



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

Report to:	Pensions Committee
Date:	14 July 2022
Subject:	Pensions Administration Report

Summary:

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

Matt Mott, Governance and 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 2022 to 31 March 2022.

KPI's for the period 01.01.22 to 31.03.22						
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT	AVERAGE TIME TAKEN
AVC In-house (General)	25	20	23	85	92	5.48
Age 55 Increase to Pension	2	20	2	85	100	19
Change of Address	231	10	224	85	96.97	2.48
Change of Bank Details	82	10	80	85	97.56	2.91
Death Grant Nomination Form Received	222	20	103	85	46.4	24.05
Death Grant to Set Up	40	10	30	85	75	10.65
Death In Retirement	136	10	122	85	89.71	3.93
Death In Service	7	10	6	85	85.71	47
Death on Deferred	9	10	8	85	88.89	9
Deferred Benefits Into Payment Actual	178	5	178	90	100	1
Deferred Benefits Into Payment Quote	205	35	197	85	96.1	8.85
Deferred Benefits Set Up on Leaving	567	20	373	85	65.78	19.57
Divorce Quote	28	20	25	85	89.29	12.04
Divorce Settlement Pension Sharing order Implemented	2	80	2	100	100	1
Enquiry	3	5	3	85	100	1
Estimates for Deferred Benefits into Payment	1	10	1	90	100	3
General Payroll Changes	71	10	71	85	100	1
Initial Letter Death in Service	7	10	7	85	100	1
Initial letter Death in Retirement	136	10	133	85	97.79	1.46
Initial letter Death on Deferred	9	10	9	85	100	2.22
Interfund Linking In Actual	106	35	85	85	80.19	27.39
Interfund Linking In Quote	43	35	21	85	48.84	32.35

Interfund Out Actual	108	35	61	85	56.48	67.71
Interfund Out Quote	108	35	87	85	80.56	18.94
Monthly Posting	793	10	719	95	90.67	3.21
NI adjustment to Pension at State Pension Age	16	20	16	85	100	19.94
Payment of Spouses _Child Benefits	50	5	46	90	92	3.24
Pension Estimate	102	10	95	90	93.14	5.32
Pension Saving Statement	1	20	1	100	100	1
Phone Call Received	993	3	972	95	97.89	1
Refund Actual	149	10	145	95	97.32	1.56
Refund Quote	192	35	192	85	100	1
Retirement Actual	146	3	143	90	97.95	1
Spouse Potential	5	20	5	85	100	9
Transfer In Actual	20	35	19	85	95	4.1
Transfer In Quote	33	35	33	85	100	2.91
Transfer Out Payment	22	35	20	85	90.91	14
Transfer Out Quote	132	20	124	85	93.94	6.9
Update Member Details	595	20	595	100	100	1

Comment – The KPI for Death Grant Nomination Form Received was not met this quarter due to other priority work. The information from the form has been added to the member’s record and in the event of the member’s death this information would be included when processing survivor/dependant benefits.

Comment – The KPI for Death Grant to Set Up was not met this quarter due to cases taking longer to process due to the high volume of work within the Team across all areas. A member of staff has now taken responsibility for this area of work and this should ensure that going forward cases are processed within the target days.

Comment – The KPI for Deferred Benefits Set Up on Leaving was not met this quarter due to staff working on historic cases (which will have already not met the KPI) to reduce outstanding numbers. We are also receiving continued high volumes to process which has been exacerbated as scheme employers provide data in preparation for the Triennial valuation. New staff appointed in April are being trained on this area of work and will provide extra resource. We are also currently developing automation in some areas of work that are completed in the Service Centre and this includes Deferred Benefits Set Up on leaving.

Comment – The KPI’s for the Interfund area of work has not been met this quarter due to due to historic cases being processed for ABS production. Employers across all funds are currently sending in leaver notifications that have been outstanding in preparation for the Triennial Valuation. This has had an impact on the levels of work and has increased the numbers of linkings and interfunds out. New members of staff are also being trained in this area of work.

Comment – The KPI for Monthly Posting has not been met this quarter due to the current workloads within the Finance Team. The Team are currently helping Contact Centre answer phones due to the increase in calls we are receiving following the distribution of P60s and letters to pensioners regarding My Pension registration.

2.0 Scheme Information

2.1 Membership numbers in the Lincolnshire Fund are as follows:

Numbers	Active	Deferred	Undecided	Pensioner	Frozen
LGPS	24,359	25,687	550	26,108	2,559
Percentage of Membership	30.73	32.41	0.69	32.94	3.23
Change from Last Quarter	+406	-39	-133	+594	-22

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	274	1689	1739	2232	2702	2992	3409	3937	3194	1770	350	71	24,359

2.3 Employer Activity - During 1 January 2022 to 31 March 2022

New Academies and Education Trusts	1
New Town and Parish Council	0
New Admission Bodies	2
Total of New Employer	3
Employers Exited	1
Total Numbers of employers	276

3.0 Member and Employer Contact

3.1 Over the quarter January to March 2022 we received **1** online customer response.

Over the quarter January to March 2022, **151** Lincolnshire member's sample survey letters were sent out and **13 (8.7%)** returned:

Overall Customer Satisfaction Score:

January to March 2021	April to June 2021	July to September 2021	October to December 2021	January to March 2022
86.8%	81.7%	96.9%	91.5%	95.3%

Appendix A – Customer Surveys

3.2 Employer Training

Over the quarter 1 January 2022 to 31 March 2022 we held the following webinars which were attended by employers across all four Funds that WYPF administer:

- Walk through the online leaver form
- Valuation and the importance of your data
- Understanding CPP (CARE pay)
- Completing your March return: 'steps to success'
- Blocks & Quarantines P1 (Theory)
- Blocks & quarantines P2 (How to clear)
- Assumed Pensionable Pay

4.0 Internal Dispute Resolution Procedure (IDRP)

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 by the Pension Fund Manager. Stage 2 appeals are considered by WYPF.

Stage 1 appeals against the fund

One appeal is currently outstanding.

Date of appeal	Reason for appeal	Current position /Outcome	Date decision letter sent
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24/05/2022	Disagreement with pension estimate figures provided.	IDRP acknowledged – 26/05/2022.	
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Stage 1 appeals against scheme employers

One appeal is currently outstanding.

Date of appeal	Reason for appeal	Current position /Outcome	Date decision letter sent
07/06/2021	Appeal against being refused an ill health pension.	Referred to LCC as the scheme employer. 2 nd medical appeal being arranged. Last e-mail to LCC – 11/11/2021. LCC responded 24/12/2021 to say they are expecting a further medical report to be received soon. Further e-mails have been sent between WYPF & LCC and they have confirmed another OHP will be reviewing the case on 16/02/2022. LCC have turned down the appeal and this is now being dealt with as a Stage 2 appeal.	24/02/2022
18/01/2022	Appeal against being refused an ill health pension.	Referred to LCC as the scheme employer – 27/01/2022. LCC turned down the appeal.	29/04/2022
04/03/2022	Appeal against being refused an ill health pension.	Referred to LCC as the scheme employer – 17/03/2022. Chased up with LCC – 17/05/2022. LCC had not received the documentation and this was resent – 26/05/2022.	

Stage 2 appeals

One appeal is currently outstanding.

Date application received	Reason for appeal	Current position/outcome	Date decision letter sent
08/06/2021	Appeal against decision re ill health retirement.	No action taken until 29/09/2021. Wrote to scheme employer to obtain	31/03/2022

		further personal information that is needed – 06/10/2021. Holding letter sent – 08/12/2021 Information received from PSPS. Decision was to refer the case back to the employer for reconsideration.	
11/03/2022	Appeal against decision re ill health retirement.	Authority form received from member – 30/03/2022. Information requested from scheme employer – 12/04/2022. Information received from scheme employer – 16/05/2022. Member e-mailed with further information in support of their appeal – 23/05/2022.	

4.2 Ombudsman

There are no appeals currently outstanding.

5.0 Administration Update

5.1 Employer Work

During this period WYPF worked on 2 new Academies/Prime location schools and 10 new admission bodies.

5.2 Staffing

Finance – There is currently 1 vacancy for a Senior Finance Officer and the closing date for applications was 22/05/2022. Once the shortlisting has been completed,

applicants will be invited for interview. 5 new Finance Officers have been recruited and are currently being trained.

Service Centre – There are currently 13 vacancies in the Service Centre, 2 Senior Pensions Officer posts and 11 Pensions Officer posts. 4 of the Pensions Officer posts became vacant when staff were promoted to Senior Pensions Officers. Recruitment for the Pensions Officer posts is currently at interview stage and the recruitment for the senior posts will commence shortly.

5.3 Audits undertaken by Bradford Councils Internal Audit:

a) **Business continuity arrangements**

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 **5** recommendations for improvement which Managers are currently looking at implementing.

b) **Purchase of additional pension**

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.

6.0 Current Technical Issues

See Appendix B

7.0 Web Registrations

The number of members registered for online member web are:

Status	October 21 to December 21	% of membership	January 22 to March 22	% of membership
Active	8,072	33.70%	8,528	35.01%

Deferred	6,166	23.97%	6,421	25.00%
Pensioner	6,285	24.63%	8,813	33.76%

8.0 Shared service Budget

8.1 WYPF TOTAL COST OF SERVICES 2021/22 AND FORECAST FOR 2022/23

Shared service net expenditure for 2021/22 is £6.81m against a net budget of £7.10m, underspend of £0.29m. The main overspend and underspending areas are:

- a. Overspend on computers of £0.15m, we have started charging for McClouds system costs. £0.16m of Civica system development cost was charged to 2021/22, from a total estimated cost of £1.60m. The remaining £1.44m will be charged in equal instalments to our accounts over the next 4 years (2022/23 to 2025/26).
- a. Salaries £0.161m – vacancies and recruitment challenges.
- b. Printing and stationery £0.13m – increased digital services, newsletters, ABS etc.

WYPF PENSION ADMIN SHARED SERVICES	2021/22 BUDGET (000)	2021/22 ACTUAL (000)	VAR BDGT- ACT (000)	2022/23 BUDGET (000)	2022/23 FORECAST (000) PD01	2022/23 COST PER MBR
Accommodation	£199	£203	-£4	£197	£186	£0.38
Actuary	£0	£0	£0	£0	£0	£0.00
CBMDC Support Services	£215	£210	£5	£228	£215	£0.44
Computer	£291	£439	-£148	£267	£252	£1.52
Contingency	£0	£0	£0	£0	£306	£0.63
Employees	£3,981	£3,820	£161	£4,327	£4,471	£9.22
Other Running Costs	£215	£180	£35	£206	£194	£0.40
Printing & stationery	£500	£371	£129	£317	£299	£0.62
Transaction Costs	£0	£0	£0	£0	£0	£0.00
WYPF Support Services	£1,696	£1,582	£114	£2,385	£2,165	£4.46
TOTAL EXPENDITURE	£7,097	£6,805	£292	£7,927	£8,088	£17.67
COUNT OF MEMBERS	464,037					485,000

CHARGE

Lincolnshire LGPS	MBR NO MAR22	2021/22 REVISED BUDGET	2021/22 ACTUAL	VAR BDGT- ACT PD12	2021/22 COST PER MBR	2022/23 BUDGET	MBR NO MAY22	2022/23 COST PER MBR	2022/23 FORECAST PD01
CHARGE ACTUAL / FORECAST	79,131	£1,141,570	£1,122,078	£19,492	14.18	£1,398,245	79,998	£17.67	£1,413,565

Recharge for 2021/22 was reduced as a result of underspend, marginally went up due to increased member number and the charge for McCloud.

MEMBER NUMBER

REPOTDATE	CLIENTID	CLIENTNAME	ACT	PEN	BEN	DEF	UND	FROZ	TOTMBRS
31/05/2022	8	Lincolnshire LGPS	25,024	23,616	2,531	25,690	591	2,546	79,998

9.0 Awards

WYPF has been shortlisted by **European Pensions Awards 2022** under the following categories:

- European Pension Fund of the Year
- Pension Fund Communication Award
- Pension Scheme Administrator of the Year

Winners will be announced at a ceremony in London on 7 July 2022.

Conclusion

10. 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 Surveys
Appendix B	Current Technical Issues

Consultation

a) a) Risks and Impact Analysis

The 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

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