

## Regulatory and Other Committee

### Open Report on behalf of Andrew Crookham - Executive Director of Resources

Report to:	<b>Pensions Committee</b>
Date:	<b>09 January 2020</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 July 2019 to 30 September 2019.

KPI's for the period 1.7.19 to 30.9.19						
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT	AVERAGE TIME TAKEN
AVC In-house (General)	92	10	91	85	98.91	1.18
Age 55 Increase to Pension	1	20	1	85	100	20
Change of Address	334	5	327	85	97.9	1.58

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIMUM TARGET PERCENT	TARGET MET PERCENT	AVERAGE TIME TAKEN
Change of Bank Details	54	5	50	85	92.59	1.59
DWP request for Information	8	10	7	85	87.5	4.13
Death Grant Nomination Form Received	1,603	20	1,563	85	97.5	4.36
Death Grant to Set Up	20	5	20	85	100	1.5
Death In Retirement	141	5	132	85	93.62	2.26
Death In Service	3	5	3	85	100	1
Death on Deferred	8	5	8	85	100	1.63
Deferred Benefits Into Payment Actual	706	5	700	90	99.15	2.6
Deferred Benefits Into Payment Quote	822	35	789	85	95.99	6.84
Deferred Benefits Set Up on Leaving	1,101	10	1,005	85	91.28	10.13
Divorce Quote	44	20	43	85	97.73	3.95
Enquiry	8	5	8	85	100	1.38
Estimates for Deferred Benefits into Payment	4	10	4	90	100	1.5
General Payroll Changes	77	5	73	85	94.81	5.71
Initial Letter Death in Service	3	5	3	85	100	1.67
Initial letter Death in Retirement	141	5	140	85	99.29	1.68
Initial letter Death on Deferred	8	5	8	85	100	3
Monthly Posting	877	10	858	95	97.83	1.83
NI adjustment to Pension at State Pension Age	8	20	8	85	100	15.88
Payment of Spouses _Child Benefits	55	10	55	100	100	1.51
Pension Estimate	132	10	107	75	81.06	7.36
Pension Saving Statement	2	20	2	100	100	1
Refund Payment	241	10	239	95	99.17	1.76
Refund Quote	299	35	294	85	98.33	2.88
Retirement Actual	190	3	173	90	91.05	1.22
Set Up New Spouse Pension	55	5	55	85	100	1.16

Spouse Potential	14	20	14	85	100	6.36
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIMUM TARGET PERCENT	TARGET MET PERCENT	AVERAGE TIME TAKEN
Transfer In Actual	49	35	49	85	100	6.57
Transfer In Quote	63	35	63	85	100	1.68
Transfer Out Payment	19	35	19	85	100	7.58
Transfer Out Quote	141	20	137	85	97.16	6.04
Update Member Details	2,154	20	2,145	100	99.58	1.36

## 2.0 Scheme Information

2.1 Membership numbers in the Lincolnshire Fund are as follows:

Numbers	Active	Deferred	Undecided	Pensioner	Frozen
LGPS	22,641	27,703	828	23,172	2,662
Percentage of Membership	29.40	35.98	1.07	30.09	3.46
Change from Last Quarter	-65	-444	-179	+666	+28

2.2 Age Profile of the Scheme

Status	Age Groups												TOTAL
	U20	20-25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	61-65	66-70	70+	
Active	314	1,470	1,510	1,943	2,468	2,702	3,724	3,722	2,908	1,568	241	71	22,641

2.3 Employer Activity - During July 2019 to September 2019

New Academies and Education Trusts	6
New Town and Parish Council	0
New Admission Bodies	1
<b>Total of New Employer</b>	<b>7</b>
Employers Exited	1
<b>Total Numbers of employers</b>	<b>293</b>

## 3.0 Member and Employer Contact

3.1 Over the quarter July to September we received **1** online customer response.

Over the quarter July to September we received **2** online customer responses.

Over the same quarter **190** Lincolnshire member's sample survey letters were sent out and **25 (13.2%)** returned.

Overall Customer Satisfaction Score;

July to September 2018	October to December 2018	January to March 2019	April to June 2019	July to September 2019
81.6%	81%	81.3%	83.5%	87.9%

Appendix 1 – Customer survey results.

### 3.2 Employer Training

Over the quarter July to September two Employer sessions were held in Lincolnshire, Ill Health and Employer Responsibilities. Customer satisfaction scores were 96.09% and 98.43% respectively.

Appendix 2 – Employer feedback summary.

## 4.0 Internal Disputes Resolution Procedures

- 4.1 All occupational pension schemes are required to operate an IDRPs. 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 WYPF.

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

No appeals currently outstanding.

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

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

Date of appeal	Reason for appeal	Current position /Outcome	Date decision letter sent
13/2/2019	Appeal against being refused an ill health pension.	Referred to GLL as scheme employer. No copy of decision letter received – being chased up.	
28/6/2019	Appeal against being refused an ill health pension.	Referred to LCC as scheme employer. Turned down.	27/8/2019
31/7/2019	Appeal against service details.	Referred to LCC as scheme employer.	
3/7/2019	Appeal against overpayment of pension.	Referred back to WYPF to contact employer to clarify how	1/8/2019

		they intend to proceed with the overpayment.	
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### **Stage 2 appeals**

<b>Date application received</b>	<b>Reason for appeal</b>	<b>Current position/Outcome</b>	<b>Date decision letter sent</b>
4/5/2019	Reason for employment terminating / access to unreduced benefits.	Turned down.	2/8/2019
23/9/2019	Maladministration - Incorrect ABS	Being worked on.	

### **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.	Turned down. Ombudsman is satisfied that LCC decisions made were in accordance with regulations and discretionary policy.	13/8/2019
5/7/2019	Appeal against service used in pension calculation.	Being dealt with by LCC Legal. Information provided to them. Further information provided to LCC Legal in September.	

## **5.0 Administration Update**

### 5.1 Trivial Commutation

Work has started on giving members the option to commute their trivial pension for a one off lump sum payment. Members who have a pension of under £500 per annum have been targeted in the first instance. Two hundred and thirty six members fall into this category.

## **6.0 Current Technical Issues**

See Appendix 3

## **7.0 Shared service Budget**

### 7.1 Shared Service spend

Projected spend of £6.73m against budget of £7.71m, underspend of £0.97m. Main change from period 4 to 6 is mainly due to allocation of some actuary costs to pension admin to separate out employer and member technical work from strategic and valuation work. There is a contingency provision of £0.87m to fund cost of restructure.

- 7.2 Actuary cost relating to work on members' processes across our shared service offering including review of ABS, data and cost of restructure. Cost relating to valuation and employer related work is not included in Pension administration.

WYPF PENSION ADMIN	2019/20	2019/20	2019/20	2019/20
	Estimate	Forecast PD04	Forecast PD06	Variance (Est vs Frcst)
	£	£		£
<b><u>Expenditure</u></b>				
Accommodation	227,960	314,460	314,460	-86,500
Actuarial Costs	0	0	164,810	-164,810
Computer Costs	548,070	531,430	453,490	94,580
Employee Costs	5,277,900	5,642,060	5,643,820	-365,920
Internal Recharges from Bradford Council	203,150	241,750	211,200	-8,050
Printing and Postage	502,810	648,700	658,580	-155,770
Other Running Costs	82,710	130,090	162,680	-79,970
Transaction costs	0	0	0	0
DEPARTMENTAL SUPPORT COST	0	-884,290	-873,660	873,660
CONTINGENCY	865,740	0	0	865,740
	<b>7,708,340</b>	<b>6,624,200</b>	<b>6,735,380</b>	<b>972,960</b>
<b><u>Income</u></b>				
WYPF	-5,645,810	-6,454,003	-6,565,183	919,373
Shared Service Income	-2,012,530	-10,197	-10,197	-2,002,333
Other income	-50,000	-160,000	-160,000	110,000
<b>WYPF PENSION ADMIN</b>	<b>-7,708,340</b>	<b>-6,624,200</b>	<b>-6,735,380</b>	<b>-972,960</b>

- 7.2 Lincolnshire projected shared service charges

Pension Admin Breakdown Per member	members 2019/20	Forecast Pd 08 2018/19	Final 2018/19	Draft Budget 2019/20	PD04 2019/20	PD06 2019/20
Cost per member		£14.58	£15.01	£16.25	£15.84	£16.11
Lincolnshire	77,386	£1,128,508	77,042	£1,252,310	£1,220,495	1,240,980

## 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 1	Customer survey results
Appendix 2	Employer Feedback summary
Appendix 3	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).

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