



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

Report to:	Pensions Committee
Date:	22 September 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 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 The table over the page shows the performance against key areas of work for the period 1 April 2022 to 30 June 2022.

KPI's for the period 01.04.22 to 30.06.22						
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT	AVERAGE TIME TAKEN
AVC In-house (General)	42	20	42	85	100	2
Change of Address	238	10	223	85	93.7	2.86
Change of Bank Details	84	10	76	85	90.48	5.94
Death Grant Nomination Form Received	608	20	487	85	80.1	9.37
Death Grant to Set Up	27	10	25	85	92.59	2.81
Death In Retirement	138	10	109	85	81.5	6.81
Death In Service	5	10	5	85	100	2.6
Death on Deferred	9	10	7	85	77.78	6.56
Deferred Benefits Into Payment Actual	223	5	220	90	98.65	1.15
Deferred Benefits Into Payment Quote	256	35	249	85	97.27	7.77
Deferred Benefits Set Up on Leaving	514	20	256	85	49.81	37.28
Divorce Quote	43	20	40	85	93.02	9.51
Divorce Settlement Pension Sharing order Implemented	1	80	1	100	100	1
Enquiry	6	5	6	85	100	1.17
Estimates for Deferred Benefits into Payment	3	10	3	90	100	6.67
General Payroll Changes	93	10	90	85	96.77	1.27
Initial letter Death in Retirement	138	10	137	85	99.28	1.67
Initial Letter Death in Service	5	10	5	85	100	1

Initial letter Death on Deferred	9	10	8	85	88.89	4.33
Interfund Linking In Actual	39	35	33	85	84.62	20.28
Interfund Linking In Quote	42	35	15	85	35.71	59.62
Interfund Out Actual	100	35	49	85	49	101.18
Interfund Out Quote	100	35	90	85	90	18.16
Monthly Posting	737	10	662	95	89.82	3.22
NI adjustment to Pension at State Pension Age	13	20	13	85	100	18.08
Payment of Spouses _Child Benefits	59	5	49	90	86.44	3.58
Pension Estimate	128	10	79	90	66.41	11.04
Pension Saving Statement	1	20	1	100	100	1
Phone Call Received	1097	3	1068	95	97.36	1
Refund Actual	84	10	84	95	100	1
Refund Quote	106	35	106	85	100	1.15
Retirement Actual	154	3	150	90	97.4	1
Spouse Potential	4	20	4	85	100	4
Transfer In Actual	15	35	15	85	100	1
Transfer In Quote	61	35	61	85	100	1.72
Transfer Out Payment	23	35	21	85	91.3	15.22
Transfer Out Quote	111	20	105	85	94.59	6.47
Update Member Details	262	20	262	100	100	1

Comment – The KPI for Death Grant Nomination Form Received was not met in April due to other priority work. However, in May and June the minimum target percentage was met as additional resource was used to update member records.

Comment – The KPI for Death In Retirement was not met in May due to the Pensioner Services Team training new staff in this area of work. This had an impact on the time taken to process cases but now staff are trained this has provided extra resource within the team and in this area of work.

Comment – The KPI for Death on Deferred was not met this quarter due to the Pensioner Services Team not completing 2 cases in April and May 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. This area of work has been prioritised due to the triennial valuation.

Comment – The KPI’s for some of the Interfund areas of work has not been met this month 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.

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 the Contact Centre answer phones due to the increase in calls we are receiving following the ABS/DBS production and My Pension registrations.

Comment – The KPI for Payment of Spouses & Child Benefits was not met this quarter due to the Pensioner Services Team training new staff in this area of work. This had an impact on the time taken to process cases but now staff are trained this had provided more resource in the team and this area of work.

Comment – The KPI for Pension Estimate has not been met this month due to the high volume of estimates requests being received as members receive their ABS. Estimates received with a date of retirement within 3 months have been treated as a priority and future estimates have been processed but there have not been enough experienced staff to check the number of estimates that have been produced. Additional resources are being put into this area with two extra members of staff being trained.

2.0 Scheme Information

2.1 Membership numbers in the Lincolnshire Fund are as follows:

Numbers	Active	Deferred	Pensioner	Frozen	Undecided
LGPS	25,172	25,944	26,338	2,506	680
Percentage of Membership	31.22	32.17	32.66	3.11	0.84
Change from Last Quarter	+813	+257	+230	-53	+130

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	273	1794	1851	2339	2813	3029	3426	4059	3310	1848	356	74	25,172

2.3 Employer Activity - During 1 April 2022 to 30 June 2022

New Academies and Education Trusts	0
New Town and Parish Council	0
New Admission Bodies	0
Total of New Employer	0
Employers Exited	2
Total Numbers of employers	274

The exiting employers were G4S (the contract was ended by Lincolnshire Police) and Making Space (final active member ceased employment).

3.0 Member and Employer Contact

3.1 Over the quarter April to June 2022 we received **0** online customer responses.

Over the quarter April to June 2022, **128** Lincolnshire member's sample survey letters were sent out and **12 (9.4%)** returned:

Overall Customer Satisfaction Score:

April to June 2021	July to September 2021	October to December 2021	January to March 2022	April to June 2022
81.7%	96.9%	91.5%	95.3%	80.2%

Appendix A – Customer Surveys

3.2 Employer Training

Over the quarter 1 April 2022 to 30 June 2022 no employer webinars were held. Employer surgeries were trialled to help employers on a one-to-one basis who had received queries because of the ABS production which were blocking a member getting a statement. The webinars have started again from July and these can be attended by employers across all four funds that WYPF administer.

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 Head of Pensions. Stage 2 appeals are considered by WYPF.

Stage 1 appeals against the fund

There are no appeals currently outstanding.

Date of appeal	Reason for appeal	Current position /Outcome	Date decision letter sent
24/05/2022	Appeal against pay figures used in pension estimate.	Appeal upheld as the assessment of final pay had not taken into account the provisions of the 1997 Regulations. Referred back to Service Centre (WYPF) who have requested the employer (LCC) to undertake a further assessment.	25/07/2022

Stage 1 appeals against scheme employers

There are currently no appeals outstanding.

Date of appeal	Reason for appeal	Current position /Outcome	Date decision letter sent
04/03/2022	Appeal against being refused an ill health pension.	LCC have issued a decision letter offering the member a further medical review.	15/06/2022

Stage 2 appeals

One appeal is currently outstanding.

Date application received	Reason for appeal	Current position/outcome	Date decision letter sent
11/03/2022	Appeal against decision re ill health retirement.	Decision letter has been sent and the appeal was turned down.	20/06/2022
11/07/2022	Appeal against refusal of employer to award an ill health pension.	Acknowledgement sent 11/07/2022.	

4.2 Ombudsman

There are currently no appeals outstanding.

5.0 Administration Update

5.1 Employer Work

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

Academies/Prime location schools

- Both academies are due to convert to academy status during the Autumn term

Admission bodies

- One admission relates to an outsourcing which is due to take place in 2023
- Five admissions relate to transfers that have taken place, but the admission is still being concluded
- One admission relates to a new admission due to take place from 1 September 2022

5.2 Staffing

Finance – There are currently no vacant posts in the Finance Team.

Service Centre – The recent recruitment exercise for the Pension Officer posts resulted in three applicants being offered a post and they will be starting at the beginning of September. There continues to be ongoing Pension Officer recruitment as there are 15 vacant posts and these are currently being advertised. The next exercise to recruit to these posts will start in the next couple of weeks and a number of applications have already been received.

5.3 Audits undertaken by Bradford Councils Internal Audit:

a) Shared Service Partner Admission

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 **6** recommendations for improvement which Managers have now implemented.

b) **New Pensions and Lump Sums Deferred Pensions**

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

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 **1** recommendation for improvement which Managers are currently looking at implementing.

5.4 Data improvement

WYPF IT have identified a suitable supplier for intelligent character recognition software which can potentially identify data quality items from scanned paperwork on a member's record. This will include some support from Civica and we are currently waiting for them to send us a proposal for access to the image server and routes to make this development happen.

5.5 MyPension

WYPF have requested Civica for a change to the functionality on MyPension which will allow WYPF to see how many members have viewed their Annual Benefit Statement. We are currently waiting for Civica to confirm when this will be released.

6.0 **Current Technical Issues**

See Appendix B.

7.0 **Web Registrations**

The number of members registered for online member web are:

Status	January to March 22	% of membership	April to June 22	% of membership
Active	8,528	35.01%	9,819	39.01%
Deferred	6,421	25.00%	7,524	29.00%
Pensioner	8,813	33.76%	9,328	35.42%

8.0 Shared service Budget

8.1 WYPF shared cost monitoring July 22

WYPF SHARED SERVICE	2021/22 OUTTURN PD13	2021/22 COST PER MBR	2022/23 BUDGET	2022/23 ACTUAL D04 JUL	2022/23 FORECAST PD04 JUL	2022/23 VAR BGT - PD04 FAV (ADV)	2022/23 COST PER MBR PD4	2023/24 FORECAST YR1	2023/24 COST PER MBR
	£000		£000	£000	£000	£000		£000	
Accommodation	203	£0.42	125	31	179	-54	£0.37	224	£0.46
CBMDC Support Services	210	£0.44	215	0	231	-16	£0.47	231	£0.47
Computer	439	£0.91	216	642	756	-540	£1.55	554	£1.13
Contingency - Invest to save	0	£0.00	500	0	306	194	£0.63	306	£0.62
Employees	3,820	£7.94	4,224	1,364	4,494	-270	£9.18	4,327	£8.82
Other Running Costs	180	£0.38	191	41	196	-5	£0.40	199	£0.41
Printing & stationery	371	£0.77	295	84	388	-93	£0.79	408	£0.83
WYPF Support Services	1,582	£3.29	2,275	0	1,935	340	£3.95	2,287	£4.66
WYPF SHARED SERVICE EXPENDITURE	6,805	£14.15	8,041	2,162	8,485	-444	£17.34	8,536	£17.40
			£17.67				-£0.33		
MEMBER NUMBER		480,970	482,400			17.34	489,468		490,589

WYPF IS CHARGED	4,355,375	307,796		5,412,466	17.34	312,225
PARTNERS ARE CHARGED	2,450,447	173,174		3,072,534	17.34	177,243
TOTAL (in 22-23 £1 was added to £16.67 for McCloud).	6,805,822	480,970	£17.67	8,485,000	17.34	489,468

Net overspend of £0.44m projected. Overspend projected on accommodation, computer – due to McCloud remedy system costs provisions, increased staffing resources for Pension Admin, printing and stationery. Underspend – transfer of funds from investments to save and support increased staffing resources, computing and IT. Increased computer spend will be funded by the extra £1 charge per member across shared services.

Planned cost per member was £17.67 (£16.67 + £1 for McCloud), latest is £17.34 (£16.34 + £1 for McCloud)

- a. **Accommodation** overspend of £0.05m – planned repairs and cost of utilities, however, there is reduced foot fall in the building, with resulting reduction in cleaning and general maintenance.
- b. **CBMDC support service cost** - projecting an overspend of £0.02m, we have been informed of a review of central support charges, with our increased number of staff in recent years, we are expecting a small increase.

c. **Computer costs / IT** – overspend of £0.54m, mainly due to provisions being made for McCloud system development. This is being funded by increased charges per member of £1.00 for total shared members of 489,468 (WYPF 312,225; partners 117,243).

d. **Invest to save** - out of a provision of £0.50m, £0.31m is left. £0.19m is being used to fund staffing resources mainly within Pension Admin, and additional spend for computing cost and IT across WYPF (network, servers, equipment etc. separate from McCloud).

e. **Employees** – overspend of £0.27m, mainly due to increased staffing resources in pension admin. Whilst, increased staffing resources is needed in all areas to address constant shifting regulations, the good news is we have seen more success in recruiting more staff in the Pension Admin area.

f. **Printing and stationery** overspend of £0.10m, increased printed communications for new shared service partners’ members. We expect this forecast to go down from increased uptake of digital services.

g. **WYPF support services** cost is fully recharged to Pension Admin and Investment Management proportional to service provided, this is reviewed annually. Currently projecting underspend, again due to vacancies on the down side, on the upside we do have a number of projects that are being delivered using internal resources, the net result is a net saving.

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

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 PD04	2022/23 FORECAST PD04
CHARGE ACTUAL / FORECAST	79,131	£1,141,570	£1,122,078	£19,492	14.18	£1,398,245	79,998	£17.34	£1,386,997

9.0 Awards

WYPF has not been shortlisted for any awards at the current time.

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	Customer Surveys
Appendix B	Current Technical Issues

Consultation

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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