and ensures that the Pension Board is made aware of any issues. The Board will continue to monitor the progress of LCC, and will look to work with the Fund, WYPF and the employer to address any concerns.

Consultation

a) Have Risks and Impact Analysis been carried out?

Yes

b) Risks and Impact Analysis

The Pension Fund has a risk register which can be obtained by contacting the author of this report.

Background Papers

Not applicable

This report was written by Jo Ray, who can be contacted on 01522 553656 or jo.ray@lincolnshire.gov.uk .

This page is intentionally left blank