

Report of the Managing Director, West Yorkshire Pension Fund to the meeting of Joint Advisory Group to be held on 27 July 2023.

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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 January 2023 to 30 June 2023.

EQUALITY & DIVERSITY:

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

Mr Euan Miller
Managing 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, 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 January 2023 to 30 June 2023.

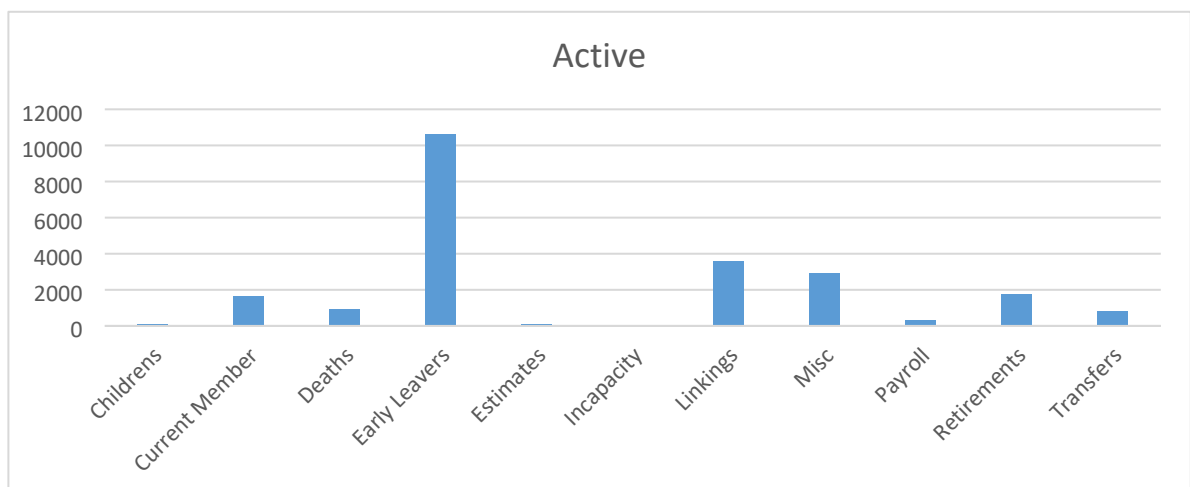
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIMUM TARGET PERCENT	TARGET MET PERCENT
Transfer In Quote	481	35	481	85	100
Transfer In Actual	298	35	275	85	92.28
Divorce Settlement Pension Sharing order Implemented	14	80	14	100	100
Deferred Benefits Set Up on Leaving	5603	20	4413	85	78.76
Refund Quote	4026	35	3792	85	94.19
Refund Actual	2309	10	2284	90	98.92
Transfer Out Payment	158	35	135	85	85.44
Pension Estimate	1777	10	1719	90	96.74
Retirement Actual	1994	10	1982	90	99.4
Deferred Benefits Into Payment Actual	2449	10	2429	90	99.18
AVC In-house (General)	605	20	585	85	96.69
Deferred Benefits Into Payment Quote	3197	35	2435	85	76.17
Transfer Out Quote	1186	35	1118	85	94.27
Monthly Posting	5546	10	4953	95	89.31
Divorce Quote	303	40	269	85	88.78
Change of Address	3083	20	3020	85	97.96
Change of Bank Details	1159	20	1131	85	97.58
General Payroll Changes	1851	20	1845	85	99.68
Age 55 Increase to Pension	11	20	11	85	100.00
NI adjustment to Pension at State Pension Age	104	20	104	85	100.00
DWP request for Information	18	20	17	85	94.44
Death Grant to Set Up	430	10	395	85	91.86
Death In Retirement	2390	10	2090	85	87.45
Death In Service	63	10	42	85	66.67

Death on Deferred	115	10	89	85	77.39
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIMUM TARGET PERCENT	TARGET MET PERCENT
Estimates for Deferred Benefits into Payment	45	10	40	90	88.89
Update Member Details	9037	20	8951	100	99.05
Pension Saving Statement	16	20	16	100	100
Dependant Pension To Set Up	908	5	687	90	75.66
Phone Call Received	23145	3	22725	95	98.19
Interfund Out Quote	824	35	710	85	86.17
Interfund Linking In Quote	951	35	512	85	53.84
Interfund Out Actual	824	35	631	85	76.58
Interfund Linking In Actual	460	35	395	85	85.87

Reasons for underperforming KPI's:

1. **Deferred Benefits set up on leaving** - High volume of cases to process, exacerbated as scheme employers provide data for the Triennial valuation, and this includes Deferred Benefits Set Up on leaving.
2. **Deferred Benefits into payment quote** – High volume of cases received.
3. **Monthly Postings** – New staff undertaking training.
4. **Death in Service** - New staff undertaking training.
5. **Death on Deferred** - New staff undertaking training.
6. **Estimates for Deferred Benefits into payment** - Estimates requests more than 3 months into the future.
7. **Dependant Pension to set up** - Higher than normal volume.
8. **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.
9. **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 interfunnds out.

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 3 July 2023 was 503,321.
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
Scheme	275	1	274
Admission	148	8	140
Total	423	9	414

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 July to September is shown:

Appendix B - WYPF

Appendix C – Lincolnshire Pension Fund

Appendix D – London Borough of Hounslow Pension Fund

Appendix E – Barnet Pension Fund

5.0 Internal Disputes Resolution Procedures

- 5.1 All occupational pension schemes are required to operate an IDRPs. 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 Managing 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 1.1.23 to 30.6.23 is shown below:

West Yorkshire Pension Fund

	Number of Determinations	Outcomes	Type
STAGE 1	7		
		2 Upheld	1 Delays in dealing with previous membership. 1 Delays in calculating pension entitlement.
		5 Turned down	2 Distribution of death grant. 1 Delays in dealing with interfund in. 1 Delays calculating pension estimate (SW AVCs). 1 Delays in dealing with transfer in.
STAGE 2	1		
AGAINST EMPLOYER	0		
AGAINST WYPF	1	1 Turned down	1 Not allowed to backdate payment of deferred benefits.

Lincolnshire Pension Fund

	Number of Determinations	Outcomes	Type
STAGE 1	2		
		2 Turned down	1 Delays in payment of spouse's pension and death grant. 1 Not allowed to transfer out.
STAGE 2	3		
AGAINST EMPLOYER	1	1 Turned down	1 Not entitled to ill health retirement.
AGAINST LPF	2	2 Turned down	1 Calculation of deferred benefits. 1 Delays providing retirement quotation.

London Borough of Barnet Pension Fund

	Number of Determinations	Outcomes	Type
STAGE 1	2		
		1 Upheld	Delays and errors in calculating pension entitlements.
		1 Turned down	1 Period not extended to allow transfer in

London Borough of Hounslow Pension Fund

	Number of Determinations	Outcomes	Type
STAGE 1	2		
		2 Turned down	2 Not allowed to defer payment of deferred benefits.
STAGE 2	0		

6.0 Administration Update

6.1 Events

Event	Number
Employer Engagement	
Employer Webcast	19
Employer Training (one to one)	15
Employer Support	36
Employer Forum	3
Member Engagement	
Member Presentation	30
Member Surgeries	3
Serious Ill Health one to one	2

6.2 Engage with your LGPS Pension

A series of online presentations to help members understand their LGPS benefits.

We commenced this programme April 2023 and currently have session's advertised to Sept 2023.

This programme consists of 3 separate sessions detailed below, the sessions are repeated each month at different times of the day to accommodate hard to reach members and to provide members ample opportunity to attend at a time that fits in with their schedule.

- Engage with you LGPS pension - Pre 14 joiners
- Engage with your LGPS pension - Post 14 joiners
- Engage with your LGPS pension – understanding your annual pension statement

Some comments received following recent sessions:

Just right, easy to slot into your day without feeling like you have taken too much time out. Covered a lot and very well explained.

very clear and helpful

Just right length and allowed for a Q and A at the end as well. Clearly presented and explained.

**Employer webcasts
Feedback (Preparing for Year End)**

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

Ten employer webcasts were held between **17 January and 23 March 2023** covering the following topics:

- Authorised contacts and your year-end responsibilities
- Completing your March return: Steps to success
- Understanding CPP (pay for CARE pension)
- Understanding Final pay
- Understanding Assumed Pensionable Pay

**Feedback satisfaction score:
(Average across funds)**

93.10% based on 53 responses

Employer webcasts - Feedback (Clearing your Year End Queries)

Eight employer webcasts were held between **4 May and 20 June 2023** covering the following topics:

- Blocks and Quarantines Part 1
- Blocks and Quarantines Part 2
- Walk through the online leaver form.
- Information needed for HMRC checks.

Feedback satisfaction score:

(Average across funds)

92.29% based on 20 responses.

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

The statements are issued to members electronically via the secure 'MyPension' portal. However, members who have opted to receive a paper copy will be issued one to their home address.

As at 3 July 2023 97% of ABS's and 99.9% of DBS's have been produced for WYPF members who are eligible to receive one.

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

a) WYPF AVC Arrangements

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.

Internal Audit made **4** recommendations for improvement.

b) WYPF Exiting Employers

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.

Internal Audit made **3** recommendations.

6.5 ISO 9001 Internal Quality Audits

The following internal quality audits were completed by WYPF staff:

Retirement Estimates

IT Team Payroll Year End Procedures

Pensioner Services Deaths & Dependants

Periodic Adjustment of Benefits - Diary System and Article IV Increases

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

6.6 ISO 9001 Quality Surveillance

Our external audit was carried out onsite in the Bradford office and remotely for the Lincoln office.

The visit was successful and no non-conformities were raised. The auditor has raised a few observations and improvement opportunities which will be close as soon as possible.

6.7 ISO 270001-2015 Annual Surveillance Audit

An external audit was carried out in line with the ISO Certification against WYPF Management System processes and procedures. The audit objectives were:

- To confirm that the requirements of the management system standard are effectively addressed by the Organisation's Management System in accordance with the Audit Criteria.
- To confirm the ability of the Management System to ensure that the Organisation meets applicable statutory, regulatory and contractual requirements and meets its specified objectives.
- To identify areas for potential improvement of the Management System.

The audit awarded a 'Pass' rating which means that no further action is required by the Organisation.

6.8 Recruitment

A number of appointments have been made to our pensions administration teams with some vacancies still to fill.

6.9 Shared Services Contracts

The contract with Lincolnshire is due to expire. It is pleasing to report that they have decided to keep their administration with us. The new contract will be a 9-year contract with 3 year break clauses. We look forward to continuing working with them.

London Borough of Hounslow have also confirmed that they will be extending their contract with us. This will be for a further 3 year period.

7.0 Staffing

7.1 WYPF headcount is 205 (194 full time equivalent staff) with an average age of 45.8 (Appendix F).

7.2 For the year ending 1 April 2022 the average number of days absence due to sickness is 6.11 per staff member. This compares with the Council average of 14.04 days (Appendix G).

7.3 There were 17 new starters during the last 12 months (Appendix H)

7.4 There were 10 leavers during the last 12 months (see Appendix I).

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	49,744	42.61%
Deferred	25,493	21.84%
Pensioner	41,499	35.55%

9.0 Awards

WYPF have been shortlisted by the LAPF Investment Awards under the following categories:

- LGPS Fund of the Year (Assets over £2.5 Billion)
- Scheme Administration Award

Winners will be announced at a ceremony in London on 14 September 2023.

10.0 OTHER CONSIDERATIONS

None

11.0 FINANCIAL & RESOURCE APPRAISAL

Sufficient budget to ensure adequate resources to deliver contractual obligations.

12.0 RISK MANAGEMENT AND GOVERNANCE ISSUES

Failure to meet contractual obligations to our shared service partners may result in contract termination.

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

Appendix A	Membership Numbers
Appendix B	Customer Survey Results- WYPF
Appendix C	Customer Survey Results - Lincolnshire Pension Fund
Appendix D	Customer Survey Results - London Borough of Hounslow Pension Fund
Appendix E	Customer Survey Results - Barnet Pension Fund
Appendix F	Headcount
Appendix G	Absence Performance
Appendix H	New Starters
Appendix I	Leavers

19.0 BACKGROUND DOCUMENTS

None