

## **Report of the Director West Yorkshire Pension Fund to the meeting of Joint Advisory Group to be held on 30 January 2020.**

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### **Subject:**

**Pensions Administration**

### **Summary statement:**

This report gives an update on West Yorkshire Pension Fund's (WYPF) pensions administration activities over the last six months.

### **Recommendation:**

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

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Director

**Portfolio:**

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**Overview & Scrutiny Area:**

## 1.0 Background

1.1 As well as providing pensions administration for WYPF scheme members, WYPF provides a full administration service to Lincolnshire Pension Fund, the London Borough of Hounslow and to fifteen Fire Authorities. This includes pensioner payroll (except for the London Borough of Hounslow and South Yorkshire Fire and rescue Service), all member and scheme level events, reporting to statutory bodies, provision of data to external bodies such as actuaries, and local authorities for the production of the scheme accounts.

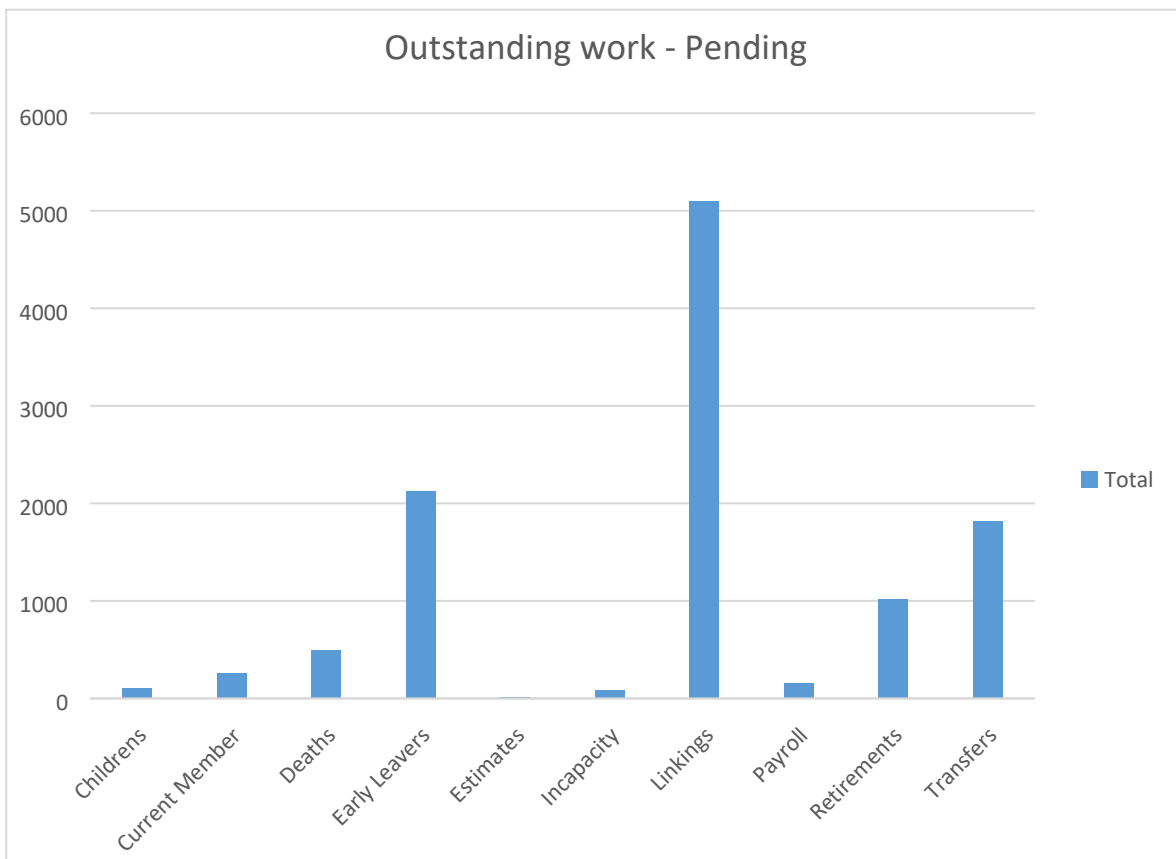
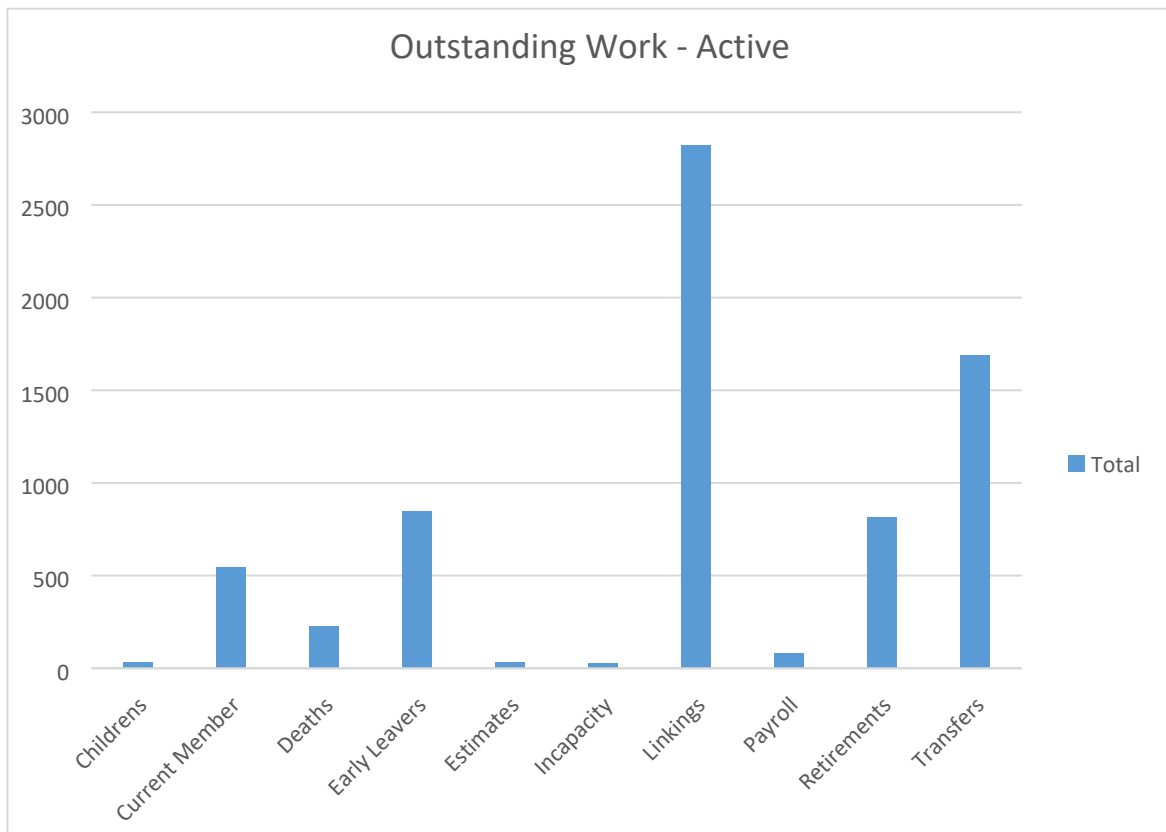
## 2.0 Performance and Benchmarking

2.1 The table below shows the performance against key areas of work for the period 1 July 2019 to 31 December 2019.

KPI's for the Period 1.7.19 to 31.12.19					
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT
Transfer In Quote	677	35	677	85	100
Transfer In Actual	501	35	487	85	97.21
Divorce Settlement Pension Sharing order Implemented	15	80	15	100	100
Deferred Benefits Set Up on Leaving	7291	10	6878	85	94.34
Refund Quote	3049	35	2967	85	97.31
Refund Payment	2233	10	2200	95	98.52
Transfer Out Payment	214	35	206	85	96.26
Pension Estimate	1774	10	1607	75	90.59
Retirement Actual	1905	3	1885	90	98.95
Deferred Benefits Into Payment Actual	4490	5	4461	90	99.35
AVC In-house (General)	850	10	835	85	98.24
Deferred Benefits Into Payment Quote	4828	35	4664	85	96.6
Transfer Out Quote	1154	20	1078	85	93.41
Monthly Posting	4910	10	4782	95	97.39
Set Up New Spouse Pension	607	5	547	85	90.12
Divorce Quote	348	20	341	85	97.99
Change of Address	2866	5	2758	85	96.23
Change of Bank Details	968	5	845	85	87.29
General Payroll Changes	1095	5	1043	85	95.25
Age 55 Increase to Pension	8	20	8	85	100
NI adjustment to Pension at State Pension Age	87	20	81	85	93.1
Enquiry	54	5	50	85	92.59
DWP request for Information	211	10	206	85	97.63

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT
Life Certificate Received	2470	10	2387	85	96.64
Death Grant Nomination Form Received	10576	20	10461	85	98.91
Spouse Potential	122	20	115	85	94.26
Death Grant to Set Up	332	5	321	85	96.69
Initial letter Death in Retirement	1583	5	1544	85	97.54
Death In Retirement	1583	5	1473	85	93.05
Initial Letter Death in Service	35	5	35	85	100
Death In Service	35	5	33	85	94.29
Initial letter Death on Deferred	114	5	93	85	81.58
Death on Deferred	114	5	98	85	85.96
Estimates for Deferred Benefits into Payment	80	10	80	90	100
Update Member Details	12633	20	12608	100	99.8
Pension Saving Statement	34	20	34	100	100
Payment of Spouses/Child Benefits	607	10	574	100	94.56

## 2.2 Work in progress



The above graph shows the total volume of work in progress categorized into work groups. Work volumes will fluctuate depending on how much work comes in and how much work is completed. Some of the larger volume work cover:

Early Leavers – calculation of refunds, calculation of deferred benefits, contribution postings queries

Linkings – multiple employments where member can link those employments. This is one of the biggest area of work as a big proportion of members continually start and finish part time jobs.

Retirements - Retirement quotes and actuals, deferred benefits into payment (quote and actual)

Transfers – Transfers in and out (quote and actual), AVC transfers, Divorce. The number of transfer out requests have increased dramatically since the introduction of Freedom and Choice which gives members access to their pensions.

### 3.0 Scheme Information

3.1 Membership for all schemes administered as at December 2019 was 439,792, an increase of 17,615 from the figures reported at the last meeting.

3.2 Number of Employers in the West Yorkshire Pension Fund

Scheduled		As at 31.3.18	Number Admitted	Changes +/-	Number Leaving	As at 31.3.19
Schedule 1	Local Authorities	5	0	0	0	5
	Academies	180	22	4	10	196
	Others – active	42	0	3	4	41
	Others – defunct	169	0	9	0	178
Schedule 2	Town and parish Councils	29	0	0	0	29
	Others – actives	5	0	0	0	5
	Others – defunct	24	0	0	0	24
<b>Total Scheduled</b>		<b>454</b>	<b>22</b>	<b>16</b>	<b>14</b>	<b>478</b>
<b>Admitted</b>						
Transferee (External Contractors)		99	13	6	17	101
Community		3	0	1	1	3
Others	Actives	44	0	4	4	44
	Defunct	122	0	14	0	136
<b>Total Admitted</b>		<b>268</b>	<b>13</b>	<b>25</b>	<b>22</b>	<b>284</b>

### 4.0 Praise and Complaints

4.1 As part of our commitment to improving our services we carry out a random survey

of customers who have been in contact with us regarding their pension benefits. We also have an online survey which any member can complete at any time.

Over the quarter July to September we received **12** online customer responses.

Over the quarter July to September **679** sample survey letters were sent out and **110 (16.3%)** were returned:

Appendix 1 shows the full analysis of responses.

#### 4.2 Employer Training

A number of Employer training sessions were held over the quarter July to September across locations covering all three LGPS Funds.

Appendix 2 shows feedback from the events.

### 5.0 Internal Disputes Resolution Procedures (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 the Director of WYPF. Stage 2 appeals are considered by the Chief Executive of the City of Bradford MDC.

A summary of the IDRP decisions for the period 1 July 2019 to 31 December 2019 is shown below:

	<b>Number of Determinations</b>	<b>Outcomes</b>	<b>Type</b>
<b>STAGE 1</b>	4		
		1 Referred back	1 Recovery of overpayment
		3 Turned down	1 Payment of benefits before age 55 1 Not allowed to link previous membership
<b>STAGE 2</b>	4		

<b>AGAINST EMPLOYER</b>	3	3 Referred back to employer to reconsider	2 Tier of ill health pension benefits 1 Not entitled to ill health pension benefits
<b>AGAINST WYPF</b>	1	1 Referred back to WYPF to reconsider	1 Ceasing child's pension during placement

## 6.0 Administration Update

6.1 Work has started on giving Pensioner members the option to commute their trivial pension for a one off lump sum payment. Members of the Lincolnshire Pension Fund who have a pension of under £500 per annum have been targeted in the first instance. Two hundred and thirty six members fall into this category. This will be rolled out to members of WYPF and Hounslow in due course.

### 6.2 ISO 9001 Quality Audits

The following internal quality audits were completed by WYPF staff:

New Members

AVC's

Estimates

Any suggestions for improvements to working practices will be analysed by the relevant managers.

In addition SGS undertook the annual external surveillance audit to ensure that we were complying with the ISO 9001 standards. It is pleasing to report that WYPF passed the audit without any non-conformities.

### 6.3 Bradford Council Internal Audits

Audit's on 'Transfers In' and' were undertaken in October by the Council's Internal Audit section. Three recommendations in total were made which have all been agreed and implemented.

### 6.4 Security Breaches

During this period nine Security Breaches were logged which were reported to the Council's Data Protection Officer. These were all deemed to be isolated incidents due to human error and were not reported to the ICO.

### 6.5 Data Score

As part of the annual return to The Pensions Regulator (TPR) WYPF is required to report a data quality score by measuring the quality of our data for common data and scheme specific data. The latest scores are:

Common Data	95.88%
Scheme Specific Data	85.28%

This is reduction on the scores reported at the last meeting which were:

Common Data	96.24%
Scheme Specific Data	98.49%

- 6.6 The reduction in the common data scores is primarily due to an increase in missing addresses as a result of sending out deferred benefit statements.
- 6.7 The reduction in the scheme specific data scores is due to additional checks undertaken as a result of revised guidance received from the Pensions Regulator and the Scheme Advisory Board, and WYPF programme not picking up the correct fields on some new data elements. This is due to the late receipt of the specification from MHCLG which meant that WYPF's programmes were not thoroughly tested. This will be rectified in time for the next quarter.
- 6.8 WYPF has devised a Data Improvement Plan (DIP) which identifies the issues and the resolutions required. The DIP will be reviewed on a quarterly basis.

## **7.0 Conclusion**

WYPF continues to work closely with shared service partners to provide an efficient and effective service to all stakeholders across all Funds and Schemes.



## Appendices

These are listed below and attached at the back of the report	
Appendix 1	Customer Feedback
Appendix 2	Employer Feedback