



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

Report to:	<b>Lincolnshire Pension Board</b>
Date:	<b>14 October 2021</b>
Subject:	<b>Pensions Administration Report</b>

**Summary:**

This is the quarterly report of the Fund's administrator, West Yorkshire Pension Fund (WYPF).

Yunus Gajra, Assistant Director (Finance, Administration and Governance) from WYPF, will update the Board on current administration issues.

**Recommendation(s):**

That the Board 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 April 2021 to 30 June 2021.

KPI's for the period 01.04.21 to 30.06.21						
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT	AVERAGE TIME TAKEN
AVC In-house (General)	35	20	34	85	97.14	2.14
Change of Address	302	10	296	85	98.01	1.74
Change of Bank Details	44	10	39	85	88.64	4.41
DWP request for Information	6	20	6	85	100	8.67
Death Grant Nomination Form Received	316	20	310	85	98.1	5.29
Death Grant to Set Up	33	5	31	85	93.94	1.12
Death In Retirement	136	5	131	85	96.32	5
Death In Service	5	5	5	85	100	4
Death on Deferred	11	5	11	85	100	5
Deferred Benefits Into Payment Actual	320	5	299	90	93.44	1.14
Deferred Benefits Into Payment Quote	463	35	428	85	92.44	19.46
Deferred Benefits Set Up on Leaving	552	20	526	85	95.29	11.38
Divorce Quote	27	20	25	85	92.59	13
Divorce Settlement Pension Sharing order Implemented	1	80	1	100	100	1
Enquiry	6	5	6	85	100	2.67
Estimates for Deferred Benefits into Payment	2	10	2	90	100	5
General Payroll Changes	89	10	89	85	100	1
Initial Letter Death in Service	5	5	5	85	100	1
Initial letter Death in Retirement	136	5	128	85	94.12	2.14
Initial letter Death on Deferred	11	5	10	85	90.91	1.45
Monthly Posting	747	10	704	95	95	4.27
NI adjustment to Pension at State Pension Age	10	Next payroll	10	85	100	19.3

Payment of Spouses _Child Benefits	76	5	68	90	90	4
Pension Estimate	231	10	216	75	93.51	3.24
Phone Call Received	1182	3	1166	95	98.65	1
Refund Actual	105	10	105	95	100	1
Refund Quote	166	35	160	85	96.39	3.33
Retirement Actual	167	3	166	90	99.4	1
Spouse Potential	5	20	5	85	100	15.4
Transfer In Actual	25	35	25	85	100	2.64
Transfer In Quote	38	35	38	85	100	2.03
Transfer Out Payment	8	35	8	85	100	7.38
Transfer Out Quote	80	20	71	85	88.75	9.53
Update Member Details	632	20	632	100	100	1

## 2.0 Scheme Information

2.1 Membership numbers in the Lincolnshire Fund are as follows:

Numbers	Active	Deferred	Undecided	Pensioner	Frozen
LGPS	22,867	25,575	543	25,239	2,446
Percentage of Membership	29.83	33.36	0.70	32.92	3.19
Change from Last Quarter	-48	-426	+173	+357	-48

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	216	1,503	1,566	1,964	2,509	2,758	3,449	3,801	3,049	1,685	293	74	22,867

2.3 Employer Activity - During 1 April 2021 to 30 June 2021

New Academies and Education Trusts	2
New Town and Parish Council	1
New Admission Bodies	0
<b>Total of New Employer</b>	<b>3</b>
Employers Exited	0
<b>Total Numbers of employers</b>	<b>296</b>

### 3.0 Member and Employer Contact

3.1 Over the quarter April to June we received 5 online customer responses.

Over the quarter April to June 96 Lincolnshire member's sample survey letters were sent out and 10 (10.5%) returned:

Overall Customer Satisfaction Score:

April to June 2020	July to September 2020	October to December 2020	January to March 2021	April to June 2021
92.7%	94.9%	82.1%	86.8%	81.7%

Appendix A – Customer Surveys.

### 3.2 Employer Training

Over the quarter 1 April 2021 to 30 June 2021 we held the following webcasts which were attended by employers across all four Funds that WYPF administer:

- Processing pension statement blocks and quarantines
- Online forms and when to use them
- Ill health for deferred members
- Understanding term time only members

### 4.0 Internal Disputes Resolution Procedures

4.1 All occupational pension schemes are required to operate an IDR. 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**

Two appeals are currently outstanding.

<b>Date of appeal</b>	<b>Reason for appeal</b>	<b>Current position /Outcome</b>	<b>Date decision letter sent</b>
02/12/2020	Appeal against being refused an ill health pension.	Referred to Serco as the scheme employer. 2nd medical review being arranged. Reminder sent and response received stating obtaining medical records.	
28/04/2021	Appeal against being refused an ill health pension	Referred to Lincoln College as the scheme employer. Member contacted WYPF on 24/08/2021 regarding the IDR process. From this call it was established that the member is still employed. Lincoln College should therefore have turned down the appeal as no pensions decision was made.	

### **Stage 2 appeals**

No cases

### **Ombudsman**

No cases

## **5.0 Administration Update**

### **5.1 Prudential**

Lincolnshire's AVC providers are the Prudential who have been excellent in the service they have provided to our members over the years.

However, since late last year there have been a number of issues with their administration which has impacted on members resulting in delays in processing retirements and allocating contributions to member's records. The issues are affecting the whole of the LGPS sector.

WYPF have been in touch with Prudential and escalated the issues to their senior management.

As a result of continuing issues both WYPF and LPF have reported the issues to The Pensions Regulator and we await the outcome of their investigations. A recent update from TPR said 'The situation is being monitored accordingly'.

We are still experiencing delays for some members but there has been a slight improvement over the recent months. Prudential are also awarding members a payment of £175 for poor service, distress and inconvenience. We will continue to monitor the situation carefully.

#### 5.2 Employer Work

During this period WYPF worked on 7 new Academies/Prime account schools and 6 new admission bodies.

#### 5.3 Annual Benefit Statements (ABS) and Deferred Benefit Statements (DBS)

This year's statements have been issued electronically. Members have been asked to sign up to the secure 'MyPension' portal to access their statements. However, members who still prefer a paper version will be able to opt out and receive one.

As at 31 August 2021 98.7% of ABS's and 99.9% of DBS's have been produced for Lincolnshire members who are eligible to receive one. The remaining ABS's are due to queries on records with Employers and outstanding transfers and linkings which are being worked on.

#### 5.4 Audits undertaken by Bradford Councils Internal Audit

No internal audits were undertaken during this period.

#### 5.5 Staffing

WYPF is nearing the end of a big recruitment campaign to replace staff who have retired or left as well as recruiting to new posts under the revised structure. Details of appointments will be provided at the next meeting.

5.6 Two new Fire clients, Northamptonshire and Cambridgeshire joined WYPF's shared service partnership from 1<sup>st</sup> July 2021. This will bring the total number of Fire Authorities under WYPF administration to 23.

### 6.0 **Current Technical Issues**

See Appendix B.

### 7.0 **Web Registrations**

The number of members registered for online member web are:

Active	7,207	31.52%
Deferred	5,497	21.49%
Pensioner	4,933	19.55%

## 8.0 Shared service Budget

8.1 For 2021/22 a budget of £15.43m was approved for all WYPF operational activities, including the shared services, with a budget of £6.86m as set out below.

WYPF PENSION ADMIN	2020/21 OUTTURN PD13 £000	2021/22 BUDGET £000	2021/22 FORECAST PD03 £000
Accommodation	288	365	248
Actuary	0	168	0
Computer	453	485	524
Contingency	0	0	0
Employees	5,314	5,936	3,588
Internal Recharge	-691	-784	1,754
Other Running Costs	211	165	122
Transaction Costs	0	0	0
Printing & Stationery	495	529	458
Admin strategy	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>6,070</b>	<b>6,864</b>	<b>6,694</b>
Member number	467,795	467,795	467,795
PARTNER MEMBERS	168,523		467,795
WYPF MEMBERS	299,272		-
<b>Cost per member</b>	<b>£12.98</b>	<b>£14.67</b>	<b>£14.31</b>
Charge to WYPF Account	-4,046	-4,528	-4,114
Other Income	-396	-36	-80
Shared Service Income	-1,628	-2,300	-2,500
<b>TOTAL INCOME</b>	<b>-6,070</b>	<b>-6,864</b>	<b>-6,694</b>

## 8.2 Cost per member

Lincolnshire LGPS	MEMBER No	NUMBER OF MONTHS	FACTORED MEMBER No	BUDGET PER MEMBER	2021/22 BUDGET	FORECAST COST PER MEMBER	2021/22 FORECAST PD10
Lincolnshire LGPS	76,716	12	76,716	£14.67	£1,125,662	£14.31	£1,097,806

## 9.0 Awards

WYPF was shortlisted by **Pensions Age** under the following categories:

- DB Scheme of the Year
- Pension Scheme Communication Award
- Pension Administration Award

Winners were announced at a ceremony in London on 15 July 2021. Whilst we did not win any of the awards, which all went to big private sector funds, it's a great achievement to

be shortlisted with such strong competition both from the public & private sector and we are proud of our efforts to gain the recognition.

We were also shortlisted by the **European Pensions Age** under the following categories:

- European Pension Fund of the Year
- Pension Fund Communication Award
- Pension Fund Innovation Award

Winners will be announced at a ceremony in London on 20 October 2021.

## **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**

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

## **Appendices**

These are listed below and attached at the back of the report	
Appendix A	Customer Survey Results
Appendix B	Technical 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 Yunus Gajra, who can be contacted on 01274 432343 or [yunus.gajra@wypf.org.uk](mailto:yunus.gajra@wypf.org.uk).