

Report of the Director West Yorkshire Pension Fund to the meeting of Joint Advisory Group to be held on 28 January 2021.

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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.

Mr Rodney Barton
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 more recently the London Borough of Barnet and to nineteen Fire Authorities. This includes pensioner payroll (except for the London Borough of Hounslow), 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 20 to 31 December 20.

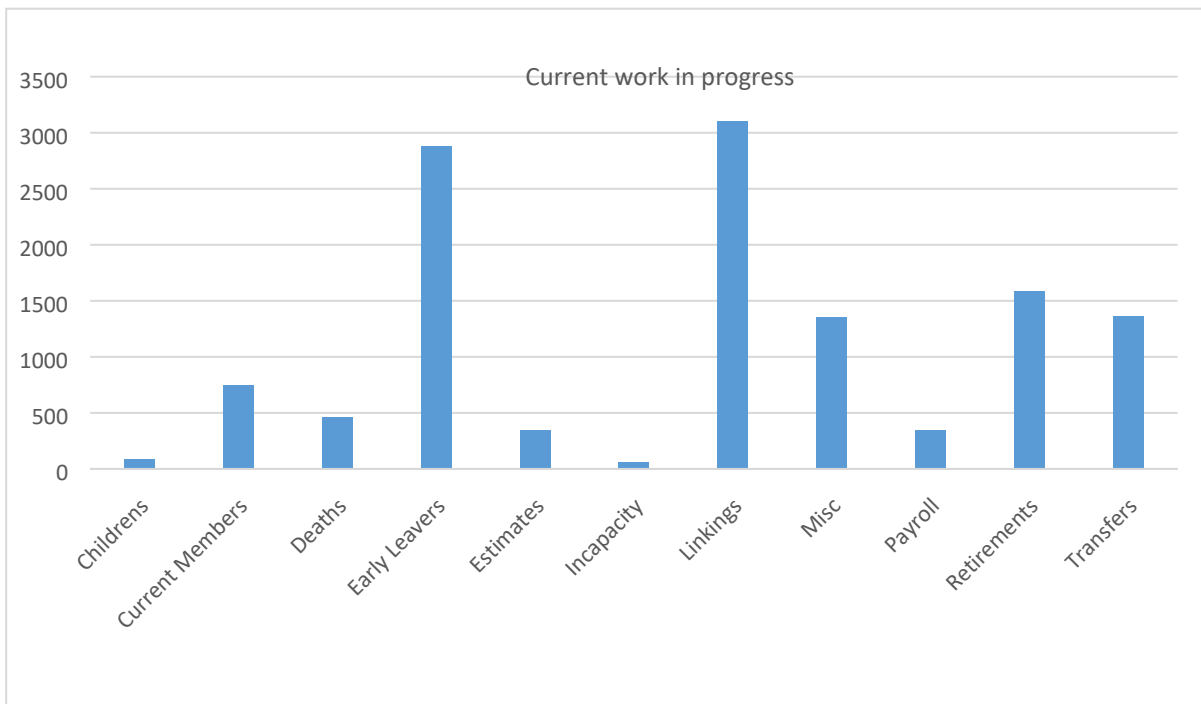
KPI's for the Period 1.7.20 to 31.12.20					
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT
Transfer In Quote	519	35	519	85	100
Transfer In Actual	336	35	321	85	95.54
Divorce Settlement Pension Sharing order Implemented	11	80	11	100	100
Deferred Benefits Set Up on Leaving	4968	10	4757	85	95.75
Refund Quote	1946	35	1926	85	98.97
Refund Actual	1279	10	1261	95	98.59
Transfer Out Payment	140	35	127	85	90.71
Pension Estimate	3817	10	3659	75	95.86
Retirement Actual	2067	3	1878	90	90.86
Deferred Benefits Into Payment Actual	3011	5	2895	90	96.15
AVC In-house (General)	522	10	511	85	97.89
Deferred Benefits Into Payment Quote	3547	35	3461	85	97.58
Transfer Out Quote	986	20	708	85	71.81
Monthly Posting	4376	10	4254	95	97.21
Set Up New Spouse Pension	632	5	522	85	82.59
Divorce Quote	359	20	310	85	86.35
Change of Address	2559	5	2399	85	93.75
Change of Bank Details	815	Next Pension	815	85	100
General Payroll Changes	1003	Next Pension	1003	85	100
Age 55 Increase to Pension	5	Next Pension	5	85	100
NI adjustment to Pension at State Pension Age	92	Next Pension	92	85	100
WORKTYPE	TOTAL	TARGET DAYS	TARGET	MINIUM	TARGET

	CASES	FOR EACH CASE	MET CASES	TARGET PERCENT	MET PERCENT
Enquiry	61	5	59	85	96.72
DWP request for Information	67	10	59	85	88.06
Life Certificate Received	98	10	87	85	88.78
Death Grant Nomination Form Received	7538	20	7518	85	99.73
Spouse Potential	93	20	88	85	94.62
Death Grant to Set Up	389	5	363	85	93.32
Initial letter Death in Retirement	1655	5	1596	85	96.44
Death In Retirement	1655	5	1535	85	92.75
Initial Letter Death in Service	50	5	48	85	96
Death In Service	50	5	46	85	92
Initial letter Death on Deferred	82	5	70	85	85.37
Death on Deferred	82	5	76	85	92.68
Test Comms	1	10	1	85	100
Estimates for Deferred Benefits into Payment	54	10	41	90	75.93
Update Member Details	6688	20	6666	100	99.67
Pension Saving Statement	29	20	29	100	100
Payment of Spouses _Child Benefits	632	10	583	90	92.25

Reasons for underperforming KPI's:

Worktype	Reason
Transfer out quote	Extra checks undertaken as a result of TPR guidance in relation to pension scams. The process will be updated to reflect the requirements.
Set up new Spouse pension	Locating pensioners mainly from lost contact cases.
Estimates for Deferred Benefits into Payment	Prioritised in date order of benefits due

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:

Current Member – changes to member records, changes to AVC's, queries from monthly postings

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

Linkings – multiple employments where member can link those employments

Misc – All other types of work i.e. phones calls to return, general enquiries.

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

Transfers – Transfers in and out (quote and actual), AVC transfers, Divorce

3.0 Scheme Information

3.1 Membership for all schemes administered as at January 21 was 465,047. A full breakdown between the different Funds and Schemes is shown at Appendix 1.

3.2 Number of Employers in the West Yorkshire Pension Fund

	Actives	Ceased	Total
Scheduled bodies	288	13	301
Admitted bodies	163	7	170
Total	451	20	471

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. An analysis of the responses received for the quarter July to September is shown:

Appendix 2 - WYPF

4.2 Employer Training

Training has now moved to online with WYPF setting up a number of webinars to be delivered every Tuesday. Topics covered were:

- Overview of the LGPS,
- Using the employer portal,
- Understanding final pay,
- Understanding CPP,
- Understanding APP,
- The ill health process, Final Pay – The deep dive,
- Understanding employer costs,
- managing absence in the LGPS,
- Understanding pay protection in the LGPS and APCs.

The sessions finished on 24 November and in total over that period we ran 46 live employer training webcasts.

New webcasts are currently being worked on to run from next month.

5.0 Internal Disputes Resolution Procedures

5.1 All occupational pension schemes are required to operate an IDR. 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 IDR decisions for the period 1.7.20 to 31.12.20 is shown below:

	Number of Determinations	Outcomes	Type
STAGE 1	10		
		10 Turned down	4 Distribution of death grant 1 Recovery of overpaid child's pension 1 Incorrect deferred benefit statement 1 Not entitled to cohabiting partner's pension 1 Amounts of pension and death benefits paid 1 Wrongly permitted a transfer out. 1 Requirement for death grant to be paid into trustee accounts (minors).
STAGE 2	8		
AGAINST EMPLOYER	3	1 Turned down	1 Tier of ill health pension benefits awarded
		2 Referred back to employer to reconsider	1 Tier of ill health pension benefits awarded 1 Not awarded early payment of deferred benefits
AGAINST WYPF	5	5 Partly upheld (Awarded payments due to maladministration)	2 Tax charges incurred due to treatment of reduction in pay protection. 2 Incorrect deferred benefit statements 1 Incorrect linking of previous membership quote.

6.0 Administration Update

6.1 Remote Working

The arrangements for staff working remotely are working fine with staff being able to do their normal work without any major issues. In line with Government advice, the arrangements are set to continue for the foreseeable future.

6.2 TPR 2019/20 Scheme return

The annual TPR scheme return has been submitted before the deadline of 15th December.

6.3 ISO 9001:2015

The 3 yearly recertification audit for WYPF's Quality Management System has recently been undertaken. The audit was successful with no non conformities identified. This means that we have been reaccredited for the next 3 years. We will still have an annual quality surveillance.

6.4 Deferred Benefit Statements (DBS)

The number of Deferred Benefit Statements produced for WYPF members by 31 August was 83,511, which represents 99.9% of members eligible to receive one.

6.5 Annual Benefit Statements (ABS)

The number of Annual Benefit Statements produced for WYPF members by 31 August was 90,895, which represents 99.7% of members eligible to receive one.

6.6 Security Breaches

During this period two 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.

6.7 Data Scores

Pension schemes are required by the TPR to report their common and scheme specific data scores in the annual scheme returns in November.

6.8 The current Data Scores for WYPF are:

Common	95.84%
Scheme Specific	88.83%

6.9 A data Improvement Plan is in place which primarily aims to address the key issues identified from the Funds Data Quality review and data quality score and details the plans in place to improve the data we hold.

6.10 Audits undertaken by Bradford Councils Internal Audit:

a) Transfers Out

It is audit's opinion that the standard of control of identified risks in the system is **excellent**.

The audit review has determined that the identified risks are being effectively managed. The control environment is as expected and supports the achievement of key business objectives.

b) Pensioner Payroll

It is audit's opinion that the standard of control of identified risks in the system is **excellent**.

The audit review has determined that the identified risks are being effectively managed. The control environment is as expected and supports the achievement of key business objectives.

7.0 Staffing

- 7.1 WYPF headcount is 152 Full time equivalent staff with an average age of 47.4, compared to the Council's average age of 46.8 (see Appendix 3).
- 7.2 For the year ending 1 April 2020 the average number of days absence due to sickness is 6.05 per staff member. This compares with the Council average of 12.96 days (see Appendix 4).
- 7.3 There was one new starter during the last 12 months (see Appendix 5)
- 7.4 There were 8 leavers during the last 12 months, 5 of which were due to retirement (see Appendix 6).
- 7.5 Work has started on recruiting to a number of vacancies and new posts resulting from the recent restructure which has now been implemented.

8.0 Member Portal

8.1 Web Registrations

The number of members registered for online member web are:

Membership Type	Number	Percentage
Active	16,455	16.44%
Deferred	10,294	11.94%
Pensioner	17,013	17.31%

9.0 Conclusion

WYPF continue to provide a high level efficient cost effective service to members and Employers within the Fund.

Appendices

These are listed below and attached at the back of the report	
Appendix 1	Membership Numbers
Appendix 2	Customer Feedback - WYPF
Appendix 3	Workforce Headcount
Appendix 4	Absence Performance
Appendix 5	New Starters
Appendix 6	Leavers