

Report of the Director, West Yorkshire Pension Fund to the meeting of West Yorkshire Pension Fund Pension Board to be held on 13 September 2022.

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Subject: Pensions Administration

Summary statement:

This report gives an update on West Yorkshire Pension Fund's (WYPF) pensions administration activities for the period 1 April 2022 to 30 June 2022.

EQUALITY & DIVERSITY:

Issues of Equality and Diversity are included within the body of the document.

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 twenty three 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 April 2022 to 30 June 2022.

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIMUM TARGET PERCENT	TARGET MET PERCENT
Transfer In Quote	279	35	278	85	99.64
Transfer In Actual	114	35	104	85	91.23
Divorce Settlement Pension Sharing order Implemented	3	80	3	100	100
Deferred Benefits Set Up on Leaving	2654	20	1436	85	54.11
Refund Quote	866	35	852	85	98.38
Refund Actual	501	10	498	95	99.4
Transfer Out Payment	78	35	69	85	88.46
Pension Estimate	806	10	551	90	68.36
Retirement Actual	1007	3	985	90	97.82
Deferred Benefits Into Payment Actual	936	5	924	90	98.72
AVC In-house (General)	281	20	276	85	98.22
Deferred Benefits Into Payment Quote	1167	35	1156	85	99.06
Transfer Out Quote	671	20	637	85	94.93
Monthly Posting	2538	10	2291	95	90.27
Divorce Quote	168	20	147	85	87.5
Change of Address	1458	10	1374	85	94.24
Change of Bank Details	513	10	478	85	93.18
General Payroll Changes	694	10	681	85	98.13
Age 55 Increase to Pension	1	20	1	85	100
NI adjustment to Pension at State Pension Age	66	20	66	85	100
Enquiry	45	5	42	85	93.33
DWP request for Information	48	20	46	85	95.83
Life Certificate Received	4	10	4	85	100
Death Grant Nomination Form	2965	20	2208	85	74.47

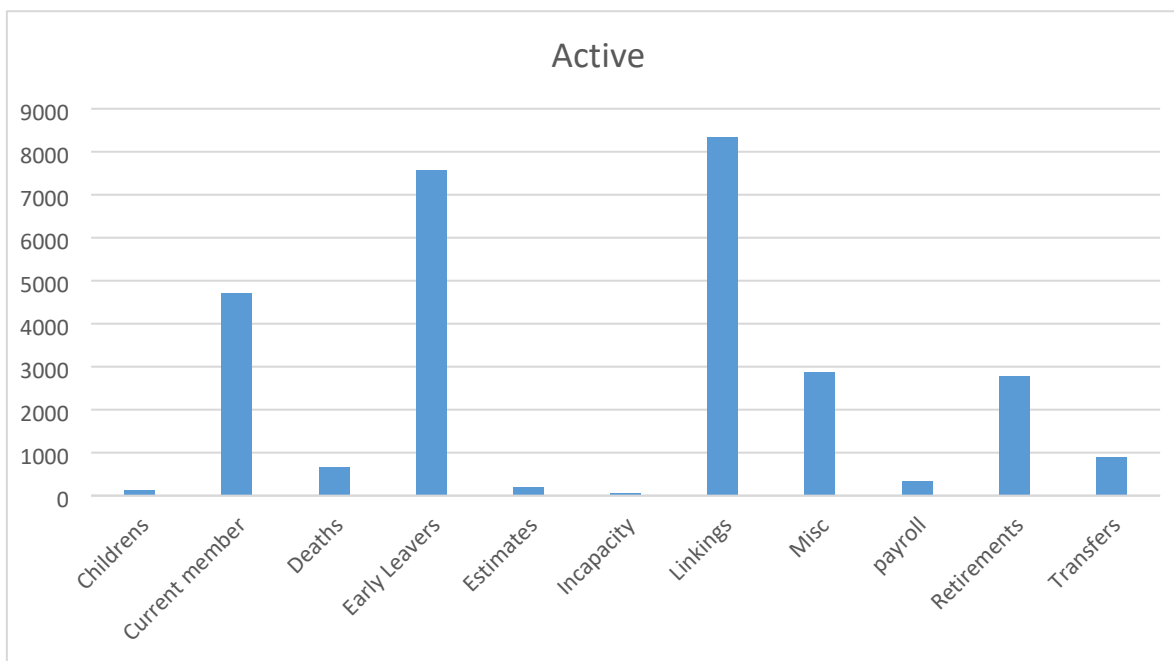
Received					
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIMUM TARGET PERCENT	TARGET MET PERCENT
Death Grant to Set Up	198	10	174	85	87.88
Death In Retirement	943	10	798	85	84.62
Death In Service	31	10	24	85	77.42
Death on Deferred	51	10	35	85	68.63
Estimates for Deferred Benefits into Payment	21	10	7	90	33.33
Update Member Details	1696	20	1677	100	98.88
Pension Saving Statement	10	20	10	100	100
Payment of Spouses _Child Benefits	352	5	283	90	80.4
Phone Call Received	7736	3	7469	95	96.55
Interfund Out Quote	504	35	444	85	88.1
Interfund Linking In Quote	188	35	67	85	35.64
Interfund Out Actual	504	35	250	85	49.6
Interfund Linking In Actual	221	35	197	85	89.14

Reasons for underperforming KPI's:

Work type	Reason
Deferred Benefit set up on leaving	Staff working on historic cases and employers providing data in preparation for the Triennial Valuation. New staff appointed in April are being trained on this area of work and will provide extra resource.
Pension Estimate	High volume of estimates requests being received as members receive their ABS. Estimates received with a date of retirement within 3 months have been treated as a priority and future estimates have been processed but there have not been enough experienced staff to check the number of estimates that have been produced. Additional resources are being put into this area with 2 extra members of staff being trained.
Monthly Postings	Finance Team currently helping Contact Centre answer high call volumes following the distribution of P60s and letters to pensioners regarding My Pension registration.
Death Grant Nomination Form Received	Low priority. Information from the form has been added to the member's record and in the event of the member's death this information would be included when processing survivor/dependant benefits.
Death In Service	Training new staff in this area of work. This has had an impact on the time taken to process cases but once staff are trained this will provide more resource in the team and in this area of work.
Death on Deferred	Training new staff in this area of work. This has had an impact on the time taken to process cases but once staff are trained this will provide more resource in the team and in this area of work.
Estimates for Deferred Benefits into Payment	Processing of historic cases for ABS production. Employers across all funds are currently sending in leaver notifications that have been outstanding in preparation for the Triennial Valuation. This has had an impact on the levels of work and has increased the numbers of linkings and interfund out. New members of staff are also being trained in this area of work
Payment of	Training new staff in this area of work. This has had an impact on the time

Spouses Child Benefits	taken to process cases but once staff are trained this will provide more resource in the team and in this area of work.
Interfund Linking In Quote	Processing of historic cases for ABS production. Employers across all funds are currently sending in leaver notifications that have been outstanding in preparation for the Triennial Valuation. This has had an impact on the levels of work and has increased the numbers of linkings and interfunds out. New members of staff are also being trained in this area of work
Interfund Out Actual	Processing of historic cases for ABS production. Employers across all funds are currently sending in leaver notifications that have been outstanding in preparation for the Triennial Valuation. This has had an impact on the levels of work and has increased the numbers of linkings and interfunds out. New members of staff are also being trained in this area of work

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 AVCs, 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 August 22 was 493,579.

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	267	1	266
Admitted bodies	136	4	132
Total	403	5	398

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 April to June **484** sample survey letters were sent out and **50 (10.4%)** returned. We also received **2** online customer responses.

Overall Customer Satisfaction Score:

April to June 2021	July to September 2021	October to December 2021	January to March 2022	April to June 2022
87.5%	96.3%	86.3%	84%	96.3%

Full details are shown at Appendix 2.

4.2 Employer Training

One to one Employer surgeries were delivered to support the work leading up to the production of Annual Benefit Statements.

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 IDRPs decisions for the period 1.4.22 to 30.6.22 is shown below:

	Number of Determinations	Outcomes	Type
STAGE 1	3		
		3 Turned down	Delays in providing retirement options Distribution of death grant Unable to access "My Pension"
STAGE 2	1		
AGAINST EMPLOYER	0		
AGAINST WYPF	1	1 Turned down	Time limit to transfer out

6.0 Administration Update

6.1 Employer Work

During this period WYPF worked on 5 new admissions and 3 Employer ceasing participation in the Fund.

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

Statements again this year will be issued electronically through the secure 'MyPension' portal. To date, the number of ABS issued is 98.3%, the number of DBS issued is 100%. Those members that have opted to receive paper copies will have theirs posted out.

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

a) New Pensions and Lump Sums Deferred Pensions

The audit opinion is based on an assessment of the effectiveness of the control environment in mitigating the risks for the area(s) under review and the significance and impact of any control weaknesses identified.

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

The audit review has determined that most of the risks examined were found to be effectively managed. The control environment is largely as expected but would benefit from some enhancement to support the achievement of key business objectives.

There was 1 recommendation made which was:

Steps need to be taken to review the potential cases whereby a Member hasn't been contacted with regards to deferred retirement benefits due as a result of receiving previous

quotation contact. It needs to be ensured that moving forward, the systems in place will adequately identify all these Members in a timely manner.

The recommendation has been accepted and will be implemented by 30 September.

6.4 ISO 9001 Quality Audits

The following internal quality audit was completed by WYPF staff:

Design and Development

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

6.5 ISO 27001 Information Security Management Systems Surveillance Audit

WYPF ISO 27001 Information Security Management Systems Surveillance Audit was carried out on 20 and 21 June 2022.

The audit was successful and no non-conformities have been raised.

6.6 Staff

Recruitment to staffing in our pensions administration teams is ongoing. We are also looking to recruit 2 additional Employer Pension Fund Representatives to help deal with the increasing number of employers and also expand the support we provide to our Fire Clients.

6.7 Annual Allowance

The LGPS Annual Allowance exercise is now underway with 921 cases across the 4 LGPS Funds identified to date. More will be identified as the ABS exercise progresses. The deadline for issuing a Pensions Savings Statement for those breaching HMRC limits is 5 October.

We have recently published an Annual Allowance factsheet to assist employers with the queries they have begun to receive from us in relation to annual allowance checks.

6.8 Work is underway for the 2022 valuation. There has been a lower than anticipated level of errors so far this year, which is good news about the quality of our data.

7.0 Staffing

7.1 WYPF headcount is 188 Full time equivalent staff with an average age of 45.9, compared to the Council's average age of 46.2 (see Appendix 4).

7.2 For the year ending 1 April 2020 the average number of days absence due to sickness is

7.33 per staff member. This compares with the Council average of 13.94 days (see Appendix 5).

7.3 There were 4 new starters during the last 12 months (see Appendix 6)

7.4 There were 4 leavers during the last 12 months (see Appendix 7).

7.5 A number of recruitment exercises are ongoing to fill vacancies and also for new posts created as a result of increasing workloads.

8.0 Member Portal

8.1 Web Registrations

The number of members registered for online member web are:

Membership Type	Number	Percentage
Active	40,565	38.16%
Deferred	21,057	23.85%
Pensioner	31,068	29.65%

9.0 Conclusion

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

10.0 OTHER CONSIDERATIONS

None

11.0 FINANCIAL & RESOURCE APPRAISAL

Sufficient budget to ensure adequate resources to deliver the service, particularly to the shared service partners.

12.0 RISK MANAGEMENT AND GOVERNANCE ISSUES

- Failure to meet contractual obligations to our shared service partners
- Failure to meet statutory compliance deadlines
- Increase in complaints from stakeholders

13.0 LEGAL APPRAISAL

Not applicable.

14.0 OTHER IMPLICATIONS

14.1 SUSTAINABILITY IMPLICATIONS

None

14.2 GREENHOUSE GAS EMISSIONS IMPACTS

None

14.3 COMMUNITY SAFETY IMPLICATIONS

None

14.4 HUMAN RIGHTS ACT

None.

14.5 TRADE UNION

None

15.0 NOT FOR PUBLICATION DOCUMENTS

None

16.0 OPTIONS

None.

17.0. RECOMMENDATIONS

It is recommended that the report be noted.

18.0 APPENDICES

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

19.0. BACKGROUND DOCUMENTS

None