

Report of the Director, West Yorkshire Pension Fund, to the meeting of Joint Advisory Group to be held on 31 January 2019.

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Subject: West Yorkshire Pension Fund Administration Report

Summary statement:

This report covers the administration of the Fund in the last year including Performance and Benchmarking, Scheme Information, Employer and Customer Service Surveys and Internal Dispute Resolution Procedure Cases.

Recommendation

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

Rodney Barton
Director

Portfolio:
Leader of Council & Strategic Regeneration

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Overview & Scrutiny Area: N/A

1.0 Introduction

1.1 The report considers the administration of WYPF by providing information on Fund statistics, a summary of Internal Dispute Resolution Procedure cases (Appendix A), and results from Employer and Customer Service Surveys, including a sample of responses.

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 January 2018 to 31 December 2018.

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT
AVC In-house (General)	1157	10	1112	85	96.11
Age 55 Increase	29	20	28	85	96.55
Change of Address	3192	5	3063	85	95.96
Change of Bank Details	1449	5	1287	85	88.82
DG Nomination Form Received	10045	20	8797	85	87.58
DWP request for Information	368	10	359	85	97.55
Death Grant to Set Up	524	5	504	85	96.18
Death In Retirement	2557	5	2361	85	92.33
Death In Service	81	5	68	85	83.95
Death on Deferred	154	5	133	85	86.36
Deferred Benefits Into Payment Actual	3102	5	2804	90	90.39
Deferred Benefits Into Payment Quote	3713	35	3602	85	97.01
Deferred Benefits Set Up on Leaving	12645	20	12048	85	95.28
Divorce Quote	598	20	572	85	95.65
Divorce Settlement Pension Sharing order Implemented	29	80	29	100	100
Enquiry	109	5	106	85	97.25
General Payroll Changes	1861	5	1795	85	96.45
Initial Letter Death in Service	81	5	80	85	98.77
Initial letter Death in Retirement	2557	5	2469	85	96.56

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT
Initial letter Death on Deferred	154	5	138	85	89.61
Life Certificate Received	5078	10	4911	85	96.71
Monthly Posting	6049	10	5352	95	88.48
NI Modification	138	20	134	85	97.1
Pension Estimate	7067	10	6065	75	85.82
Refund Payment	2573	10	2533	95	98.45
Refund Quote	3817	35	3673	85	96.23
Retirement Actual	2824	3	2697	90	95.5
Retirement Quote	3420	10	2949	85	86.23
Set Up New Spouse Pension	1033	5	868	85	84.03
Spouse Potential	178	20	163	85	91.57
Transfer In Actual	422	35	362	85	85.78
Transfer In Quote	634	35	632	85	99.68
Transfer Out Payment	207	35	187	85	90.34
Transfer Out Quote	2198	20	1990	85	90.54

Reasons for underperforming KPI's:

Death in Service Set Up New Spouse Pension	Delays in receiving full complete information for some cases.
Monthly Posting	Queries on returns from Employers

3.0 Scheme Information

3.1 Membership numbers as at 31 December 2018, were as follows:

Numbers	Active	Deferred	Undecided	Pensioner	Frozen
LGPS	99927	88184	2450	88846	11059

Change	-2,049	+2833	-1342	+2579	+3143
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3.2 Age Profile of WYPF membership

Details of the age profile of WYPF's membership can be found at Appendix A.

3.3 Scheme Employer Information

As at 31 December 2018 there were 440 employers within the WYPF.

During the past year 36 employers have been admitted as new employers to the WYPF, as follows:

17	Academy Trusts
6	Trust/Foundation Schools
13	Admission Bodies

During the past year 40 employers have ceased their participation in WYPF, with 23 employer transferring staff to another employer in the WYPF and 17 employers no longer have any active members in the WYPF.

4.0 Customer Service Surveys

4.1 Member Surveys

To help improve our service WYPF encourages members to complete an on-line Customer Service Survey and also writes to a sample of members who have recently joined, retired or left the WYPF. During the period from 1 October 2017 to 30 September 2018 WYPF received 342 completed surveys and the overall customer satisfaction score was 82.7%. The responses to the surveys are generally favourable and given below are some of the comments made by members:

- Staff always helpful and polite every time I contacted WYPF
- Very good service. My pension has paid in good time when I took early retirement and options were very clear.
- Very professional but also very friendly, nothing was too much trouble.
- Approachable and helpful giving me the confidence in the service you provide
- Your staff have been extremely supportive, informative, helpful, understanding and very professional.
- Your service has been efficient, prompt and friendly.

4.2 Scheme Employer Surveys

Each March WYPF asks Scheme employers to complete a satisfaction survey. In March 2018 all authorised users at Scheme employers were notified of the survey and 87 online responses were received. The overall satisfaction score was 84.54%. Below are some of the comments that were received from Scheme employers:

- I have always found the WYPF to be friendly and helpful with everything I have had to talk to them about.
- I found very helpful staff when I contact by e-mail or by phone. Filling the forms is getting easier.
- The free training courses provided by WYPF have been very

useful, improving staff knowledge and making it easier for us to understand pension rules and requirements.

- In comparison to other local government pension funds, WYPF is definitely by the far the most efficient, informative and supportive.
- I always receive very helpful assistance in a timely manner

5.0 Internal Dispute Resolution Procedure (IDRP)

- 5.1 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 Director in his capacity as the Adjudicator for this purpose. At Stage 2, the right of appeal for all types of appeals (employer or administering authority) is to the administering authority and these are considered by the Chief Executive of City of Bradford Metropolitan District Council. In 2018 twelve Stage 1 determinations were made and there were a total of ten Stage 2 determinations, as detailed in Appendix A.
- 5.2 There has been an increase in the number of Stage 1 appeals, however all were turned down, which demonstrates that WYPF has robust systems and processes in place.
- 5.3 The number of Stage 2 appeals has decreased, the majority of them still concern payment of benefits due to ill health and tier of ill health benefits awarded.
- 5.4 The Pensions Ombudsman can consider complaints and allegations of maladministration, once the two stages of the IDRP have been exhausted. In 2018 the Pensions Ombudsman issued two determination in respect of complaints made against the WYPF, however both were not upheld.
- 5.5 WYPF also acts as the Adjudicator for Stage 1 appeals for a number of Administering and Employing Authorities outside the West Yorkshire area. In 2018 the WYPF made 66 decisions which generated income of around £18,000.

6.0 GMP Reconciliation

As a result of the cessation of contracting out in April 2016 pension scheme have had to reconcile the GMP information they hold against the information held by HMRC.

Data queries have been submitted to HMRC by the deadline of 31 October 2018. The type of queries submitted to HMRC consist of:

Member on our records but not HMRC records

Member on HMRC records but not on our records

Where HMRC and WYPF Scheme Contracted out numbers are different (SCON)

Where HMRC and WYPF contracted out dates are different

Where HMRC show WYPF have GMP liability but member has transferred out of the WYPF.

HMRC have a 3 month target date to complete their work and come back with responses.

7.0 The Pensions Regulator

7.1 Scheme Return

Each year the Pensions Regulator (TPR) requires occupational pension scheme to complete an on-line scheme return.

WYPF submitted its 2017/18 scheme return on 6 November 2018. This year's return contained a new requirement to provide information on record keeping in the form of data scores. WYPF's 'common' data score is 96% and its 'Scheme Specific' data score is 98%.

A data improvement plan is in the process of being created.

7.2 Governance and administration survey

WYPF completed the TPR annual governance and administration survey in November

Some changes were made to the survey this year; the survey seeks to find out in more detail how well local pension boards are working and asked for more detailed information about employer data. In addition, a new section on cyber-risks was included.

8.0 Management Systems

8.1 Quality Management System

WYPF has had an accredited quality management system in place since 1992, which is currently accredited to ISO 9001: 2015.

In December 2018 a quality assessor carried out an audit, this audit did not identify any non-conformities. However, a few opportunities for improvement were noted, these are currently been considered by the relevant manager.

8.2 Information Security Management System

WYPF is looking to attain accreditation to ISO27001 - Information Security Management System. This quality management standard will help the Fund to demonstrate its compliance with GDPR and Data Governance etc. Work on this started in December.

9.0 Newsletters

During the year WYPF issued 2 newsletters to active members and 1 newsletter to pensioner and deferred members. These are attached to the report as appendixes C to F

10.0 Awards

WYPF were winners of two awards recently at the LAPF Investment Awards:

Pension Fund of the Year,
Best Administration Award.

We have also been shortlisted for the Pensions Age Awards under the following categories:

DB Pension Scheme of the Year
Pensions Administration Award

Winners will be announced at a ceremony in London on 28 February.

11.0 Recommendation

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

Appendix B

IDRP 2018

	Number of Determinations	Outcomes	Type
STAGE 1	12		
		12 Turned down	<ul style="list-style-type: none"> 1 Incorrect estimate 2 Distribution of death grant 1 Transfer out options 3 Overpayment of pension 1 Only one death grant paid 1 Recovery of monies due to misconduct 1 Increase in pension for working beyond Normal Retirement Date 1 Definition of Normal Retirement Date 1 Mis-sold pension by WYPF
STAGE 2	10		
AGAINST EMPLOYER	6	6 Turned down	<ul style="list-style-type: none"> 2 Entitlement to ill health pension 2 Tier of ill health pension 1 Early payment of deferred benefits 1 Not meeting severe ill health test
		0 Referred back to employer to reconsider	
AGAINST WYPF	4	4 Turned down	<ul style="list-style-type: none"> 1 Incorrect Annual Benefit Statement 1 Overpayment of pension 1 Not entitled to transfer out 1 Definition of Normal Retirement Date