



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

Report to:	Pensions Committee
Date:	12 October 2023
Subject:	Pensions Administration Report

Summary:

This is the quarterly report by the Fund’s pension administrator, West Yorkshire Pension Fund (WYPF).

Lisa Darvill, Client Relationship Manager from WYPF, will update the Committee on current administration issues.

Recommendation(s):

That the Committee discuss the activity and performance of the administration service during the last quarter.

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 KPI narrative

The information shown below provides details of the KPIs where the target has not been met in the period 1 April 2023 to 30 June 2023. The full table of KPIs are in Appendix A.

Work Type	Reason for underperformance	Target % met
Death on Deferred	A number of staff were on annual leave in April and there has been a significant increase in	72.73%

	post received by the team due to Pensions Increase. This has led to an increase in the time taken by Senior Pension Officers (SPO's) to pass work out to the Pension Officers (PO's) which has an effect on the SPO's time to authorise processes and also the time for the PO's who are dealing with these processes.	
Deferred Benefits In To Payment Quote	The Team are working their way through the older quotes that have been delayed as other retirement work had previously been prioritised. These are being dealt with in date order.	59.63%
Deferred Benefits Set Up on Leaving	The Team are working on older cases as well as new BAU cases. The Team continue to work on the older cases to reduce the numbers.	66.35%
Dependant Pension To Set Up	A number of staff were on annual leave in April and there has been a significant increase in post received by the team due to Pensions Increase. This has led to an increase in the time taken by Senior Pension Officers (SPO's) to pass work out to the Pension Officers (PO's) which has an effect on the SPO's time to authorise processes and also the time for the PO's who are dealing with these processes.	87.14
Estimates for Deferred Benefits into Payment	The Team are working their way through the older quotes that have been delayed as other retirement work had previously been prioritised. These are being dealt with in date order.	50%
Monthly Posting	The Finance Team have been working on the March year end returns which has delayed some of the April returns being processed within the target days.	93.62%
Pension Estimate	Two members of staff were on leave and another member of staff was on sick leave.	89.89%
Update Member Details	The Contact Centre are processing record maintenance forms in between phone calls. The number of calls received has increased due to the production of Annual Benefit Statements & Deferred Benefit Statements.	95.27%

2.0 Shared Service Update

2.1 Staffing

Finance – Applications for the Senior Finance Officer post has now closed and shortlisting for interviews has started. The applications for the Finance Officer post have now closed.

Service Centre – Applications for the Pension Officer posts has now closed and shortlisting for interviews will start soon. The new Member Services Manager started at the beginning of July.

Technical Team - There is one vacancy in the Technical Team for a Technical Advisor which is an additional post and this will be advertised shortly.

Employer Relations Team - There is one vacancy in the Employer Relations Team for a Pension Fund Representative which is an additional post within the Team. They are looking to recruit to this post soon.

2.2 Audits undertaken by Bradford Councils Internal Audit:

a) Exiting Employers

It is audit’s opinion that the standard of control of identified risks in the system is **good**.

The audit review has determined that most of the risks examined were found to be effectively managed. The control environment is largely as expected but would benefit from some enhancement to support the achievement of key business objectives.

Internal Audit made two recommendations for improvement, and these have been implemented.

2.3 Shared Service Budget

Lincolnshire LGPS	MBR NO MAR23	2022/23 REVISED BUDGET	2022/23 ACTUAL	VAR BDGT-ACT PD12	2023/24 COST PER MBR	2023/24 BUDGET	MBR NO MAR23	2023/24 COST PER MBR PD13	2023/24 FORECAST PD1
CHARGE ACTUAL / FORECAST	82,776	-£1,378,752	£1,541,305.68	-£2,920,058	18.62	£1,542,945	82,776	£18.62	£1,541,306

Lincolnshire LGPS	MBR NO ESTIMATE MAR24	EST CST PR MBR 24/25	EST 2024/25
CHARGE ACTUAL / FORECAST	79,483	£18.52	£1,471,810

2.4 Shared Service Risk Register

Over the last 12 months as part of the collaboration of Shared Service Partners, a Risk Register has been produced. This considers the shared risks faced by all in the delivery of the Local Government Pension Scheme administration.

The Risk Register will be reviewed at the next Shared Service meeting in September 2023.

Appendix B – Shared Service Risk Register

2.5 Policy Changes

The policy changes for the period 1 April 2023 to 30 June 2023 are –

McCloud Remedy

- As part of the McCloud project to ensure member's records are correct with part time hours, service breaks and final salary data, we requested employers' complete data spreadsheets and return them back to WYPF.
- Few employers across the Shared Partnership returned spreadsheets despite numerous reminders. Agreement, therefore, was reached by all Partners to use the current data on member records as correct as this had previously already been validated. Furthermore, WYPF has continued to update part time hours, service breaks and final salary data as per the 2008 scheme regulations, even though they are not required in the 2014 CARE scheme.
- For the removal of age discrimination from the LGPS, calculating and paying benefits from the 2008 scheme between 1 April 2014 and 31 March 2022 requires the records to hold part time hours, service breaks and final salary data.

Shared Service Refresh

- A decision has been made to refresh the Shared Service Agreement we use at WYPF when we take on new Local Government Clients. This will ensure it is a joint agreement that is fit for purpose and importantly future proofed. A meeting has been arranged in September to discuss this with all Shared Service Partners.

ISP Provider

- WYPF have recently awarded Bravura to be the 3rd Party Integrated Service Provider (ISP) so we can meet the requirements of the Pensions Dashboard Programme.

2.6 Annual Benefit Statements (ABS) & Deferred Benefit Statements (DBS)

Statements have been issued electronically through the secure ‘MyPension’ portal. By the statutory deadline of 31 August 2023, the number of ABS produced was 99% of those members eligible to receive a statement and the number of DBS produced was 100%.

Those members that have opted out of receiving online communications have been sent a paper copy of their statement.

3.0 Regulatory Update

a) Superannuation Contribution Adjusted for Past Experience (SCAPE) discount rate and impact on actuarial factors

Further to the e-mail received on 1 June 2023 containing some but not all the revised factors, WYPF have now received e-mails on 3 July & 28 July 2023 advising that a second & third batch of actuarial factors have been cleared for use. Once the factors have been loaded onto our system, we will start to process some of the transfer cases we have had to hold back.

The early retirement factors have also been revised and the new factors came into force from 3 July 2023. The factors are applied to a members’ benefits if they take their pension before Normal Retirement Date (NRD). Anyone with an early retirement date after 3 July 2023 will have the new factors applied. The new factors are lower than the ones in force before 3 July 2023. Any early retirement benefits already quoted will be increased because of the change.

WYPF have updated the website to reflect the new early retirement factors.

Appendix C – Regulatory Update

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	KPI Table
Appendix B	Shared Service Risk Register
Appendix C	Regulatory Update

Consultation

a) Risks and Impact Analysis

Lincolnshire Pension Fund has a risk register which can be obtained by contacting the Head of Pensions.

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 Matt Mott, who can be contacted at matt.mott@wypf.org.uk