

Report of the Director West Yorkshire Pension Fund to the meeting of Joint Advisory Group to be held on 26 July 2018.

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Subject:

External Business - Pensions Administration for the Firefighters' Pension Schemes

Summary statement:

West Yorkshire Pension Fund (WYPF) provides a shared service partnership to provide a pensions administration service for a number of Fire Authorities.

This report gives an update on the business to date.

Recommendation:

It is recommended that the Joint Advisory Group note the report.

Mr Rodney Barton
Director

Portfolio:

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Overview & Scrutiny Area:

1.0 Background

1.1 WYPF continues to provide pension administration services to West Yorkshire, North Yorkshire, South Yorkshire, Humberside, Lincolnshire, Royal Berkshire and Buckinghamshire and Milton Keynes Fire and Rescue Services.

1.2 We have been successfully chosen to provide pensions administration to other Fire Authorities as follows:

Northumberland	March 18
Tyne and Wear	April 18
Devon and Somerset	April 18
Dorset and Wiltshire	April 18
Staffordshire	July 18
Norfolk	August 18
Hereford and Worcester	October 18

1.3 This will bring the total number of Fire Authorities we administer to 14.

2.0 Performance and Benchmarking

2.1 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.

2.2 The table below shows the performance against key areas of work for the period 1 April 2017 to 31 March 2018.

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT
Transfer In Quote Fire	27	10	23	85	85.19
Divorce Quote Fire	54	40	51	85	94.44
Divorce Settlement - Pension Sharing order Implemented Fire	20	80	20	100	100
Deferred Benefits Set Up on Leaving Fire	55	10	40	85	72.73
Pension Estimate Fire	1005	10	859	85	85.47
Pension Set Up Payment of Lump Sum (only for WY and Humberside) Fire	140	3	132	85	94.29
Deferred Benefits Into Payment	53	3	45	85	84.91
Retirement Quote Fire	175	10	153	85	87.43
Retirement Actual Fire	140	10	138	85	98.57
Purchase of Service	6	20	6	85	100

Quote Fire					
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT
Set Up New Spouse Pension Fire	58	5	55	85	94.83
Set Up New Spouse Pension SY Fire	14	5	13	85	92.86
Change of Address Fire	611	20	607	85	99.35
Change of Bank Details Fire	98	20	98	85	100
General Payroll Changes Fire	560	20	558	85	99.64
Age 55 Increase Fire	110	20	100	85	90.91
NI Modification Fire	158	20	145	85	91.77
Enquiry Fire	12	5	12	85	100
DWP Request For Information Fire	14	10	14	85	100
Life Certificate received Fire	574	5	546	85	95.12
DG Nomination Form Received Fire	333	20	332	85	99.7
Article 4 Payment Death Fire	2	10	2	85	100
Spouse Potential Fire	47	10	33	85	70.21
Death Grant to Set Up Fire	1	5	1	85	100
Initial letter Death in Retirement FIRE	147	5	133	85	90.48
Death in Retirement FIRE	147	5	143	85	97.28
Initial letter Death on deferred Fire	3	5	3	85	100

Reasons for underperforming KPI's:

Deferred Benefits Set Up on Leaving Fire	Workloads and new clients meant this area of work was given low priority
Spouse Potential Fire	Workloads and new clients meant this area of work was given low priority

3.0 Scheme Information

3.1 Membership numbers:

SCHEMENAME	ACTIVES	DEFS	PENS	BENS	PRESERVED REFUND	LVRS OPTNS PENDING	Total
West Yorkshire Fire	1016	280	2062	323	3	1	3685
South Yorkshire Fire	623	105	1108	179	12	0	2027
North Yorkshire	611	249	485	82	0	31	1458
Humberside Fire	757	193	873	135	2	18	1978
Lincolnshire Fire	704	393	280	62	26	52	1517
Royal Berks Fire	419	187	429	51	1	6	1093
Bucks and MK Fire	433	260	377	70	5	0	1145
Devon and Somerset Fire	1529	780	1132	163	15	61	3680
Dorset and Wiltshire Fire	1003	490	769	95	6	76	2439
Tyne and Wear Fire	559	118	1184	183	0	0	2044
Northumberland Fire	243	178	295	60	1	4	781
Staffordshire Fire	569	539	638	104	0	72	1922
TOTALS	8466	3772	9632	1507	71	321	23769

4.0 Administration Update

- 4.1 With the increase in business WYPF is recruiting for additional staff in a number of key areas. This is funded by the extra income from the new clients.

5.0 Current Issues

5.1 2017/18 scheme return – scheme specific data

You may be aware that the 2017/18 scheme return to be issued by the Pensions Regulator in July will include for the first time a data scoring section on both common and scheme specific (conditional) data. The common data will be set out in the return form, but scheme managers within public service pension schemes will be asked to select what conditional data they need to pay pensions, run the scheme, undertake scheme valuations, and to score whether this data is held.

To ensure consistency across all Firefighter Pension Schemes, the SAB are working to develop a standard set of scheme specific data to use when completing this year's scheme return. The intention is to have this ready by the end of August.

We understand that the completed return will need to be sent back to the Pensions Regulator in September.

5.2 Outcome of Walker v Innospec Ltd and others – implications for PSPS

It has been publicised on the Teachers' Pension Scheme website that following the Government's consideration of the implications for Public Service Pension Schemes (PSPS) of the outcome to the Walker (Appellant) v Innospec Limited and others (Respondents) case, regulatory changes will be introduced to provide (subject to the deceased member's employment, pay and scheme membership) that:

1. survivors of same-sex marriages and civil partnerships are to be treated in the same way as widows of opposite sex marriages (survivor benefits in relation to service from 1 April 1972 or 6 April 1978 if the marriage was after the last day pensionable service); and
2. the change applies from the date civil partnerships and same-sex marriages were implemented.

The Home Office have confirmed that they are currently considering their position to determine what detailed recommendation they will make to ministers on how to proceed with regards to the FPS.

5.3 Lifetime Allowance 2018-19

The Standard Lifetime Allowance for 2018-19 has been confirmed as £1,030,000 by The Finance Act 2004 (Standard Lifetime Allowance) Regulations 2018 [SI 2018/206].

6.0 Finance

6.1 Annual income generated by the Fire Authorities will be:

WYPF Fire	£54,943
SY Fire	£19,908
NY Fire	£21,738
H Fire	£29,491
Lincolnshire Fire	£22,618
Royal Berkshire Fire	£16,296
Bucks MK Fire	£17,071
Northumberland	£11,644
Tyne and Wear	£30,476
Devon and Somerset	£54,868
Dorset and Wiltshire	£36,365
Staffordshire	£28,657
Norfolk	£20,486
Hereford and Worcester	£15,282
Total	£ 379,843