



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

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| Report to: | Pensions Committee |
| Date: | 11 January 2024 |
| Subject: | Pensions Administration Report |

Summary:

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

Matt Mott, Head of Governance and Business Development 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 July 2023 to 30 September 2023.

The full table of KPIs are in Appendix A.

| Work Type | Reason for underperformance | Target % met |
|-------------------------------------|--|--------------|
| Death Grant to Set Up | There were delays in getting the information from other funds and next of kin to ensure the correct death grants were paid. | 82.61% |
| Deferred Benefits Set Up on Leaving | Team Early Leavers are dealing with older cases and new work splits in the team have been introduced. Some of the Team are dealing with business-as-usual cases and some are now processing and checking the older cases to reduce the backlog. | 69.07% |
| Interfund Linking In Actual | The Team have been processing older cases first for Annual Benefit Statement purposes. There has also been an increase in the number of cases the Team have checked overall as they have increased resource and the training of new staff is going well. | 34.58% |
| Interfund Out Actual | Processing had been paused due to removal of GAD factors. There was also a delay by GAD in providing revised factors, these then had to be uploaded in UPM. The Team are now working their way through the cases in the date order by which they had been put on hold. | 74.36% |
| Transfer In Actual | Processing had been paused due to removal of GAD factors. There was also a delay by GAD in providing revised factors, these then had to be uploaded in UPM. The Team are now working their way through the cases in the date order by which they had been put on hold. | 26.67% |
| Update Member Details | Four forms were not processed within the target days. However, overall the forms are dealt with well within the process target. | 99.53% |

2.0 Shared Service Update

2.1 Staffing

Finance – Recruitment to the Senior Finance Officer post has been completed and went to a Finance Officer in the Finance Team. This created another Finance Officer vacancy within the Team and two new Finance Officers have now started in the team.

Service Centre – Six new Pension Officers have been appointed and they have now been allocated to their Service Centre Teams but there are still some vacancies and further interviews are underway to recruit a further 7.5 Pension Officer posts. In addition there

are also two Senior Pension Officer posts vacancies and recruitment will start shortly to fill these posts.

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

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 shortly.

2.2 Audits undertaken by Bradford Councils Internal Audit:

a) New Pensions and Lump Sums – Ill Health Pensions

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

The audit review has determined that the identified risks are being effectively managed. The control environment is as expected and supports the achievement of key business objectives.

Internal Audit made no recommendations for improvement.

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 PD6 | 2023/24 FORECAST PD6 |
|--------------------------|--------------|------------------------|----------------|-------------------|----------------------|----------------|--------------|--------------------------|----------------------|
| CHARGE ACTUAL / FORECAST | 82,776 | -£1,378,752 | 1,572,826.78 | -£2,951,579 | 19.00 | £1,542,945 | 82,776 | £19.00 | £1,572,827 |

| 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 was reviewed at the Shared Service meeting in November 2023 and it was highlighted that Risk 2 will need a further review once the Shared Service Refresh has been completed.

Appendix B – Shared Service Risk Register

2.5 Policy Changes

The policy changes for the period 1 July 2023 to 30 September 2023 are –

Shared Service Refresh

- A meeting to discuss the Shared Service Refresh took place in London in September 23 between all the LG Shared Service Partners. The document has now been re-drafted following the meeting and is now with Bradford Legal Services for approval.

2.6 Resource Plan

The Resource Plan summarises the current performance of the shared service administration and sets out how WYPF intends to resource the administration service for WYPF and the 3 LGPS partners, Lincolnshire Pension Fund, London Borough of Hounslow & London Borough of Barnet.

The Resource Plan is presented at each Collaboration Board meeting which are scheduled every quarter.

Appendix C – Resource Plan

3.0 Regulatory Update

a) McCloud

On 1st October 2023 the remedy regulations came into force for McCloud. The disclosure requirements for McCloud require that all members are informed about the material change to the scheme. We have confirmed our plans meet the disclosure requirements with the Local Government Association (LGA).

A newsletter has been issued to all active, deferred and pensioner members in November and a letter version of the newsletter will be printed and posted to all 'electronic opt out' cases to their home address. The website continues to provide passive communications about McCloud for members.

Full guidance still has not been published by the Local Government Association (LGA) but they are writing a series of three documents as guidance notes and the first guide was issued in November 2023 with the others to follow in due course.

Appendix D – 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.

Consultation

a) Risks and Impact Analysis

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

Appendices

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| These are listed below and attached at the back of the report | |
| Appendix A | KPI Table |
| Appendix B | Shared Service Risk Register |
| Appendix C | Resource Plan |
| Appendix D | Regulatory Update |

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

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