

# Report of the Managing Director West Yorkshire Pension Fund to the meeting of Joint Advisory Group to be held on 26 January 2023.

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## Subject:

**CEM - Pensions Administration Benchmarking Survey (PABS)**

## Summary statement:

This report compares WYPF's pension administration costs and member service with a peer group of other schemes, from both public and private sector, for the year to 31 March 2022.

## EQUALITY & DIVERSITY:

**No specific equality and diversity issues.**

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Euan Miller  
Managing Director

**Portfolio:**

Report Contact: Yunus Gajra  
Assistant Director (Finance,  
Administration and Governance)  
Phone: (01274) 432343  
E-mail: [Yunus.gajra@wypf.org.uk](mailto:Yunus.gajra@wypf.org.uk)

**Overview & Scrutiny Area:**

## 1. SUMMARY

The PABS report contains:

- A comparison of administration, governance and project costs with a peer group of other schemes.
- Analysis of the factors that influence our costs relative to our peers, explaining why our costs are higher or lower than our peers.
- An overall service score and a comparison with peers.
- Analysis on why our service score is higher or lower than that of our peers.
- A line item comparison of service metrics relative to our peers.
- A cost effectiveness ranking that shows our service score relative to cost.

## 2. BACKGROUND

- 2.1 CEM produces detailed benchmarking reports that compare the costs and performance of pension funds. PABS is an annual study that helps schemes to understand how their administration and governance costs and member service compare with others.

## 3. SURVEY RESULTS

Key findings from the survey are:

- 3.1 Our pension administration costs of £14.45 per member were £15.14 below the adjusted peer average of £29.59.
- 3.2 Our Business-As-Usual (BAU) costs of £14.45 per member were £10.60 below the adjusted peer average of £25.05.
- 3.3 We spend more on serving employers than peers and less on projects.
- 3.4 Our total administration cost per member fell by 4.4% in the last year.
- 3.5 Our total member service score was 69 out of 100. This was above the peer median of 67.
- 3.6 Our total member service score increased by 3 points in the year.
- 3.7 We were positioned as a high member service, low cost on the CEM administration cost effectiveness graph.
- 3.8 Our governance costs of £0.77 per member were £10.24 below the peer average of £11.01.

## 4. OTHER CONSIDERATIONS

None

## 5. FINANCIAL & RESOURCE APPRAISAL

None

**5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

None specific.

**6. LEGAL APPRAISAL**

None

**7. OTHER IMPLICATIONS**

**7.1 SUSTAINABILITY IMPLICATIONS**

None

**7.2 GREENHOUSE GAS EMISSIONS IMPACTS**

None

**7.3 COMMUNITY SAFETY IMPLICATIONS**

None

**7.4 HUMAN RIGHTS ACT**

None

**7.5 TRADE UNION**

None

**8. NOT FOR PUBLICATION DOCUMENTS**

None

**9. RECOMMENDATIONS**

It is recommended that JAG note the report.

**10. APPENDICES**

Appendix A – CEM Pensions Administration Benchmarking Report

**11. BACKGROUND DOCUMENTS**

None