

LGPS Administration Partnership Resourcing Plan 2023

Executive Summary

This document summarises the current performance of the shared service administration arrangements and sets out how WYPF intends to resource the arrangements in order to deliver an outstanding administration service for WYPF and its 3 LGPS partners.

We have noticed over the last few years a general increase in member related activity across all our administration. This is because of;

- A continued increase in membership numbers
- The covid pandemic and the increasing cost of living leading to higher numbers of members seeking to draw their benefits
- National campaigns targeting pension transfers leading to an increase in transfer quotes and payments.
- More awareness and expectation from members

Clearly, demographic trends and material changes in member behaviour has the potential to increase workloads and can impact on the delivery of our service.

At certain times of the year we need to resource critical work areas in order to meet statutory deadlines, for example the production of Annual Benefit Statements ('ABS'). At other times, we need to be flexible in the allocation of resource due to increases in work volumes in certain areas or to adapt/react to challenges that cannot be predicted such as the COVID pandemic or regulatory changes.

2022/23 has also been a valuation year which has resulted in high volumes of leaver notifications. This has been as a result of our Employer Relations team engaging with Employers to chase up outstanding leaver forms which have not been submitted and could have impacted on the valuation results if not processed.

A. How we intend to tackle these challenges

i) Improved use of technology

We continue to focus on development and modernisation of our administration service, including reviewing organisational structure, training and development of staff and developing IT systems to increase automation of our processes; which will improve our effectiveness and both service and cost efficiency.

Reaching the desired level of automation will be a gradual transition, but when an administration process becomes automated it will have an immediate effect on new cases going forward. It will have less impact on cases already within our systems and partly completed, as these will generally be processed within our current ways of working.

Automation:

Pensions Systems Development have recently completed the automation of linkings. The results are:

At 31st August 2022 Number of Processes	At 31st August 2023 Number of Processes
8903	2760

ii) Resourcing

A recent LGA survey has highlighted that there are resourcing challenges across the LGPS in England and Wales. The average number of vacancies nationally is 5 FTE per fund with the highest recorded number of 22 FTE vacancies. (see attached survey results).

WYPF has implemented a rolling programme of recruitment which has had a positive impact on our resource levels. We have recruited 18 Pensions Officers since 1 April 2022 to vacant and new posts. There are now 105.8 FTE posts in the Service Centre budget for 2023/24, an increase from 95.9 in 2022/23. Other areas of WYPF which support the shared service administration function, such as IT, Communications and the UPM team have also increases in headcount in the budget.

Our current vacancies are:

- Team Manager (TM) (Early Leavers). We have advertised this post twice without any success.
- Senior Pensions Officers (SPO) – 2 vacancies
- Pensions Officers (PO) - 5 vacancies
- Pension Fund Representative (PFR) – 1 new post. This has been advertised twice - currently at interview stage
- Technical Advisor (TA) 1 new post – Not yet advertised.

Performance against KPIs in the short term has been impacted, whilst experienced staff have been training new recruits. However, we are starting to see the improvement in KPI performance as new staff become proficient in their areas of work.

We are also looking at introducing a graduate programme from Summer/Autumn 2023 which, given there are several high-quality local universities, we expect to result in a regular stream of talented and ambitious new recruits who will help drive the service forwards.

iii) Developing our processes and reporting

Our monthly postings phase 3 is undergoing final penetration testing from Braford Council before being released into the live environment. We are also reviewing the reporting on this area and intend to include related information such as breaches in our monthly client reports.

Our administration service is underpinned by the provision of timely and accurate data from partners and employers. The more frequently data is provided and the more accurate that data is, the better and more efficient our administration will be. This has been brought into particular focus by the McCloud project and will be crucial to meeting Pensions Dashboards requirements.

Our Employer Relations Team continue to support Employers and have put together an Employer training programme of key activities to help them fulfil their obligations as well as working with them on resolving outstanding leaver information, getting discretions policies up to date and attending Employer forums and events.

B) Shared Service Resourcing

WYPF administration is undertaken by the Service Centre. There are 9 Managers all reporting directly to the Head of Member Services. They are supported by 7 Service Centre teams providing specialist administration in designated areas of pensions administration as follows:

Team SC1 Fire

- All work relating to fire schemes

- All work relating to the Councillor scheme

Team SC2 Retirements

- Retirement Quotes and Actuals (i.e. processing retirements)
- Deferred Retirement Quotes and Actuals
- Pension in payment Recalculations
- LTA cases

Team SC3 – Transfers & Current Member

Transfers

- Transfers in and out, quotes and actuals
- Inter-fund in (asking for details, requesting and chasing payment from other LGPS funds)
- Inter-fund out (quotes and actuals)
- Divorces (quotes and actuals)
- AVC transfers out

Current Member

- Additional benefits (AVCs / POS / APCs / ARCs)
- Annual Allowance Breach
- Query on member record (address, post returned, hour changes, member portal query)
- ABS query

Team SC4 Linkings

Internal Linkings

- Automatic linkings from preserved refund status

Linking quotes and actuals from Deferred Benefit status

Inter-funds In

- Requesting and processing linking quotes
- Requesting payments and processing linking actuals

Team Early Leavers & Estimates

Early Leavers

- Refund Quotes and Payments
- Preserved refunds
- Calculating Deferred Benefits when members leave service

Estimates

- Estimate for Active members
- Estimate for Deferred members

Some changes have been introduced recently to the way that the team is working.

A minimum of 2 x SPOs and 2 x POs have been allocated to a mini 'backlog tackling' team within the team itself.

There are 3 mini teams within the functional team as a whole:

- 1) **Early Leaver Business As Usual:** This group focuses on the work that needs to be processed and checked on a daily basis to maintain the KPI time limits as the work arrives. Once they have achieved that for the day they then start to work on backlog cases as directed by the SPO responsible for the 'backlog tackling' mini team.
- 2) **Early Leaver Backlog Tackling:** This group focuses on dealing with the backlog work. In general the instruction is to tackle the oldest cases first, although not always, depending on the team members who are working that day and the level of complexity they are coming across.
- 3) **Estimate processing:** The team also process and check all pension estimates. We have some team members whose primary task is to deal with this area of work but other team members cross over from both early leaver groups stated above.

There will be some fluidity between the 'BAU' and 'Backlog' teams to ensure that spikes in refund payments are dealt with within KPI target. (We generally see a spike in refund claim forms arriving at the beginning of the week). It is yet to be confirmed whether we have the balance of the resource we have available correct between 'business as usual' and tackling backlog. This will become apparent over time.

The situation will be reviewed in 6-8 weeks time and certain team members may rotate between the early leaver mini teams. The starting split has been partially influenced by geographical location: 3 of the 'backlog tackling' team are based together in Lincoln to help with face-to-face support and direction.

The new way of working hasn't got off to the best start due to 3 long term sickness absences within the team and the vacant Team Manager post but it does look like we have the potential to reduce the backlog that is outstanding (although it appears that we may have to allocate more resource to this area of work).

NB: As a result of the above changes, we will very likely see the KPI stats for deferred benefits (active to deferred status) go down as we are clearing backlog cases. This is going to be further impacted by the fact that we had to hold back the processing of DBs where the date of leaving was after 30/03/2023 due to the change in CARE revaluation date until a couple of days ago. These deferred benefits were pending awaiting the UPM fix that UPM Support were able to deliver when Civica haven't. As we can now process them they are being worked on but will also pull the KPI stats back.

Team SC5 Pensioner Services team

The Pensioner Services Team is responsible for the maintenance of pension payroll records and the calculation and payment of death and dependant benefits including provision of a single payments and monthly payroll service.

Contact Centre

The Contact Centre Team is responsible for all aspects relating to the WYPF reception including liaising with staff regarding visitors, messages and enquires. Provision of a Contact Centre fielding the majority of incoming telephone calls received by WYPF. The Contact Centre Team is also responsible for handling incoming and outgoing post and responding to queries received by email.

There are 105.8 FTE posts in the Service Centre budget for 2023/24, an increase from 95.9 in 2022/23. Other areas of WYPF which support the shared service administration function, such as IT, Communications and the UPM team have also increases in headcount in the budget.

C) Workloads

i. Processes completed

The table below shows processes completed.

WORKTYPE	Sept-23	Aug-23	July-23	June-23	May-23	April-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22
AVC In-house (General)	121	91	72	113	141	102	77	59	91	47	82	89
Change of Address	508	473	499	509	374	338	348	387	472	376	489	419

Change of Bank Details	193	228	158	187	149	175	246	181	170	114	177	135
Death Grant to Set Up	72	122	83	59	54	69	96	79	67	57	100	104
Death In Retirement	341	316	408	350	319	370	390	408	459	227	359	279
Death In Service	7	11	13	7	13	9	14	8	10	5	11	11
Death on Deferred	16	23	20	22	24	14	23	14	10	16	23	18
Deferred Benefits Into Payment Actual	442	581	346	658	320	192	349	413	454	350	511	461
Deferred Benefits Into Payment Quote	451	521	684	766	641	247	367	547	505	497	615	691
Deferred Benefits Set Up on Leaving	977	656	842	899	746	1294	911	825	794	864	947	796
Dependant Pension To Set Up	136	135	200	150	117	126	176	159	149	106	179	135
Divorce Quote	87	70	98	68	15	4	63	47	72	41	58	61
Divorce Settlement Pension Sharing order Implemented	3	1	9	1	1	3	0	1	7	1	3	4
DWP request for Information	3	10	1	7	0	6	0	3	2	0	2	2
Estimates for Deferred Benefits into Payment	6	1	1	6	4	4	12	13	5	5	9	9
General Payroll Changes	226	213	268	222	322	333	472	207	235	173	237	206
Interfund Linking In Actual	236	210	125	38	142	57	77	105	26	9	30	30
Interfund Linking In Quote	122	98	78	133	113	117	126	229	196	66	63	67
Interfund Out Actual	171	53	43	50	52	79	193	213	227	299	209	172
Interfund Out Quote	171	53	43	50	52	79	194	213	227	299	209	172
Life certificate	1131	584	385	102	257	583	269					
Monthly Posting	669	894	1003	1022	738	992	814	826	1055	812	837	768
NI adjustment to Pension at State Pension Age	25	21	26	26	14	13	21	13	13	25	20	16
Pension Estimate	10	9	60	279	292	218	296	260	323	210	314	278
Pension Saving Statement	2	2	1	3	3	0	5	2	2	2	1	
Phone Call Received	3901	4143	3875	2127	2004	2109	1958	3146	3339	2498	3345	3454
Refund Actual	334	343	307	335	359	366	412	327	417	283	307	232
Refund Quote	638	510	485	476	681	538	656	627	903	625	611	242

Retirement Actual	451	453	342	348	379	270	314	279	299	276	345	357
Retirement Quote (old)	586	497	530									
Transfer In Actual	149	7	10	6	28	20	78	78	85	11	57	45
Transfer In Quote	251	84	8	7	31	60	100	120	133	57	70	89
Transfer Out Payment	18	13	31	36	38	20	27	16	21	16	28	26
Transfer Out Quote	327	349	323	153	97	61	372	222	262	188	185	207
Update Member Details	1641	981	2501	1471	1848	1790	1440	1098	1061	2302	2565	3557
TOTAL	14422	12757	13878	10686	10368	10658	11291	11531	12547	11196	13453	13514

ii. Processes started

The table below shows how much work has come into the section for the same period:

Processes started

PROCESSNAME	Sept 23	Aug 23	July 23	June 23	May 23	April 23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22
*Phone call - Contact Centre	2087	2326	2277	2687	2782	2563	2281	1747	1993	1345	1871	2025
AVC In-house (General)	109	110	77	131	161	92	100	67	80	58	88	84
Beneficiary to update	132	122	195	175	166	151	194	161	163	102	158	153
Change of Address	497	498	527	715	612	506	588	469	519	357	512	444
Deferred Benefit	1355	1645	1331	1238	1065	1132	1337	1103	823	809	1489	1220
Deferred Retirement Actual*	433	503	457	682	346	227	358	402	498	349	481	569
Deferred Retirement Quote	541	511	589	785	636	440	583	563	669	337	463	472
Divorce Quote*	68	72	65	71	62	54	76	67	80	43	57	49
Divorce Settlement	3	1	7	3	5	7	3	2	5	5	3	5
Estimate	8	11	9	236	334	208	288	301	413	177	307	267
Estimate for Deferred	6	3	1	3	2	7	12	14	5	4	7	5
Interfund Linking Quote	163	166	127	200	173	193	227	217	191	115	197	138
Interfund Out*	238	231	188	211	185	172	216	240	292	207	293	172

Life Certificate Received Person	36	31	69	147	297	687	643	369	59	39	82	126
Linking Interfund Actual	123	131	115	158	169	128	163	238	203	94	100	96
Monthly Postings	314	374	417	408	368	375	409	369	494	348	374	383
Phone Call Received*	232	270	272	318	292	288	308	283	280	156	277	351
Refund Actual*	355	359	340	324	383	341	471	352	494	265	316	272
Refund Quote	614	728	607	566	430	631	745	413	288	290	683	526
Retirement Actual *	478	349	478	369	415	317	375	287	310	255	362	366
SC5 Age 55 Increase	1	2		23	21	21	20	27	28	22	30	18
SC5 Death Grant to Set up and pay	83	86	103	80	98	75	97	81	69	48	87	102
SC5 Death In Deferment	22	14	11	11	19	23	18	11	36	16	20	20
SC5 Death In Retirement	331	331	310	392	322	349	396	407	584	339	355	307
SC5 Death In Service	16	13	9	11	7	11	11	12	20	4	18	2
SC5 NI Modification	21	16	29	43	41	48	34	51	17	22	19	18
SC5 Payroll Changes	306	275	361	333	446	505	783	345	315	215	331	304
SC5 Phone Call Received	36	39	39	58	74	118	90	64	51	23	48	49
SC5 Update Bank Details	173	235	171	179	177	180	231	228	162	115	185	167
Transfer In Actual*	155	51	7	9	21	45	107	110	89	47	58	52
Transfer In Quote	126	127	101	76	82	100	132	118	120	81	104	65
Transfer Out Quote *	256	270	259	237	234	225	256	240	255	167	268	229
Transfer out Actual	30	22	12	19	47	36	39	23	27	17	21	18
TOTAL	9348	9922	9560	11109	10472	10255	11599	9386	9636	6473	9667	9075

iii) Work outstanding

Current volume of work outstanding, split between the LGPS Funds is set out in the tables below. The main backlog falls into two areas – Early Leavers and linkings.

Work outstanding - Active

	WYPF	Hounslow	Barnet	Lincolnshire	Total
Sept-23	10755	1019	1975	4000	17749
Aug-23	11866	1095	2081	4173	19215
July-23	11573	1110	2195	3764	18642
June -23	13049	1103	2965	4410	21527
May-23	13504	1063	2183	4493	21243
April-23	13641	1001	2166	4525	21333
Mar-23	14184	1065	2389	4850	22488
Feb-23	unavailable	1047	2411	4956	8414
Jan-23	unavailable	1136	2415	4928	8479
Dec-22	unavailable	1057	2425	4637	8119
Nov-22	unavailable	1038	2454	4527	8019
Oct-22	unavailable	1185	2684	5070	8939

Active work is work currently in the system ready to work on. This has shown a gradual decrease over the period.

Work outstanding - Pended

	WYPF	Hounslow	Barnet	Lincolnshire	Total
Sept 23	8499	729	1278	3196	13702
Aug 23	7949	727	1240	2899	12815
July 23	8189	767	1278	2895	13129
June-23	7513	816	1279	2758	12366
May-23	7045	730	1132	2553	11460
April-23	7028	699	1128	2589	11444
Mar-23	6740	647	1089	2472	10948
Feb-23	unavailable	715	1178	2545	4438
Jan-23	unavailable	672	1151	2496	4319
Dec-22	unavailable	685	1188	2359	4232

Nov-22	unavailable	558	1215	2345	4118
Oct-22	unavailable	639	1098	2089	3826

Pended work is work that is awaiting further information from a Member, third party or Employer and cannot be progressed until received.

D) CEM Benchmarking

WYPF takes part in the CEM Pensions Administration Benchmarking Club which compares pensions administration cost and member services with a peer group of other schemes. CEM produces detailed benchmarking reports that compare the costs and performance of pension funds.

WYPF's service score was above the peer medium and our cost per member was below the peer average. The results show WYPF to provide a high performing, low cost administration function and puts us in the top quartile which is where all funds would want to be.

E) How we intend to meet/continue to meet KPIs and reduce work outstanding

Estimates

Members can now produce their own retirement pension estimates on the My Pension software, which can be accessed via the WYPF website. As a result we anticipate the numbers of requests to reduce over time. We will shortly be undertaking a communication exercise to make members aware of this facility.

Targeting Days

To assist in areas where we have backlogs we have introduced 'Targeting Days'. This is a dedicated morning each week to target backlog cases where the majority of the team work only on backlogs, such as deferred retirement quotes. To assist with target backlog cases further, overtime is available on a voluntary basis to process deferred retirement quotes.

Reports

We are currently developing and creating additional reports to help us monitor work at important checkpoints on a daily basis e.g. work creation, date which work is being completed in time, due date etc

Overtime

Overtime will continue to be available to officers to work on backlog processing and checking. The amount of overtime done varies so it is difficult to predict in advance the impact on the outstanding work. We are currently seeking approval from HR for Senior Pensions Officers to do overtime.

Transfers

Transfer in and out quotes are given a high priority within the team to ensure statutory deadlines and guarantee periods are met. Transfer out payments are also given a high priority within the team. Due to changes in regulations and guidance it is necessary to check all transfer calculations manually, which adds additional time to our work. Due to recent development within our pension administration system, UPM, we are confident calculations for non-complex cases are correct and will no longer need this manual check for the majority of cases.

Transferring benefits between funds or schemes is a very complex process from a Scheme member's perspective. We are therefore also reviewing our documentation and procedure to make the requirements clearer for Scheme members, which we expect to help improve efficiency in this area.

Linkings

We are developing and testing automation for Linking processes. Whilst this will not impact on cases already started it will automate new cases leading to improvements in performance.

CONCLUSION

Workloads across all LGPS Funds are likely to have increased over recent periods and the demands on Funds have never been greater. WYPF will continue to invest in staffing, training and development, review of systems and processes and automation to ensure that we continue to provide a high level of service to members.

This report will be updated with the statistical information on a monthly basis and used as part of the agenda for Collaboration Board meetings to track progress against volumes and performance.

Pension Managers will continue to receive the more detailed regular monthly reports for detailed discussion.