

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

X

Subject: Pensions Administration

Summary statement:

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

EQUALITY & DIVERSITY:

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

Euan Miller
Managing Director

Portfolio:
Leader of Council and Corporate

Report Contact: Yunus Gajra
Assistant Director (Finance,
Administration and Governance)
Phone: (01274) 432343
E-mail: Yunus.gajra@bradford.gov.uk

Overview & Scrutiny Area: Corporate

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 July 2022 to 30 September 2022.

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIMUM TARGET PERCENT	TARGET MET PERCENT
Age 55 Increase to Pension	3	20	3	85	100
AVC In-house (General)	305	20	299	85	98.03
Change of Address	1431	20	1373	85	95.95
Change of Bank Details	449	20	436	85	97.1
Death Grant to Set Up	209	10	195	85	93.3
Death In Retirement	1008	10	920	85	91.27
Death In Service	34	10	24	85	70.59
Death on Deferred	90	10	70	85	77.78
Deferred Benefits Into Payment Actual	1138	5	1123	90	98.68
Deferred Benefits Into Payment Quote	1532	35	1305	85	85.18
Deferred Benefits Set Up on Leaving	2175	20	1192	85	54.8
Dependant Pension To Set Up	363	5	327	90	90.08
Divorce Quote	164	40	162	85	98.78
Divorce Settlement Pension Sharing order Implemented	8	80	8	100	100
DWP request for Information	19	20	19	85	100
Estimates for Deferred Benefits into Payment	19	10	10	90	52.63
General Payroll Changes	649	20	648	85	99.85
Initial letter Death in Retirement	1008	10	987	85	97.92
Initial Letter Death in Service	34	10	33	85	97.06
Initial letter Death on Deferred	90	10	86	85	95.56
Interfund Linking In Actual	245	35	173	85	70.61
Interfund Linking In Quote	309	35	105	85	33.98
Interfund Out Actual	505	35	319	85	63.17
Interfund Out Quote	505	35	409	85	80.99

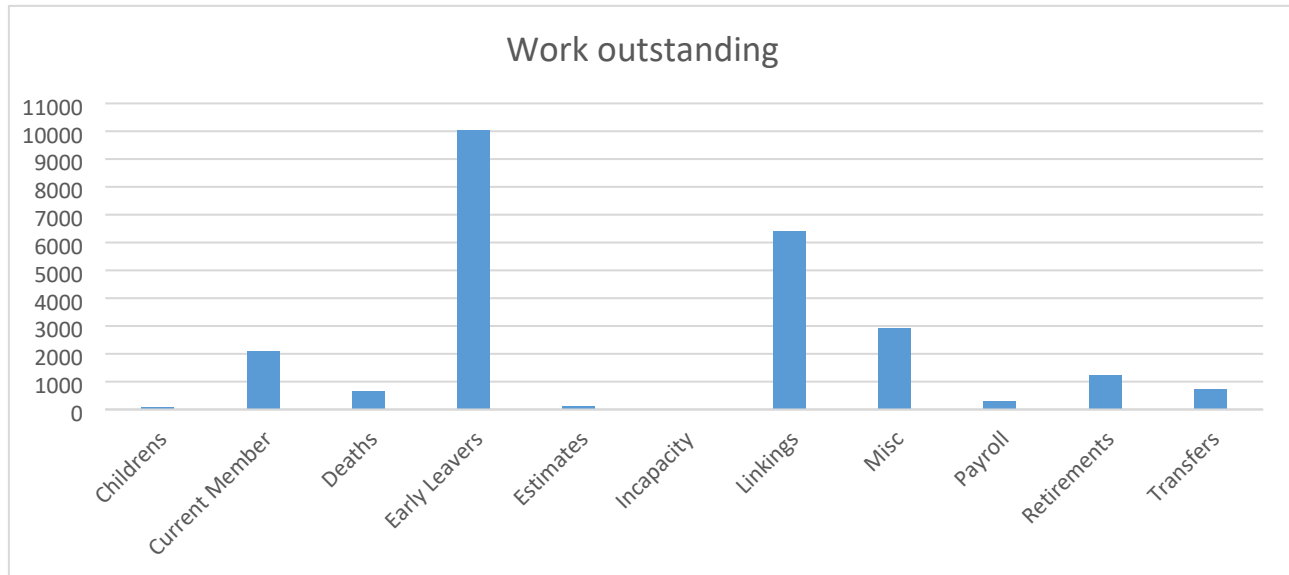
Monthly Posting	2978	10	2833	95	95.13
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIMUM TARGET PERCENT	TARGET MET PERCENT
NI adjustment to Pension at State Pension Age	76	20	72	85	94.74
Pension Estimate	919	10	523	90	56.91
Pension Saving Statement	675	20	5	100	100
Phone Call Received	9007	3	8645	95	95.98
Refund Actual	542	10	539	90	99.45
Refund Quote	844	35	820	85	97.16
Retirement Actual	1044	10	1039	90	99.52
Transfer In Actual	203	35	189	85	93.1
Transfer In Quote	271	35	271	85	100
Transfer Out Payment	61	35	52	85	85.25
Transfer Out Quote	800	35	764	85	95.5
Update Member Details	2530	20	2519	100	99.57

Reasons for underperforming KPI's:

Work type	Reason
Death In Service	Delay in getting information back from beneficiaries
Death on Deferred	Delay in getting information back from beneficiaries
Deferred Benefits Set Up on Leaving	Historic cases due to valuation. The number of cases processed this period has been higher than previous months.
Estimates for Deferred Benefits into Payment	Estimates requests received with a date of retirement within 3 months were prioritised and all the cases which were done outside of the target days had future dates of retirement.
Interfund Linking In Actual	Backlog of work in this area due to lack of trained staff. The recent recruitment drive will address this but it will take some time to train staff. KPI's will be lower for the coming months as we deal with the backlog cases that are already outside of the KPI's.
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Pension Estimate	High volume of estimates requests being received as members received their ABS. Estimate requests 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.

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)

3.0 Scheme Information

3.1 Total membership numbers across all categories for all schemes administered is 499,442. 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	271	3	268
Admitted bodies	145	5	140
Total	416	8	408

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 **2** online customer responses.

Over the July to September **525** sample survey letters were sent out and **87 (16.6%)** returned:

Overall Customer Satisfaction Score:

July to September 2021	October to December 2021	January to March 2022	April to June 2022	July to September 2022
96.3%	86.3%	84%	96.3%	93.2%

Full details are shown at Appendix 2.

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 by 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 is shown below:

	Number of Determinations	Outcomes	Type
STAGE 1	3		
		3 Turned down	Distribution of death grant Calculation of pension benefits Lack of information on tier 3 ill health retirement
STAGE 2	4		
AGAINST EMPLOYER	3	1 Referred Back	Not entitled to ill health retirement
		2 Turned down	Transfer in time limit not extended Tier 3 ill health review decision
AGAINST WYPF	1	1 Turned down	Allowed to transfer in

6.0 Administration Update

6.1 Employer events

Event	Number
Employer Webcast	8
Employer Training (one to one)	1
Employer Support	7
Member Presentation	8
Member surgeries / one to one	4

Employer webcasts - Feedback (Repeat and Refresh)

Employers from any part of the country can now attend simultaneously so it is not possible to provide fund specific satisfaction scores.

Eight employer webcasts were held between **5 July and 06 September 2022** covering the following topics:

- Final Pay
- Final Pay - deep dive
- Understanding CPP
- Ill Health

Feedback satisfaction score:
(Average across funds) 94.55% based on 37 responses

Do you have any other comments about the length of the webinar?

The examples we went through a little too fast

Really good and informative. Well explained and easy to understand.

The length of the webcast suited but the only slight hiccup was that during the second part of the session, there was a temporary loss of sound.

The length of the webcast was fine but I would say any future ones should not be longer than 1 hour.

It was perfect to fit in a busy day

short subject however presenter was thorough and precise as always

It was as long as it needed to be. The time flew by as the webcast was extremely interesting.

Did the session meet your expectations?

Yes - 16

No - 0

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

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

As at 31 August 2022 99.2% of ABS's and 100% of DBS's have been produced for WYPF members who are eligible to receive one. The remaining ABS's are due to queries on records with employers and outstanding transfers and linkings which are being worked on. It is our intention to review the ABS process over the next 12 months to ensure going forward more statements are produced for members.

6.3 Audits undertaken by Bradford Council's Internal Audit in the period:

a) Annual Benefits Statement

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 **0** recommendations for improvement.

6.4 ISO 9001 Quality Audits

The following internal quality audits were completed by WYPF staff:

Monthly payroll procedures

Transfers out

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

6.5 Disaster Recovery

Our first disaster recovery on our new infrastructure was planned and executed. This took down our primary system and WYPF tested operational capability from our secondary site before successfully restoring our primary site. This took approximately 4 hours.

Lessons learnt will be implemented for the next test.

6.6 Staff

Recruitment to staffing in our pensions administration teams is ongoing. Due to the impending retirement of the Treasury Manager a replacement has been appointed as well as an appointment of an investment analyst on the Overseas Investment team.

6.7 Annual Allowance

The LGPS Annual Allowance exercise is now completed as the deadline for issuing a Pensions Savings Statement was 5 October. 85 Pension Saving Statements have been issued to WYPF Pension Fund members.

7.0 Staffing

- 7.1 WYPF headcount is 198 (188 full time equivalent staff) with an average age of 45.9, compared to the Council's average age of 46.7 (see Appendix 3).
- 7.2 For the year ending 1 April 2022 the average number of days absence due to sickness is 7.33 per staff member. This compares with the Council average of 14.56 days (see Appendix 4).
- 7.3 There were 23 new starters during the last 12 months (see Appendix 5)
- 7.4 There were 13 leavers during the last 12 months (see Appendix 6).
- 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	42,866	39.25%
Deferred	22,397	25.50%
Pensioner	34,135	32.17%

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