

Report of the Managing Director, West Yorkshire Pension Fund to the meeting of Local Pension Board to be held on 21 March 2023.

AG

Subject: Pensions Administration

Summary statement:

This report gives an update on West Yorkshire Pension Fund's (WYPF) pensions administration activities for the period 1 October 2022 to 31 December 2022.

EQUALITY & DIVERSITY:

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

Euan Miller
Managing Director

Portfolio: Leader of Council & 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 October 2022 to 31 December 2022.

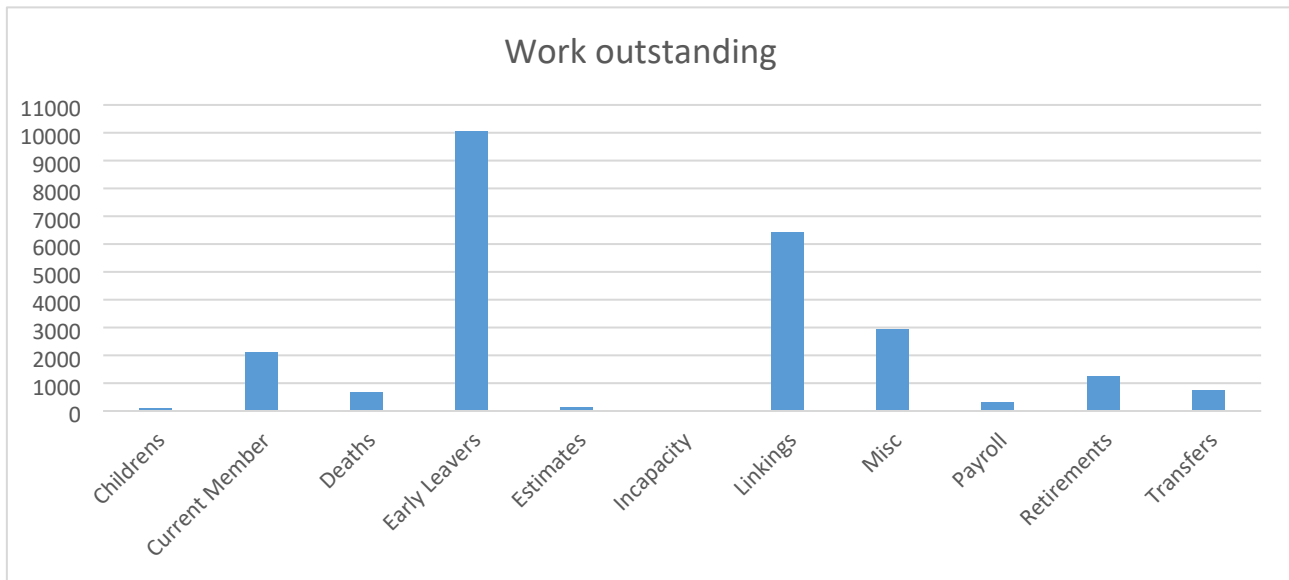
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIMUM TARGET PERCENT	TARGET MET PERCENT
AVC In-house (General)	144	20	143	85	99.31
Change of Address	804	20	778	85	96.77
Change of Bank Details	331	20	324	85	97.89
Death Grant to Set Up	174	10	156	85	89.66
Death In Retirement	647	10	590	85	91.19
Death In Service	22	10	14	85	63.64
Death on Deferred	41	10	38	85	92.68
Deferred Benefits Into Payment Actual	822	5	811	90	98.66
Deferred Benefits Into Payment Quote	1187	35	857	85	72.2
Deferred Benefits Set Up on Leaving	1865	20	1756	85	94.16
Dependant Pension To Set Up	292	5	222	90	76.03
Divorce Quote	111	40	111	85	100
Divorce Settlement Pension Sharing order Implemented	7	80	7	100	100
DWP request for Information	3	20	2	85	66.67
Estimates for Deferred Benefits into Payment	14	10	11	90	78.57
General Payroll Changes	490	20	486	85	99.18
Interfund Linking In Actual	36	35	32	85	88.89
Interfund Linking In Quote	133	35	49	85	36.84
Interfund Out Actual	334	35	216	85	64.67
Interfund Out Quote	334	35	277	85	82.93
Monthly Posting	1222	10	1174	95	96.07
NI adjustment to Pension at State Pension Age	47	20	42	85	89.36
Pension Estimate	664	10	570	90	85.84

Pension Saving Statement	3	20	3	100	100
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIMUM TARGET PERCENT	TARGET MET PERCENT
Phone Call Received	6371	3	6191	95	97.17
Refund Actual	590	10	587	90	99.49
Refund Quote	1093	35	934	85	85.45
Retirement Actual	728	10	727	90	99.86
Transfer In Actual	85	35	79	85	92.94
Transfer In Quote	168	35	168	85	100
Transfer Out Payment	55	35	49	85	89.09
Transfer Out Quote	431	35	416	85	96.52
Update Member Details	6667	20	6603	100	99.04

Reasons for underperforming KPI's:

Work type	Reason
Death in service	Delays in getting information from beneficiaries.
Deferred Benefits into payment quote	Quotes for date of retirement within 3 months treated as a priority.
Dependant Pension To Set Up	Delays in getting information from beneficiaries.
DWP request for Information	One case not met.
Estimates for Deferred Benefits into payment	Estimates requests received with a date of retirement within 3 months were prioritised.
Interfund Linking in Quote	Historic cases being processed 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.
Interfund Out Actual	Historic cases being processed 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 interfunds out.
Interfund Out Quote	Historic cases being processed 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 interfunds out.
Pension Estimate	Estimates prioritised in date order. Those with future dates not accurately reported. Also some estimates were more complicated and took longer to do.

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 503,182. 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	139	3	136
Total	406	4	402

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 October to December, we received **6** online customer responses.

Over the October to December **606** sample survey letters were sent out and **65 (10.8%)** returned:

Overall Customer Satisfaction Score:

January to March 2022	April to June 2022	July to September 2022	October to December 2022
84%	96.3%	93.2%	96.9%

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	6		
		1 Upheld	1 Distribution of death grant
		5 Turned down	1 Distribution of death grant 1 Calculation of pension benefits 1 Lack of information on tier 3 ill health retirement 1 Due date for payment of deferred benefits 1 Deduction of tax from refund of contributions
STAGE 2	5		

AGAINST EMPLOYER	4	3 Turned down	1 Not entitled to ill health retirement 1 Time limit not extended to allow transfer in 1 Tier 3 ill health review decision
		1 Referred back to employer to reconsider	1 Not entitled to ill health retirement
AGAINST WYPF	1	1 Turned down	1 Allowed to transfer out

6.0 Administration Update

6.1 Employer Discretions

We continue to chase employers who we do not hold a discretions policy for, new policies have been coming in but there are still around 300 employers who we do not hold a policy for. We will continue to work on this to reduce this number.

6.2 Annual employer meetings

Annual employer meeting for LPF took place online on 21/02/2023.
Annual employer meeting for LBH will be an in person event and will take place on 15/03/2023.

6.3 Employer Support

Our next season of employer training is well underway and focuses on preparing employers for year end.

Training timetable can be seen below:

	TUESDAY 10:00	THURSDAY 14:00
Authorised contacts and your-end responsibilities	17/01/2023	23/02/2023
Completing your March return: steps to success	23/01/2023	02/03/2023
Understanding CPP (pay for CARE pension)	31/01/2023	09/03/2023
Understanding Final Pay	07/02/2023	16/03/2023
Understanding Assumed Pensionable Pay	14/02/2023	23/03/2023

6.4 Recruitment

Recruitment to staffing in our pensions administration teams is ongoing. Currently adverts are out for a Member Services Manager, Senior Pensions Officers, Investment Manager (Private Equity Funds) and Investment Manager (Property and Infrastructure). Due to the retirement of the Treasury Manager a replacement has been appointed as well as an appointment of an investment analyst on the Overseas Investment team.

7.0 Staffing

- 7.1 WYPF headcount is 207 (195 full time equivalent staff) with an average age of 45.6, compared to the Council's average age of 46.8 (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 28 new starters during the last 12 months (see Appendix 5)
- 7.4 There were 12 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	44,392	40.35%
Deferred	23,431	26.68%
Pensioner	37,566	35.10%

9.0 Awards

IT is very pleasing to report that WYPF won the Good Governance Award at the LAPF Investment Awards in December.

WYPF have also been shortlisted by Pensions Age under the following categories:

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

Winners will be announced at a ceremony in London on 21 March 2023.

10.0 CONCLUSION

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

11.0 OTHER CONSIDERATIONS

None

12.0 FINANCIAL & RESOURCE APPRAISAL

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

13.0 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

14.0 LEGAL APPRAISAL

Not applicable.

15.0 OTHER IMPLICATIONS

15.1 SUSTAINABILITY IMPLICATIONS

None

15.2 GREENHOUSE GAS EMISSIONS IMPACTS

None

15.3 COMMUNITY SAFETY IMPLICATIONS

None

15.4 HUMAN RIGHTS ACT

None.

15.5 TRADE UNION

None

16.0 NOT FOR PUBLICATION DOCUMENTS

None

17.0 OPTIONS

None.

18.0. RECOMMENDATIONS

It is recommended that the report be noted.

19.0 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