

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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External Business - Pensions Administration for the Firefighters' Pension Schemes

Summary statement:

West Yorkshire Pension Fund (WYPF) manages a shared service partnership to provide a pensions administration service for fourteen Fire Authorities.

This report gives an update on the business to date.

Recommendation:

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

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Portfolio:

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Overview & Scrutiny Area:

1.0 Background

1.1 The number of Fire Authorities that WYPF now provide pension administration services has increased from seven to fourteen in the last year. This is nearly a third of all the Fire Authorities in England.

1.2 The seven new Fire Authorities are:

Devon and Somerset FRA
Dorset and Wiltshire FRA
Tyne and Wear FRA
Northumberland FRA
Norfolk FRA
Staffordshire FRA
Hereford and Worcester FRA

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 2018 to 31 December 2018.

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT
Transfer In Quote Fire	53	10	25	85	47.17
Divorce Quote Fire	66	40	63	85	95.45
Divorce Settlement - Pension Sharing order Implemented Fire	31	80	31	100	100
Deferred Benefits Set Up on Leaving Fire	353	10	44	85	12.46
Pension Estimate Fire	997	10	813	85	81.54
Pension Set Up Payment of Lump Sum	214	3	188	85	87.85
Deferred Benefits Into Payment - Payment of Lump Sum	90	3	89	85	98.89
Retirement Quote Fire	261	10	237	85	90.8
Retirement Actual Fire	214	10	208	85	97.2
Purchase of Service Quote Fire	9	20	9	85	100
Set Up New Spouse Pension Fire	86	5	80	85	93.02
Set Up New Spouse Pension SY Fire	13	5	13	85	100

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT
Change of Address Fire	716	20	709	85	99.02
Change of Bank Details Fire	204	20	201	85	98.53
General Payroll Changes Fire	1796	20	1793	85	99.83
Age 55 Increase Fire	135	20	128	85	94.81
NI Modification Fire	158	20	149	85	94.3
Enquiry Fire	35	5	32	85	91.43
DWP Request For Information Fire	17	10	17	85	100
Life Certificate received Fire	418	5	385	85	92.11
DG Nomination Form Received Fire	649	20	617	85	95.07
Spouse Potential Fire	62	10	37	85	59.68
Death Grant to Set Up Fire	7	5	7	85	100
Initial letter Death in Retirement FIRE	158	5	148	85	93.67
Death in Retirement FIRE	158	5	151	85	95.57
Initial Letter Death In Service Fire	4	5	4	85	100
Death In Service Fire	4	5	1	85	25
Initial letter Death on deferred Fire	5	5	5	85	100

A number of KPI's are below their targets, largely due to data transition issues with the 7 clients that went live in the last 6 months.

3.0 Membership numbers:

Client	Active	Deferred	Pensioner	Beneficiary	Leavers options Pending	Total
West Yorkshire FRA	278	2070	326	3	1	3712
South Yorkshire FRA	106	1110	184	11	0	2021
North Yorkshire FRA	252	494	84	0	32	1552
Humberside FRA	211	885	136	2	7	1984
Lincolnshire FRA	454	291	60	24	67	1546
Royal Berkshire FRA	183	433	55	1	8	1113
Bucks Milton Keynes FRA	266	383	72	5	21	1173

Client	Active	Deferred	Pensioner	Beneficiary	Leavers options Pending	Total
Devon and Somerset FRA	783	1159	170	15	24	3786
Dorset and Wiltshire FRA	485	770	99	6	88	2496
Tyne and Wear FRA	118	1192	190	0		2043
Northumberland FRA	174	301	56	1	6	778
Norfolk FRA	217	457	81	0	50	1370
Staffordshire FRA	534	648	100	0	68	1967
Hereford and Worcester FRA	270	449	68	0	2	1395
						26936

4.0 Administration Update

4.1 Judges and firefighters win pensions discrimination case

Firefighters and a group of 230 judges have won their legal case against the Government after a court ruled that changes made to their pension schemes were discriminatory. The Employment Tribunal made an order in May 2017 that the cases should be heard together as they dealt with similar issues and had previous contradictory outcomes. The Court of Appeal ruled yesterday that the two groups had been discriminated against by the Government on the grounds of race, age and equal pay with regards to changes to their pension.

A statement is expected from the Home Office legal department.

4.2 Contracting-out reconciliation update

The deadline for automated queries with HMRC was 31 October 2018, with the deadline for the full exercise to be completed by the end of the year. HMT are meeting with public sector schemes to understand what if any further steps need to be taken to bring this exercise to a successful conclusion, and have asked the LGA to provide some information with regards to the Firefighters' Pension Scheme.

4.3 Aon Administration and benchmarking Survey

WYPF has participated in the inaugural FPS benchmarking exercise, conducted by Aon to help the Scheme Advisory Board (SAB) establish a measure of the cost and effectiveness of administration within the Firefighters' schemes.

5.0 Staffing

5.1 As a result of the additional workloads due to increasing clients, we have recently recruited a number of Pensions Officers to the administration team and also to the Payroll team. They should all be in post by the end of this month.

6.0 Finance

6.1 Current annual income generated by the Fire Authorities is:

WYPF Fire	£ 52,017
SY Fire	£ 20,025
NY Fire	£ 21,585
Humberside Fire	£ 28,539
Lincolnshire Fire	£ 26,496
Royal Berkshire Fire	£ 15,761
Bucks MK Fire	£ 16,951
Devon and Somerset FRA	£ 54,585
Dorset and Wiltshire FRA	£ 36,210
Tyne and Wear FRA	£ 20,445
Northumberland FRA	£ 12,030
Norfolk FRA	£ 20,505
Staffordshire FRA	£ 34,578
Hereford and Worcester FRA	£ 19,920
Total	£ 379,647

7.0 Future Business

7.1 WYPF is seen as a centre of excellence by Fire Authorities and as a result continues to attract enquiries from other Fire Authorities across the country.

8.0 Summary

8.1 WYPF continue to work closely with the Fire Authorities as shared service partners to provide an efficient and effective service.

8.2 The shared service provides a lower cost per member for WYPF and the Fire Authorities.

8.3 The total number of Fire Authorities that WYPF provide pensions administration for stands at 14.