

Report of the Director West Yorkshire Pension Fund to the meeting of Joint Advisory Group to be held on 29 July 2021.

B

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 January 2021 to 30 June 2021.

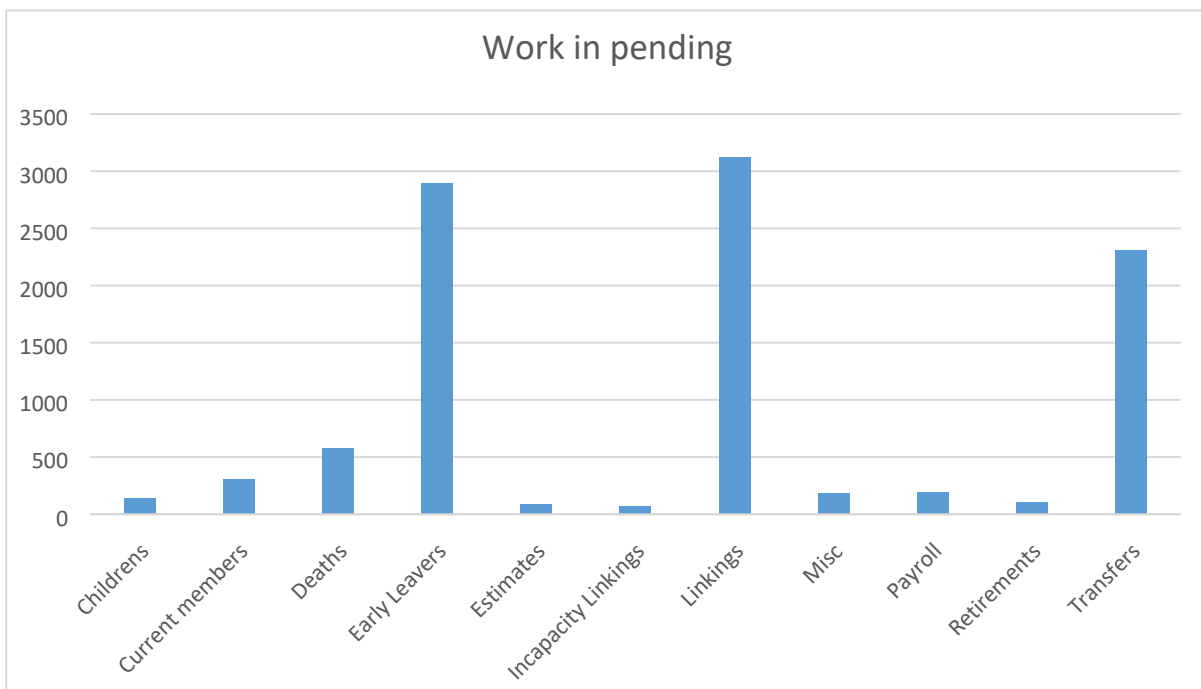
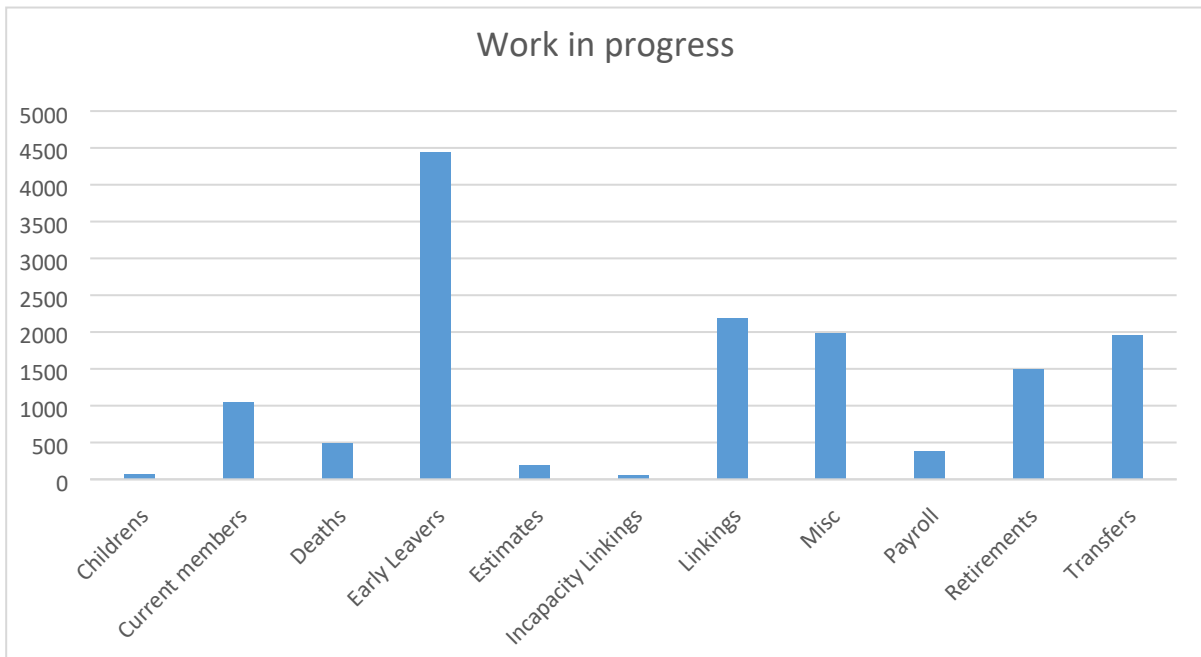
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT
Transfer In Quote	574	35	569	85	99.13
Transfer In Actual	387	35	373	85	96.38
Divorce Settlement Pension Sharing order Implemented	18	80	18	100	100
Deferred Benefits Set Up on Leaving	4730	20	4626	85	97.8
Refund Quote	1547	35	1527	85	98.71
Refund Actual	1167	10	1159	95	99.31
Transfer Out Payment	139	35	123	85	88.49
Pension Estimate	2450	10	2347	75	95.8
Retirement Actual	2343	3	2263	90	96.59
Deferred Benefits Into Payment Actual	2373	5	2229	90	93.93
AVC In-house (General)	819	20	797	85	97.31
Deferred Benefits Into Payment Quote	3091	35	2753	85	89.07
Transfer Out Quote	1050	20	976	85	92.95
Monthly Posting	5065	10	4519	95	89.22
Divorce Quote	349	20	325	85	93.12
Change of Address	3149	10	3056	85	97.05
Change of Bank Details	871	Next payroll	815	85	93.57
General Payroll Changes	1523	Next payroll	1506	85	98.88
Age 55 Increase to Pension	7	Next payroll	7	85	100
NI adjustment to Pension at State Pension Age	136	Next payroll	136	85	100
Enquiry	134	5	120	85	89.55
DWP Request for information	72	20	65	85	90.28
Life certificate Received	17	10	12	85	70.59
Death Grant Nomination Form Received	4780	20	4759	85	99.56

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT
Spouse Potential	118	20	109	85	92.37
Death Grant to Set Up	409	5	372	85	90.95
Initial letter Death in Retirement	2116	5	1995	85	94.28
Death In Retirement	2116	5	1674	85	79.11
Initial Letter Death in Service	74	5	71	85	95.95
Death In Service	74	5	58	85	78.38
Initial letter Death on Deferred	127	5	113	85	88.98
Death on Deferred	127	5	93	85	73.23
Estimates for Deferred Benefits into Payment	79	10	73	90	92.41
Update Member Details	7384	20	7368	100	99.78
Pension Saving Statement	27	2	27	100	100
Payment of Spouses /Child Benefits	840	5	663	90	78.93
Phone Call Received	16424	3	16138	95	98.26

Reasons for underperforming KPI's:

Worktype	Reason
Life certificate Received	Delays by members not returning certificates
Death In Retirement	Complex cases involving additional work/documents
Death In Service	Complex cases involving additional work/documents
Death on Deferred	Complex cases involving additional work/documents
Payment of Spouses /Child Benefits	Additional information required from beneficiaries

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 June 21 was 470,031. A full breakdown between the different Funds and Schemes is shown at Appendix A.

3.2 Number of Employers in the West Yorkshire Pension Fund

	Actives	Ceased	Total
Scheduled bodies	269	4	273
Admitted bodies	142	7	149
Total	411	11	422

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 January 21 to March 21 is shown:

Appendix B - 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:

- Understanding employer discretions
- Processing pension statement Blocks and Quarantines
- Online forms and how to use them
- Ill health for deferred members
- Understanding term time only members

The sessions were attended by 252 people representing Employers from across all our LGPS shared service partners.

5.0 Internal Disputes 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 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 1.7.20 to 31.12.20 is shown below:

	Number of Determinations	Outcomes	Type
STAGE 1	10		
		10 Turned down	2 Distribution of death grant 1 Incorrect deferred benefit statement 1 Wrongly permitted a transfer out. 1 Amount of partner's pension 1 Calculation of pension benefits 1 Entitlement to death benefits 1 Delay in repayment of AVC payment deducted in error 1 Not able to link previous membership 1 Not allowed to transfer due to requiring GMP to be paid
STAGE 2	14		
AGAINST EMPLOYER	9	6 Turned down	2 Not awarded ill health retirement
		3 Referred back to employer to reconsider	1 Not awarded ill health retirement 1 Tier of ill health retirement awarded 1 Tier 3 ill health pension ceased
AGAINST WYPF	5	5 Turned down	1 Incorrect deferred benefit statement 1 Ceasing of child's pension 1 Not entitled to spouse's pension 1 Amount of widower's pension 1 Distribution of death grant

6.0 Administration Update

6.1 Annual Benefit Statements (ABS) and Deferred Benefit Statements (DBS)

This year statements will be issued electronically. Members will be asked to sign up to the secure 'MyPension' portal to access their statements. However, members who prefer a paper version will be able to opt out and receive one.

6.2 Audits undertaken by Bradford Councils Internal Audit in the period:

a) Transfers In

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.

Internal Audit made no recommendations for improvement.

6.3 ISO 9001 Quality Audits

The following internal quality audits were completed by WYPF staff:

Quality Records

Transfers In

Pensioner Services Incapacity Cases/National Fraud Initiative

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

6.4 Two new Fire clients, Northamptonshire and Cambridgeshire will join WYPF's administration from 1st July 2021. This will bring the total number of Fire Authorities under administration to 21.

6.5 Security Breaches

During this period seven Security Breaches were logged which were reported to the Council's Data Protection Officer. Two of the breaches were made by Employers. These were all deemed to be isolated incidents due to human error and were not reported to the ICO.

7.0 Staffing

7.1 WYPF is in the middle of a big recruitment campaign to replace staff that have retired, left or been promoted as well as recruiting to new posts under the revised structure. A number of appointments have already been made whilst a number of

posts are currently out to advert.

- 7.2 WYPF headcount is 179 established employees with an average age of 46.1, compared to the Council's average age of 46.5 (see Appendix C).
- 7.3 For the year ending 1 April 2021 the average number of days absence due to sickness is 5.48 per staff member. This compares with the Council average of 10.75 days (see Appendix D).
- 7.4 There were 13 new starters during the last 12 months (see Appendix E)
- 7.5 There were 6 leavers during the last 12 months, 3 of which were due to retirement (see Appendix F).

8.0 Member Portal

8.1 Web Registrations

The number of members registered for online member web are:

Membership Type	Number	Percentage
Active	29,338	19.52%
Deferred	15,523	11.37%
Pensioner	22,010	13.81%

9.0 Awards

WYPF has been shortlisted by Pensions Age under the following categories:

DB Scheme of the Year
Pension Scheme Communication Award
Pension Administration Award

Winners will be announced at a ceremony in London on 15 July 2021.

10.0 Conclusion

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

Appendices

These are listed below and attached at the back of the report	
Appendix A	Membership Numbers
Appendix B	Customer Feedback - WYPF
Appendix C	Workforce Headcount
Appendix D	Absence Performance
Appendix E	Starters
Appendix F	Leavers