

Local Pension Board of the Warwickshire

Pension Fund

26 February 2018

Administration update

Recommendation

That the Local Pension Board of the Warwickshire Pension Fund notes and comments on the report.

1.0 Introduction

1.1 This report seeks to update the Board on a number of different areas relating to the administration of the Warwickshire Pension Fund. Board members are requested to note the report and comment on any areas of interest or concern.

2.0 Matters arising from the meeting of 24 November 2017

2.1 **Breaches Register;** the administration team is finalising a register of breaches detailing late payment of contributions (employee and employer) and late submission of monthly and annual returns.

2.2 **Webpage location;** the team is still experiencing problems with the location of the webpage for the pension fund. The web team for the County Council has taken the view that pensions are a “staff benefit” and had not appreciated that Fund deals with over 180 employers and other stakeholders who require access. We continue to discuss this with the County Council who host the website

2.3 **Staffing figures;** I understand the confusion with how these are portrayed by excluding staff which are shown as working on other areas such as IT, Payroll etc. This is shown this way to illustrate the amount of time spent on these functions but at the end of the day this time is still on the administration of the Fund. For example, we estimate that 1.5 staff is spent on Communications. This is a broad illustration of an officer and others spending time on communicating the provisions of the LGPS to members i.e. the website, annual benefit statements, newsletters, guides, visits to employers, presentations etc.

The baseline figure of 10.6 staff is the number of staff who are literally updating records and providing calculations of benefits and estimates etc.

The member shown as work for other schemes will be the officer who deals with the Firefighter pension schemes and although this is not full-time there will be other support for this function from elsewhere.

Attached at Appendix 1 is an anonymised structure chart.

- 2.4 **Internal Disputes Resolution Procedures;** The cases that are brought to the attention of the Fund remain at around two / three per year. These will be cases that have gone into the IDR process. In addition to these there will be ill-health cases where the member has been unsuccessful with an application for ill-health retirement or disagrees with the level of ill-health awarded. These tend to remain with the employer and are not brought to the attention of the Fund.

There will also be complaints about service provision e.g. delays in providing information or questions about an entitlement which have not gone to IDR.

3.0 Benchmarking

- 3.1 The Fund continues to be a member of the CIPFA pension administration benchmarking club.
- 3.2 Attached at Appendix 2 is a summary report issued by CIPFA.

4.0 New Employers

- 4.1 In accordance with the Fund's Admissions and Terminations policy (which was approved by the Staff and Pensions Committee in June 2017), all prospective employers must submit an application for membership to the Committee for approval.
- 4.2 As indicated at the July meeting, a template application is available for new employers together with (where relevant) a template admission agreement.
- 4.3 Below is a list of employers approved by the Staff and Pensions Committee since July 2017:

- Avon Dassett Parish Council
- Burton Dassett Parish Council
- Heathcote Free School (Community Academy Trust)
- Salford Priors Primary School (Coventry Diocese Academy Trust)
- Burton Green Primary School (Coventry Diocese Academy Trust)
- Leek Wootton All Saints Primary School (Coventry Diocese Academy Trust)

- Quest Academy (MacIntyre Academies)
- Southam College (Stowe Valley Multiple Academy Trust)
- Bishops Itchington Primary School (Stowe Valley Multiple Academy Trust)
- Southam Primary School (Stowe Valley Multiple Academy Trust)
- Stockton Primary School (Stowe Valley Multiple Academy Trust)
- Solihull College
- Brooke School (Unity Multiple Academy Trust)
- Woodlands School (Unity Multiple Academy Trust)
- Educaterers
- Churchill Contract Services
- Vinshires Plumbing and Heating
- Superclean

5.0 Cessations

5.1 The Fund is also dealing with several cessations.

5.2 **Solihull School** is an independent school which is a longstanding member of the Fund backdating to when Solihull was still within the County boundaries (pre 1974). The school has decided to withdraw future accrual to members with the last member leaving in October 2017. The school will pay a capital sum to the Fund to secure pension rights of the former members.

5.3 **Stratford upon Avon College** has merged with a neighbouring college in Solihull. All active, preserved and retired members will be transferred to Solihull College which, is administered by the West Midlands Pension Fund. Although the merger took place on 1 February 2018, the Order issued by the Secretary of State confirming the transfer of pension rights, stipulated that the former active members of Stratford upon Avon College remain in the Warwickshire Fund until April 2018 (see list of new employers above).

The Actuaries for the Warwickshire and West Midlands funds will agree a settlement figure payable by the Warwickshire.

5.4 **Community Admission Bodies** the Fund is currently part way through confidential negotiations with several charities to exit the Fund.

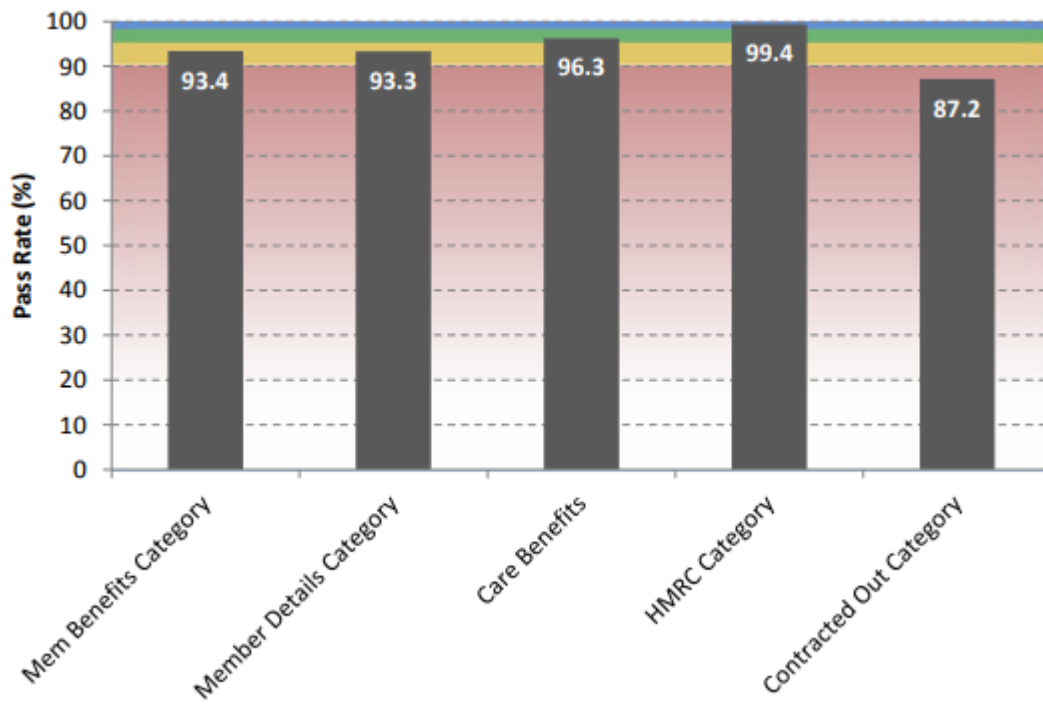
6.0 Data Accuracy

6.1 The Fund is working to meet the requirements set out in The Pensions Regulator's (TPR) Code of Practice 14, by undertaking a compliance review. The results of the Regulator's 2016 governance and administration survey of public service pension schemes highlighted that TPR expect all schemes to undertake an annual data review and put an improvement plan in place (if required). TPR will consider enforcement action where scheme managers fail

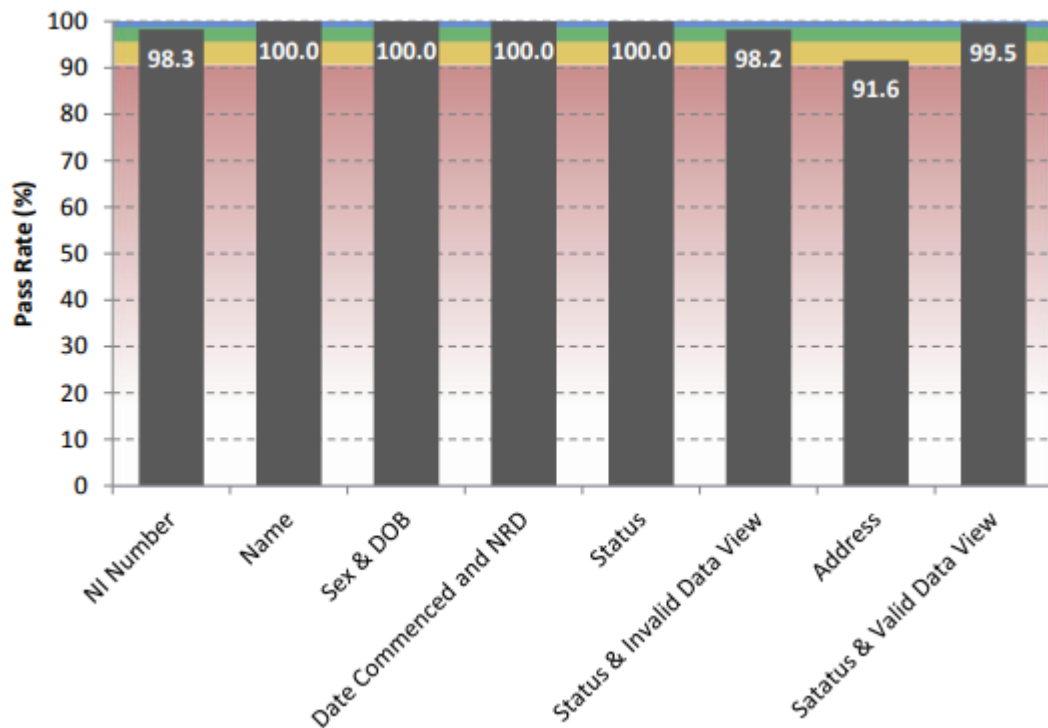
to demonstrate that they are taking appropriate steps to improve their records where gaps had been identified.

- 6.2 To meet the requirements set out by the regulator the Fund has joined with the Fund's Administrator Software Provider to complete a Data Quality Review. The exercise has provided a detailed report on the quality of the Funds data and benchmarked against TPR common and conditional data guidelines. It has also provided a suggested high level correction plan.
- 6.3 The review is now completed and the Fund has been provided with the results. As part of the exercise, two data review reports were run; a common data report and a conditional data report. The specific targets set for data deemed as 'common' are set by the Pensions Regulator. The Pensions Regulator also outlines the targets for the 'conditional' data but does not set prescriptive targets as the data is deemed to be scheme-specific. The Summary of both conditional and common data reviews can be found below.

Summary of Conditional Data Results. The graph below shows the Fund's performance against each data category looked at as part of the conditional data review. The results presented are generated from data extracted from the Fund records in November 2017.



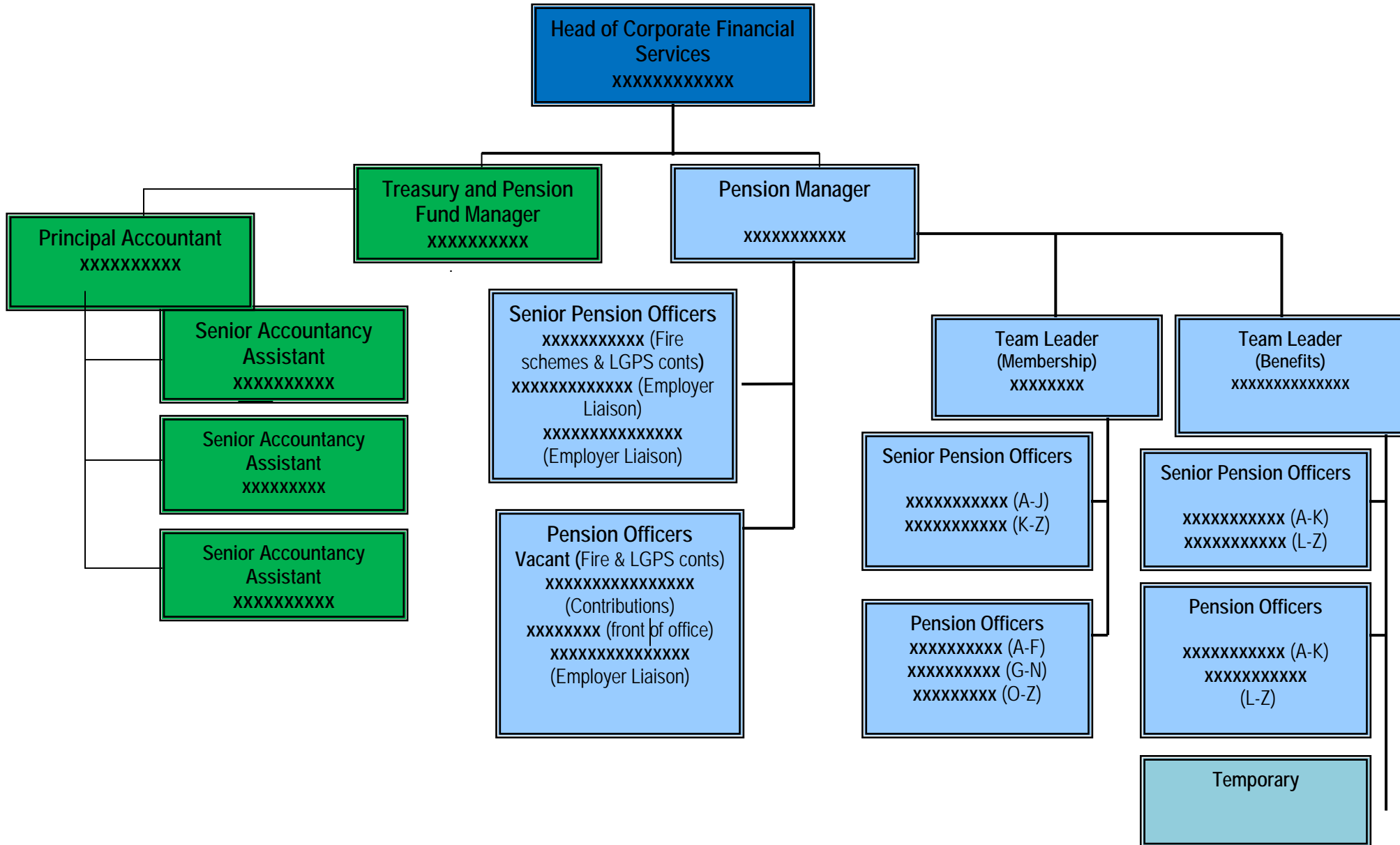
Summary of Common Data Results. The graph below shows the Fund’s performance against each data category looked at as part of the common data review. The results presented are generated from data extracted from the Fund records in November 2017. TPR have set targets of 100% accuracy for data created after June 2010 and 95% accuracy for data created before this date. The review the Fund undertook measured data as a whole as updates for many members are continuous and alter the last updated date on the system.



The results from both the common and conditional data reviews are currently being analysed and a data improvement plan will be put in place which will be reported to members at a future Board meeting.

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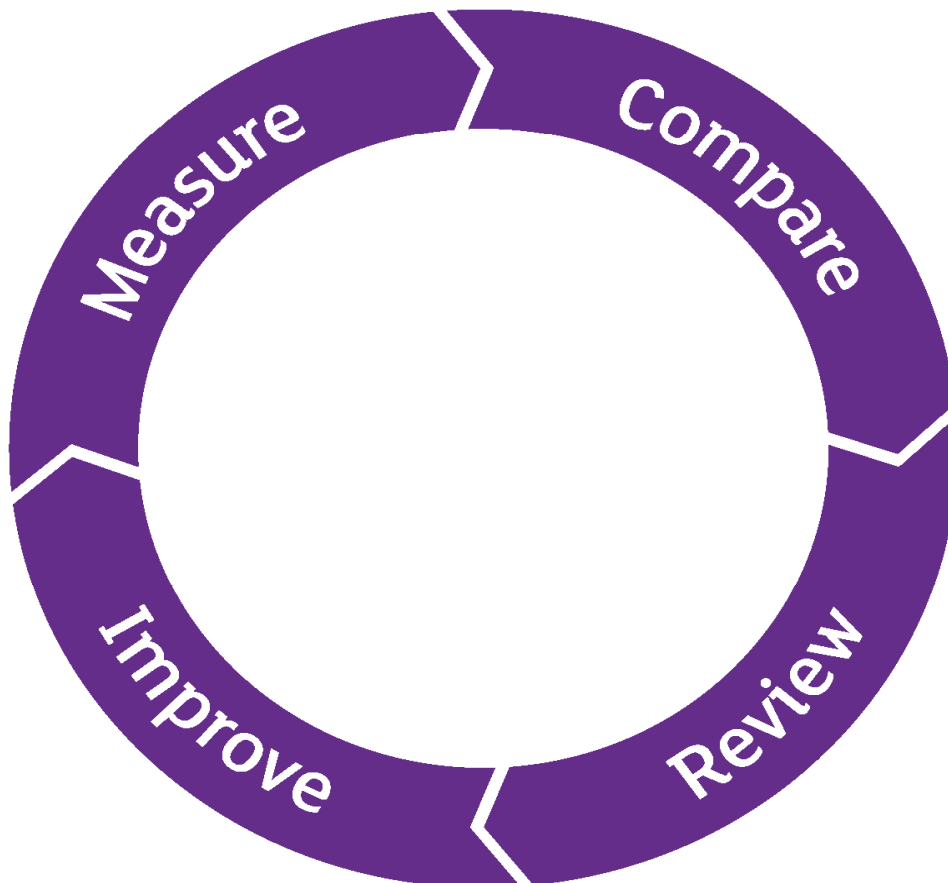
RESOURCES DIRECTORATE
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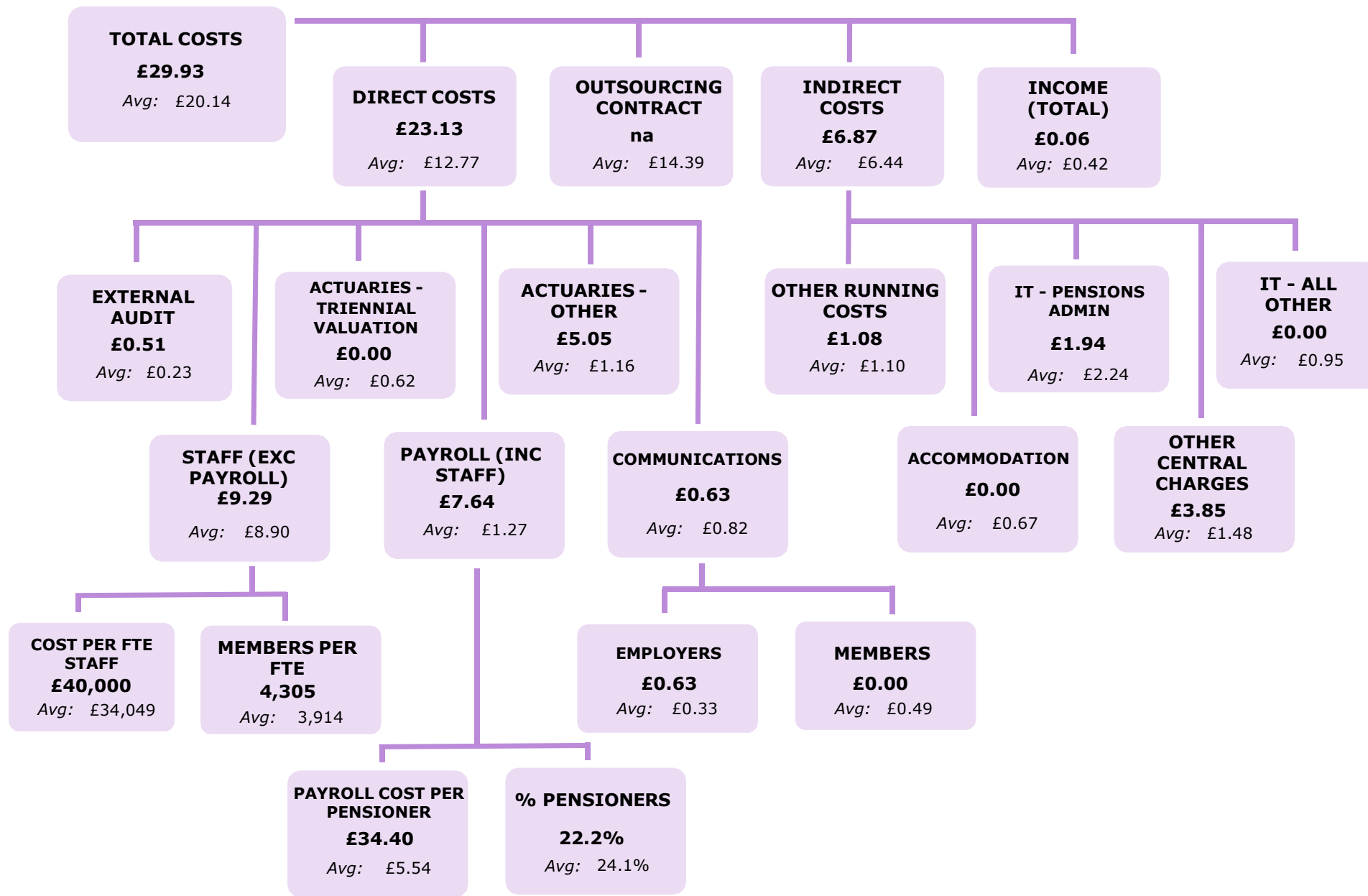
Analytics & Research

pensions administration benchmarking club

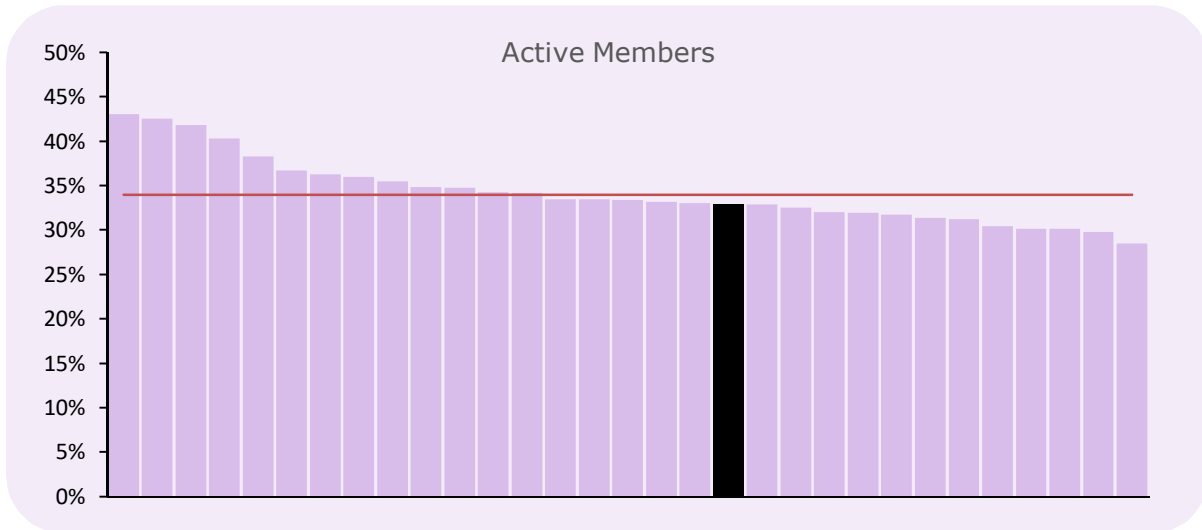
2017 - Warwickshire Executive Summary



Cost Analysis per Member

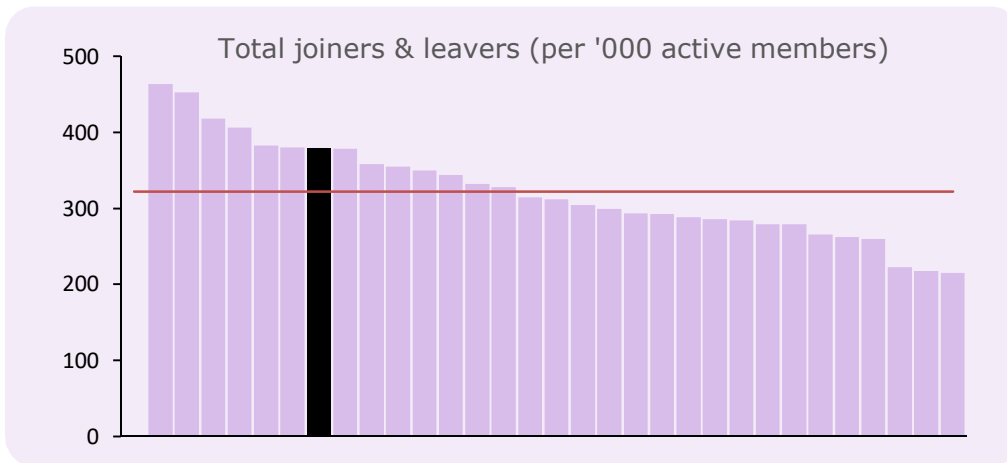


WORKLOAD MEASURES

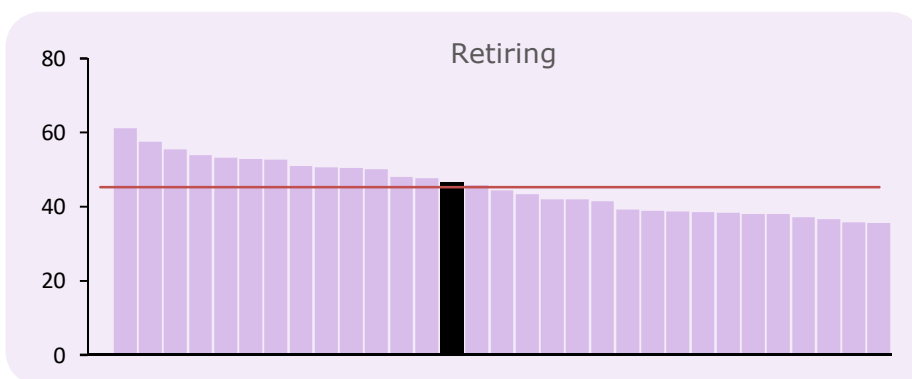


| Composition of members at 31/03/2017 | Number | % | Avg No. | Avg % |
|--------------------------------------|---------------|--------------|----------------|--------------|
| <u>Active:</u> | | | | |
| Full-time | 5,569 | 11.3% | 20,294 | 14.3% |
| Part-time | 10,578 | 21.6% | 21,131 | 19.6% |
| No. of Elected Members | 17 | 0.0% | 22 | 0.0% |
| Active sub-total | 16,164 | 32.9% | 40,126 | 34.0% |
| <u>Deferred:</u> | | | | |
| Staff | 17,011 | 34.7% | 35,851 | 31.7% |
| Elected Members | 38 | 0.1% | 40 | 0.0% |
| Pensioners | 10,902 | 22.2% | 28,488 | 24.1% |
| Dependants | 1,577 | 3.2% | 4,565 | 3.9% |
| Frozen refunds | 2,502 | 5.1% | 3,910 | 3.4% |
| Leavers unprocessed/in progress | 884 | 1.8% | 3,318 | 3.1% |
| Total | 49,078 | | 116,296 | |

WORKLOAD MEASURES



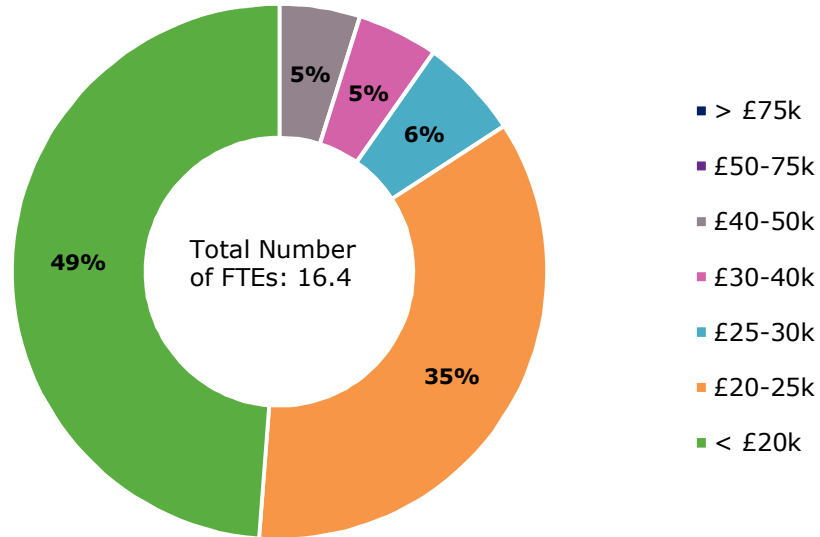
| Joiners & Leavers | Number | '000 | Average |
|-------------------|--------------|------------|------------|
| Joining | 3,208 | 198 | 180 |
| Retiring | 752 | 47 | 45 |
| Deaths | 289 | 18 | 25 |
| Transferred out | 136 | 8 | 6 |
| Deferred | 1,059 | 66 | 53 |
| Opted out | 669 | 41 | 19 |
| Total | 6,113 | 378 | 322 |



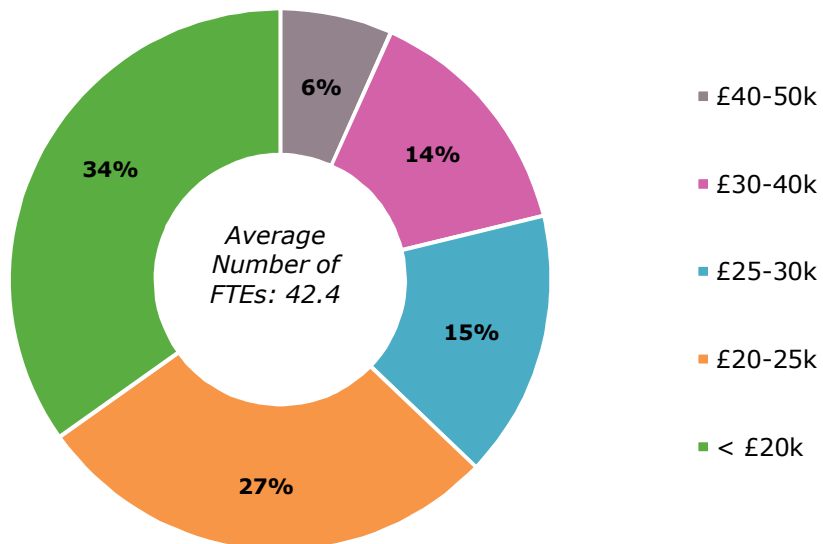
| Retirements | Number | '000 | Average |
|-------------------------|------------|------|---------|
| Incapacity | 33 | 4% | 4% |
| NRD | 38 | 5% | 20% |
| Pre-NRD | 452 | 60% | 45% |
| Post-NRD | 97 | 13% | 13% |
| Redundancy / efficiency | 84 | 11% | 15% |
| Flexible | 48 | 6% | 3% |
| Total | 752 | | |

STAFFING AND PROFESSIONAL EXPERIENCE

Warwickshire FTEs



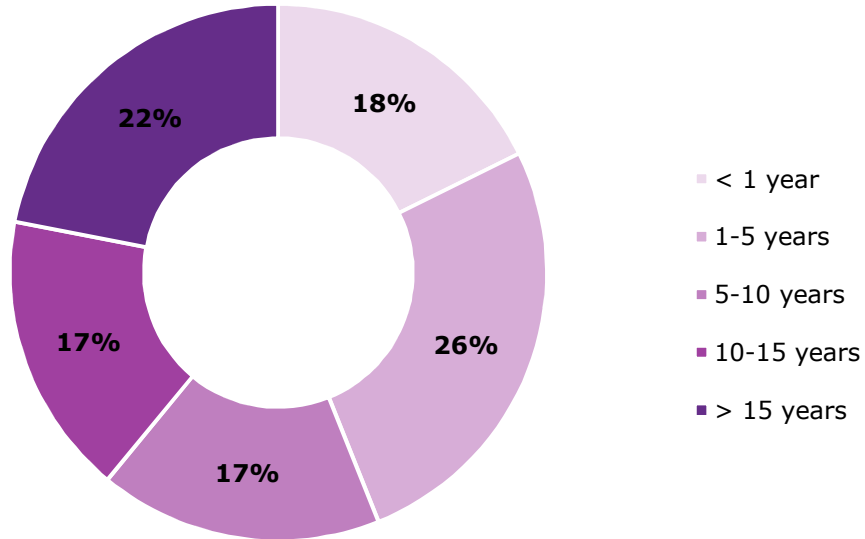
Average FTEs



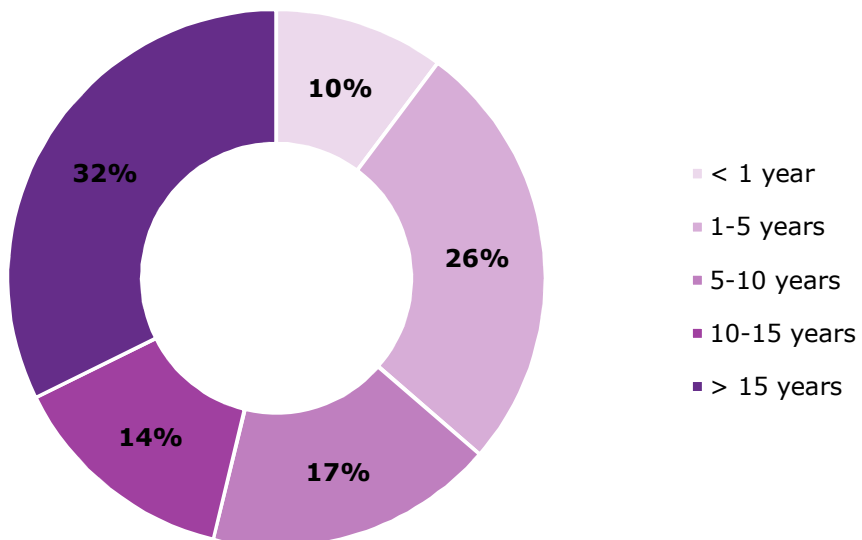
For local authorities with percentages less than 3%, these will not be shown on the graphs above.

STAFFING AND PROFESSIONAL EXPERIENCE

Warwickshire Pensions Experience



Pensions Average Experience



For local authorities with percentages less than 3%, these will not be shown on the graphs above.

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We also provide other Pensions related services through CIPFAstats and TISonline.

To learn more about other benchmarking clubs in areas such as Adult Social Care and Children's Services, or to see our Value for Money indicator stream, please see our website:

www.cipfa.org/services/benchmarking

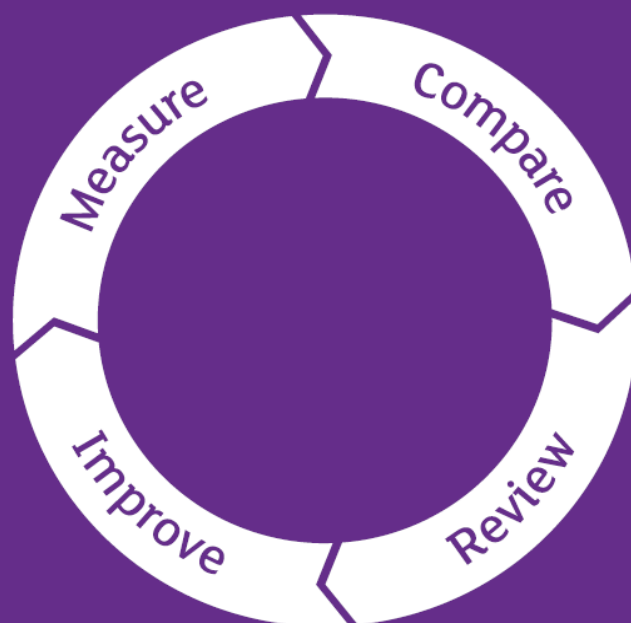
Contact us

To find out more about our other Corporate Services Benchmarking Clubs please visit our website:

www.cipfa.org/corporateservices

For more information about how CIPFA Benchmarking can help your organisation or to sign up today contact:

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