

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

**AE**

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## **Subject:**

**CIPFA Benchmarking Reports**

## **Summary statement:**

WYPF takes part in the CIPFA Benchmarking Club for Pensions Administration. This report provides information about the costs of the Fund's pensions administration service, and compares those costs with other LGPS funds who are part of the CIPFA Benchmarking Club.

## **Recommendations:**

It is recommended that the CIPFA Benchmarking Report is noted.

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**Portfolio:**

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**Overview & Scrutiny Area:**

## **1.0 Background**

- 1.1 This year 33 LGPS funds reported their administration costs, membership details, workload and staff movements to CIPFA who analysed and reported on the data in comparative tables and graphs. The benchmarking relates to the membership administration function of the Fund and does not cover investments. Officers from the Fund also meet representatives from the other metropolitan funds to exchange information, share best practice and develop next year's survey.

## **2.0 Overview**

- 2.1 The summary results detailed in **Appendix 1** compare WYPF with all members of the benchmarking club. The Fund has the third lowest annual cost per member (although the lowest cost shown is questionable).

## **3.0 Key Points of Interest**

### **Cost per member**

- 3.1 The WYPF cost per member is £15.10 per annum, compared to the all fund average of £21.16.

### **Staff per member (excluding payroll)**

- 3.2 We have 4,967 members per full time member of staff in the Pensions Office, compared with the all-funds average of 3,925.

### **Staff (Admin)**

- 3.3 The staff admin costs of £9.02 per member compares favourably to group average of £9.26.

### **IT**

- 3.3 The cost of IT of £0.92 per member compares favourably to all funds average of £2.76.

### **Payroll**

- 3.4 Payroll costs are £5.20 per pensioner compared to the all funds of £4.89.

### **Communications**

- 3.5 WYPF's communication costs are higher at £1.54 per member compared to the all funds average of £0.75. This accounts for the increased activity at both Employer and Member level.

### **Staff turnover and experience**

- 3.7 39 % of staff have more than 15 years experience with the Fund which is above the Club average of 30%. WYPF is above the average regarding the number of staff with pensions qualifications, 37% against the Club average of 26%.

### **Historical performance**

- 3.8 Costs per member over previous years is as follows:

2012	2013	2014	2015	2016	2017	2018
£20.96	£18.74	£17.71	£15.39	£14.39	13.92	£15.10

The table above demonstrates the savings made by WYPF year on year without compromising on quality of service. Our current cost per member makes us one of the cheapest for pensions administration.

## **4. CONCLUSION**

- 4.1 The Fund's unit costs are one of the lowest across all pension funds. Member surveys reveal good levels of satisfaction from different categories of members. WYPF continue to win awards over the years for quality of service and best administration. Overall the administration service is considered effective and low cost, however the Fund will continue to seek efficiencies and savings to squeeze costs further.

## **5. RECOMMENDATION**

- 5.1 The Panel are recommended to note this report.

Copies of the full CIPFA Benchmarking reports can be obtained from the report contact