

**Open Report on behalf of Andrew Crookham,  
Executive Director - Resources**

Report to:	<b>Pensions Committee</b>
Date:	<b>18 July 2019</b>
Subject:	<b>Pensions Administration Report</b>

**Summary:**

This is the quarterly report by the Fund's pension administrator, West Yorkshire Pension Fund.

Yunus Gajra, the Business Development Manager from WYPF, will update the committee on current administration issues.

**Recommendation(s):**

That the Committee note the report.

**Background**

**1.0 Performance and Benchmarking**

**1.1** WYPF uses workflow processes developed internally to organise their daily work with target dates and performance measures built into the system. The performance measures ensure tasks are prioritised on a daily basis, however Team Managers have the flexibility to re-schedule work should time pressure demand.

**1.2** The table below shows the performance against key areas of work for the period 1 January 19 to 31 March 19.

<b>KPI's for the period 1.1.19 to 31.3.19</b>						
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT	AVERAGE TIME TAKEN
AVC In-house (General)	85	10	83	85	97.65	2.71
Change of Address	208	5	190	85	91.35	1.69

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT	AVERAGE TIME TAKEN
Change of Bank Details	72	5	63	85	87.5	2.19
DWP request for Information	1	10	1	85	100	2
Death Grant Nomination Form Received	733	20	733	85	100	1.31
Death Grant to Set Up	24	5	23	85	95.83	2.63
Death In Retirement	154	5	142	85	92.21	2.58
Death In Service	3	5	3	85	100	1
Death on Deferred	8	5	7	85	87.5	1.75
Deferred Benefits Into Payment Actual	232	5	210	90	90.52	1.49
Deferred Benefits Into Payment Quote	331	35	322	85	97.28	7.48
Deferred Benefits Set Up on Leaving	1902	10	1760	85	92.53	7
Divorce Quote	41	20	41	85	100	3.07
Enquiry	8	5	7	85	87.5	1.25
Estimates for Deferred Benefits into Payment	18	10	18	90	100	1.5
General Payroll Changes	80	5	72	85	90	1.8
Initial Letter Death in Service	3	5	3	85	100	0.67
Initial letter Death in Retirement	154	5	151	85	98.05	0.87
Initial letter Death on Deferred	8	5	7	85	87.5	3.88
Monthly Posting*	738	10	690	95	93.5	3.08
NI adjustment to Pension at State Pension Age	5	20	5	85	100	11.2
Pension Estimate	146	10	134	75	91.78	8.09
Refund Payment	300	10	293	95	97.67	1.54
Refund Quote	512	35	495	85	96.68	5.73
Retirement Actual	160	3	149	90	93.13	1.27
Set Up New Spouse Pension	65	5	59	85	90.77	4.85
Spouse Potential	7	20	7	85	100	3.14
Transfer In Actual	24	35	22	85	91.66	26.54

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT	AVERAGE TIME TAKEN
Transfer In Quote	38	35	38	85	100	2.26
Transfer Out Payment	19	35	19	85	100	20.48
Transfer Out Quote	128	20	118	85	92.19	13.14

\*Reasons for underperforming KPI's:

Monthly Posting	Files that cannot be validated because of errors, queries, mismatches etc. Average time taken across all employers is less than 10 days. Only one repeat offender (Woodlands Academy).
-----------------	--

## 2.0 Scheme Information

2.1 Membership numbers as at June19 were as follows:

Numbers	Active	Deferred	Undecided	Pensioner	Frozen
LGPS	22,873	28,173	1,346	21,943	2,685
Percentage of Membership	31.78	35.68	1.83	27.44	3.3
Change from Last Quarter	-1053	+69	+216	+491	+62

2.2 Age Profile of the Scheme

	Age Groups												
Status	U20	20-25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	61-65	66-70	70+	TOTAL
Active	280	1524	1472	1987	2524	2766	3856	3716	2920	1499	255	74	22873

2.3 Employer Activity - During Jan 19 to Mar 19

New Academies and Education Trusts	4
New Town and Parish Council	0
New Admission Bodies	2
<b>Total of New Employer</b>	<b>3</b>
Employers Exited	1
<b>Total Numbers of employers</b>	<b>287</b>

WYPF are currently working on 18 organisations becoming employers in LPF

### **3.0 Member and Employer Contact**

3.1 Over the quarter January to March we received 1 online customer response.

Over the quarter January to March 163 Lincolnshire member's sample survey letters were sent out and 23 (14.2%) returned:

Overall Customer Satisfaction Score:

January to March 2018	April to June 2018	July to September 2018	October to December 2018	January to March 2019
87.4%	72.1%	81.6%	81%	81.3%

**Appendix A** – Customer survey results.

### **3.2 Employer Training**

Over the quarter January to March two Employer sessions were held in Lincolnshire, Pensionable Pay and Secure Administration.

Customer satisfaction scores were 96.95% and 98.58% respectively.

**Appendix B** – Employer feedback summary.

### **4.0 Internal Disputes Resolution Procedures**

4.1 All occupational pension schemes are required to operate an IDRP. The LGPS has a 2-stage procedure. Stage 1 appeals, which relate to employer decisions or actions, are considered by a person specified by each employer to review decisions (the 'Adjudicator'). Stage 1 appeals relating to appeals against administering authority decisions or actions are considered the Pension Fund Manager. Stage 2 appeals are considered by a solicitor appointed by Lincolnshire County Council.

### **Stage 1 appeals against the fund**

One decision in this period. One appeal currently outstanding.

<b>Date of appeal</b>	<b>Reason for appeal</b>	<b>Current position /Outcome</b>	<b>Date decision letter sent</b>
1/3/19	Appeal against error in deferred benefit calc.	Decision letter drafted. To be passed to Jo Ray.	
10/12/18	Appeal against not being permitted to reverse decision to transfer in an AVC.	Turned down. Member had correctly been awarded to a service credit from the AVC that she had agreed to a transfer to and this cannot be reversed.	11/2/2019

### **Stage 1 appeals against scheme employers**

One appeal decision in this period. One appeal currently outstanding.

<b>Date of appeal</b>	<b>Reason for appeal</b>	<b>Current position /Outcome</b>	<b>Date decision letter sent</b>
13/2/19	Appeal against being refused an ill health pension.	Referred to GLL as scheme employer.	
20/12/18	Appeal against decision not to turn on 'rule of 85'.	Appeal upheld. Decision taken to turn on 'rule of 85'.	16/1/2019
29/11/18	Appeal against incorrect pay figure being used in pension calculation resulting in overpayment of pension.	Referred back for clarification of correct final pay figure to be obtained from the scheme employer.	14/1/2019

### **Stage 2 appeals**

No appeals currently outstanding.

### **Ombudsman**

#### 4.2 One case outstanding

<b>Date application received</b>	<b>Details of complaint</b>	<b>Current position/outcome</b>	<b>Date complete</b>
29/1/2019	Appeal against employer decision of employer not to waive the 'rule of 85' to allow unreduced benefits to be paid.	Notified of appeal by Pensions Ombudsman 'for your information only'.	

## **5.0 Administration Update**

### **5.1 Annual Benefit Statements**

This year the Annual Benefit has been revamped to show more options to the member. It is hoped that this will reduce the number of queries from members. Production of the Annual Benefit Statements (ABS) started slightly earlier this year. To date 66% of ABS's have been issued to members. The statutory deadline to issue all ABS's is 31 August.

### **5.2 Deferred Benefit Statements**

To date 60% of Deferred Benefits Statements have been issued to members. Whilst there is no statutory deadline to issue these, they are being produced on a rolling programme with ABS's with an expected completion date by 31 August. It is expected that there will be a surge of requests for early payment as members can have benefits paid from age 55.

## **6.0 Current Issues**

See **Appendix C**

## **7.0 Shared service Budget**

### **7.1 Shared Service spend**

The final management cost for 2018/19, showing a total spend of £11.99m against a revised budget of £13.64m, net underspend of £1.64m. The gross underspend is mainly due to significant underspend on salary, investment transaction cost recharges for bulk transfer and other contractual savings on investment transaction costs.

The latest projected spend for 2019/20 is forecasted at £13.42m, this is currently showing underspend of £1.22m. This projection does not include cost of new structure. Until the new structure is finalised by Bradford, it will be difficult to forecast spend to year end accurately.

	2019/20	2019/20	2019/20	2018/19	2018/19	2018/19
	Original Budget	Forecast PD02	Variance (Est vs Frst)	Revised Estimate	Full Year Outturn	Variance outturn
	£			£	£	£
<b><u>Expenditure</u></b>						
Accommodation	291,060	350,000	-58,940	293,200	337,061	-43,861
Actuarial Costs	200,000	249,100	-49,100	100,000	249,096	-149,096
Computer Costs	762,970	772,400	-9,430	754,000	755,103	-1,103
Employee Costs	9,494,290	7,232,800	2,261,490	8,233,200	7,061,802	1,171,398
Internal Recharges from Bradford Council	411,670	450,000	-38,330	410,100	451,749	-41,649
Printing and Postage	600,310	650,000	-49,690	449,400	552,377	-102,977
Other Running Costs	372,220	1,865,000	-1,492,780	1,396,200	1,863,089	-466,889
Transaction costs	2,500,000	1,848,000	652,000	2,000,000	724,389	1,275,611
	14,632,520	13,417,300	1,215,220	13,636,100	11,994,666	1,641,434
WYPF	-12,563,543	-11,428,533	-1,135,010	-11,526,100	-10,005,899	-1,520,201
Shared Service Income	-1,942,949	-1,825,398	-117,551	-1,985,000	-1,825,398	-159,602
Other income	-126,028	-163,369	37,341	-125,000	-163,369	38,369
	<b>-14,632,520</b>	<b>-13,417,300</b>	<b>-1,215,220</b>	<b>-13,636,100</b>	<b>-11,994,666</b>	<b>-1,641,434</b>

## 8.0 Awards

- 8.1 WYPF were winners of the Best Administration Award held by Pensions Age Awards held in London in 28 February.
- 8.2 WYPF also won the Pensions Administration Award held by the European Pension Awards held in London on 20 June.

## Conclusion

WYPF and LPF continue to work closely as shared service partners to provide an efficient and effective service to all stakeholders within the Lincolnshire Pension Fund.

## Appendices

These are listed below and attached at the back of the report	
Appendix A	Customer survey results
Appendix B	Employer Feedback summary
Appendix C	Current Issues

## **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 Pensions Manager.

## **Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Yunus Gajra, who can be contacted on 01274 432343 or [Yunus.gajra@wypf.org.uk](mailto:Yunus.gajra@wypf.org.uk).