

# Warwickshire Local Pension Board

31 January 2023

## Pensions Administration Activity and Performance update

### Recommendation

That the Warwickshire Local Pension Board (The Board) notes and comments on the report.

#### 1. Executive Summary

- 1.1 This report updates the Board on the key developments affecting pensions administration and the performance of the Pensions Administration Service (PAS).

#### 2. Financial Implications.

- 2.1 All financial implications are dealt with in the body of this report.

#### 3. Environmental Implications

- 3.1 None.

#### 4. Member Self Service - MSS

- 4.1 We continue to promote the use of MSS with our pension scheme membership and currently have 8,192 (27%) of eligible members signed up to use the online facility. This is up 3% from the last time we reported to the Board.
- 4.2 We are about to commence a project to contact our Pensioner members to introduce the facility to them. Pensioners will be able to see the current value of their pension in payment and update their personal details. The updates to personal details such as address, and email contact will then be downloaded from the Altair administration system and uploaded into the payroll system so that the member only has to do one update for both systems. This will also ensure both systems match.

- 4.3 We have been informing Pensioners that the removal of paper payslips will happen on 30 May 2023. This date has been chosen as it is the first month pensioners will receive a full month of pensions increase due from 10<sup>th</sup> April 2023. The amount paid in this month is generally what should be paid for the rest of the financial year, unless there are any tax code changes or other changes for which we would write and confirm with the member. It is hoped that by introducing MSS to Pensioners, they will be encouraged to sign up so that we then have an email address to which their e-payslip can be sent out. E-payslips are password protected.
- 4.4 We will use the following platforms to promote the service: Working for Warwickshire, digital newsletter, Employer newsletter, banner on team members' email signature and individual member correspondence by letter, email, or telephone. We aim to analyse the sign up to MSS and identify any gaps where we can target promotion and encourage members to sign up if they haven't already.

## 5. Key Performance Indicators (KPIs)

- 5.1 Appendix 1 shows the KPI performance for the period 1 April 2022 to 31 December 2022. The KPIs and target timescales are listed in Appendix 2. 8 out of 14 KPIs are meeting their target and the remaining 6 have all seen improvements in the total number of cases being completed within the KPI deadline., There is only 1 KPI which is below 85%.
- 5.2 The Chair of the Board noted at the last meeting that the PAS should pay particular attention to the KPI relating to providing information and payment to dependants following the death of a member. The team have reviewed this and have redesigned the workflow procedure. Previously the procedure incorporated two different processes: money due to the estate/overpayment of member pension, and creation of dependant benefits. Very often the processing of money due to the Estate involves waiting for Probate which can take several weeks. However, this process does not have to be completed before a dependant's pensions can be set up and paid. Two separate procedures have now been created to reflect the split of these two processes.
- 5.3 For KPIs that are not being achieved:

### ***KPI 1 - Letter detailing transfer in quote***

A review of the process for these tasks has been undertaken and a redesign is being implemented. This should help to improve the percentage of cases processed with the KPI timescale

### ***KPI 2 - Letter detailing transfer out quote***

This KPI is at 87.93% and the PAS will continue to work to bring this up to the 95% target.

***KPI 3 - Process and pay a refund***

This KPI has increased to 90.96% this year from 87.93% last year and work continues in order to improve performance.

***KPI 4 - Letter notifying estimate of retirement benefits (Active)***

With the implementation of MSS more members are now processing quotations themselves. This is creating queries that the PAS is dealing with. One member of the team is currently seconded to the McCloud project leaving a temporary vacancy and therefore slightly reduced capacity to process estimates. Workload is being monitored and managed in order to increase the number of cases processed on time.

***KPI 8 & 9 - Initial letter notifying death of a member***

The team has been reminded on the importance of covering colleagues' work as this KPI requires the shortest turnaround time.

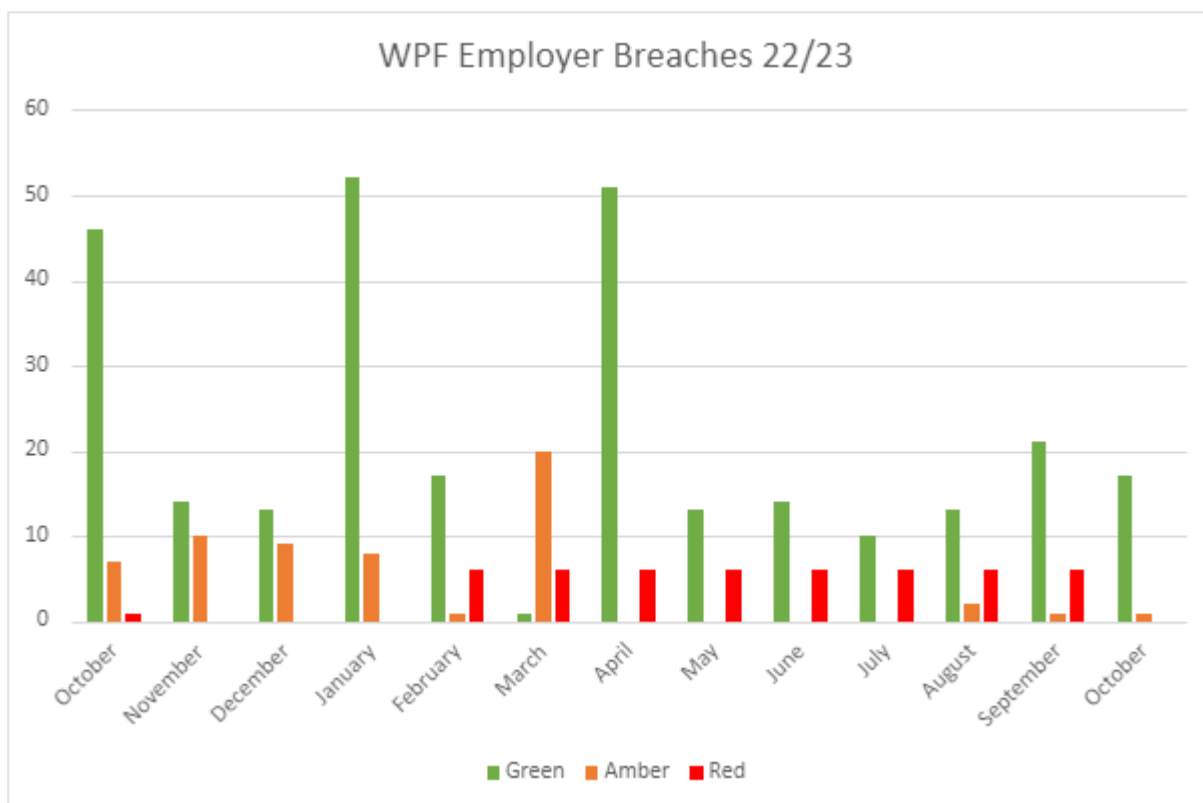
- 5.4 A redesign of the workflow processes used for both these KPIs has been implemented and it is anticipated that there will be an improvement on the KPIs in the coming months.

**6. Workloads**

- 6.1 The PAS continues to monitor work being received by the team and ensure we have the resources to manage the work.
- 6.2 Appendix 3 shows on a monthly basis, the amount of work received, and the amount of work being completed.

**7. Breaches**

- 7.1 In accordance with the Fund's Breaches Policy, any amber breach results in direct contact with the employer responsible to resolve the issue. If this does not result in the necessary action required, further escalation can be used.
- 7.2 The table below indicates the number of breaches the Fund has recorded for the period 1<sup>st</sup> April 2022 to 30 November 2022:



7.3 The red breaches relating to one Multi Academy Trust with 6 schools have now been resolved and removed from the breaches list.

7.4 It is worth noting that the greatest number of employers in the fund are Academies. In respect of these employers, we have noticed that green breaches tend to increase at the beginning of a new term, January, April (new financial year) and September/October. These are extremely busy times for schools. However, it is pleasing to see that the number of green breaches due to late returns in September/October 2022 was significantly lower than the previous year, which can be attributed to the implementation of i-Connect for electronic submissions.

7.5 We are also noticing that if an employer changes payroll provider, this can create a gap in the submission of data via i-Connect. This can be because priority is given to making sure employees get paid. We have included an article in the Fund's monthly employer newsletter to highlight the need to make sure that in any payroll specification, attention is given to the need to provide information to the Fund, and that this must be achieved from the Go Live date with the new payroll provider.

## **8. Valuation**

- 8.1 All rates and adjustment draft certificates were shared with employers in November and the Fund has received minimal queries. The new rates are applicable from 1<sup>st</sup> April 2023.
- 8.2 A number of the precepting employers may choose to use the pre-payment option and pay contributions up-front.

## **9. Internal Dispute Resolution Procedure (IDRP)**

- 9.1 The Fund has no outstanding IDRP cases.
- 9.2 Earlier in the year, we received two stage 1 cases relating to members who had transferred their Local Government Pension Scheme benefit to another pension provider. Both cases were deemed to be outside of the 6-month window to raise an IDRP, and one has since been referred to the Pensions Ombudsman.

## **10. Pensioner Payroll Key Performance Indicators**

- 10.1 Pensioner payroll for Warwickshire Pension Fund is administered by Warwickshire County Council payroll team.
- 10.2 The payroll team administers 39 payrolls for internal and external services.
- 10.3 Each month there are 39,000 payments made, of which 14,398 are for pensioners in the Warwickshire Pension Fund. This equates to 37%.
- 10.4 The PAS and payroll teams meet on a quarterly basis to discuss issues regarding the service provided. The main focus of these meetings is the supply of data for active members of the fund. However, a standing agenda item has now been added for the service's KPIs for the pensioner payroll. We have also requested that there is a dedicated pensioner option for members who want to provide feedback about the service, so that pensioner comments can be identified and addressed specifically.
- 10.5 The PAS receive very few queries or complaints from pensioners regarding the payment of their pension, but we continue to monitor this and will raise any issues directly with the payroll team as and when they occur.
- 10.6 The table below provides information on the pensioner payroll service KPIs, priority is given to ensuring payments are made by the agreed payment dates. Please note the customer care indicator is only recorded for formal complaints.

Indicator	Description	Measure	Q1	Q2	Q3	Q4
Customer Care	We will respond to any queries about service delivery within 5 days. (Formal complaints)	95% of queries will be responded to within 5 days.	NIL	NIL		
Accuracy	Paying people accurately.	99% of all requested staff payments will be paid accurately.	100%	100%		
Assurance	Paying people on time.	100% of input submitted onto Your HR before deadline will be paid on the relevant scheduled pay day.	100%	100%		
Statutory returns	We will make all statutory returns by the required deadlines.	100% of third party payments and statutory returns will be submitted on or before the deadline.	100%	100%		
Satisfaction with service	We will achieve constantly high levels of customer satisfaction	Traded wide net promoter score will be 8.8 or more.	9.3	9.2		

## 11. Outsourcing – Schools who convert to Academies

- 11.1 When a school outsources a contract, and the contractor is granted admission into Warwickshire Pension Fund, the contractor is not covered by the Department for Education (DFE) guarantee.
- 11.2 The DFE guarantee provides assurance that if an Academy fails, the pension liabilities for the Academy would be covered.
- 11.3 Academies are asked to obtain approval from the Education and Skills Funding Agency (ESFA) if they are looking to outsource a service in all cases and Funds should ask for proof of this when processing a request for such new admissions.
- 11.4 If approval is not obtained, this presents a risk to the Fund for these admissions if they are allowed to join using a passthrough arrangement. If the contractor fails the Academy would pick up the pensions bill, but If the Academy then fails the DFE would not step in to cover the liabilities.
- 11.5 The ESFA is currently reviewing this policy and may look to alter the position due to the fact that certain individuals who were originally employed by the school are not being protected.
- 11.6 The Fund has identified that there are a small number of contractors for which ESFA approval is required and has not been obtained by the Academy. The Fund will be contacting these Academies to request that the approval is

retrospectively requested. The majority of the contracts cover fewer than 10 members of staff. In total we estimate this affects approximately 60 members.

11.7 ESFA approval will be required before allowing a contractor to enter the Fund on a passthrough agreement. If it is not obtained the Fund will assess whether a bespoke arrangement will need to be put in place.

11.8 A communication will be forwarded to all schools/Academy procurement teams to bring this to their attention.

## Appendices

Appendix 1 – Key Performance chart

Appendix 2 – Key Performance indicators

## Background Papers

None

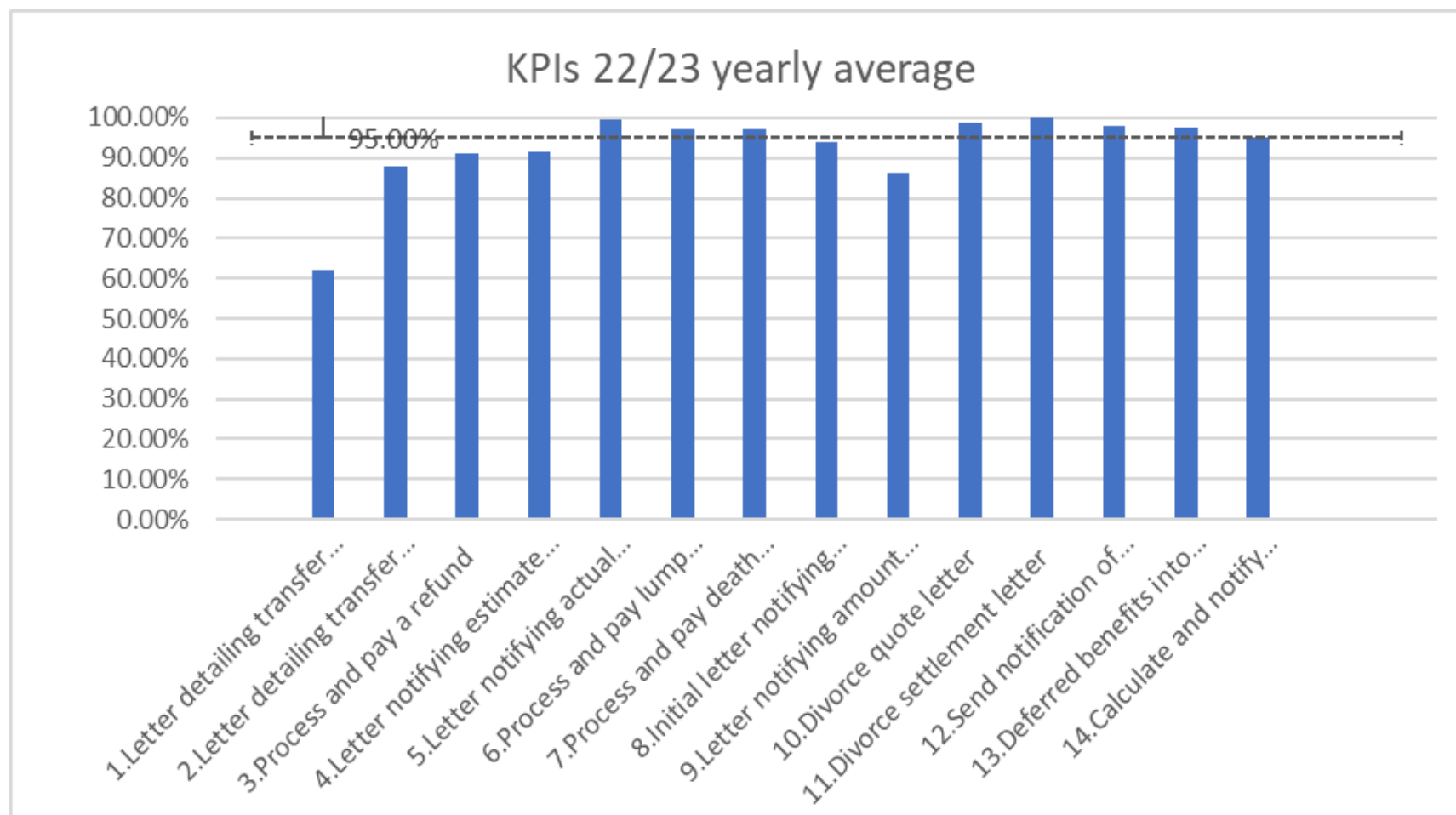
	<b>Name</b>	<b>Contact Information</b>
Report Author	Lisa Eglesfield, Victoria Jenks, Ian Morris, Alistair Wickens	lisaeglesfield@warwickshire.gov.uk, vickyjenks@warwickshire.gov.uk, ianmorris@warwickshire.gov.uk, alistairwickens@warwickshire.gov.uk
Assistant Director	Andrew Felton	andyfelton@warwickshire.gov.uk
Strategic Director	Strategic Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

The report was circulated to the following members prior to publication:

Local Member(s):

Other members: Cllrs Peter Butlin, Bill Gifford and Andy Jenns

## Appendix 1



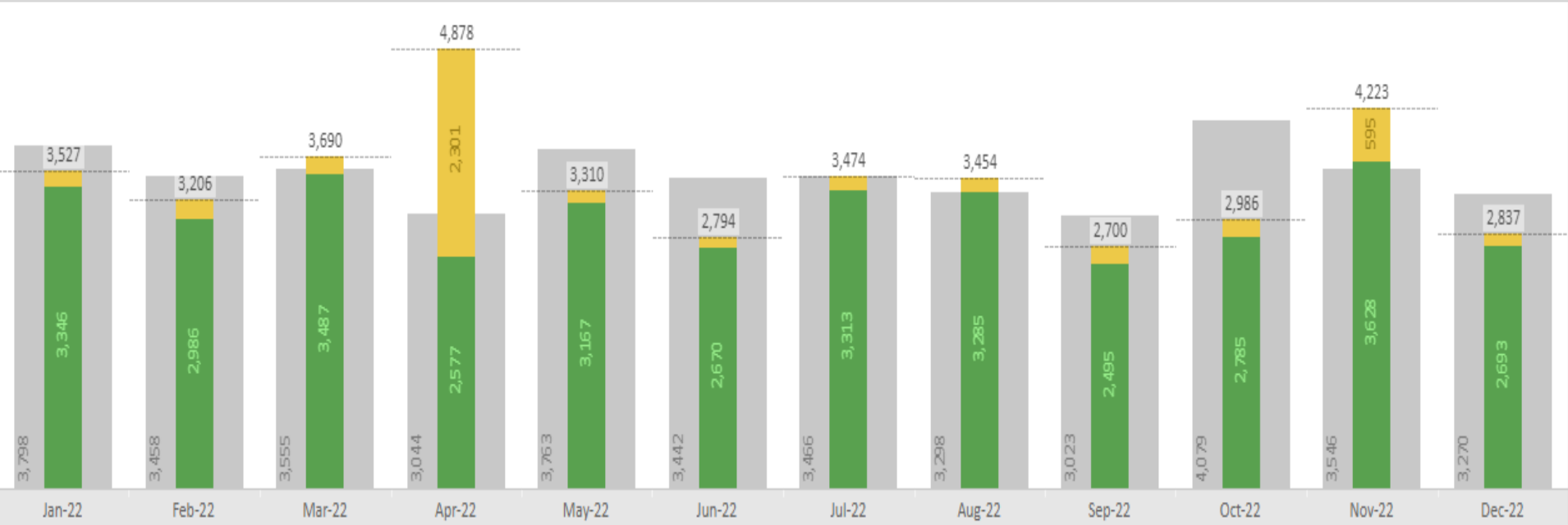


## Appendix 2

<b>Key Performance Indicator</b>	<b>Fund Target</b>
Target performance	95%
1.Letter detailing transfer in quote	10 days
2.Letter detailing transfer out quote	10 days
3.Process and pay a refund	10 days
4.Letter notifying estimate of retirement benefits (Active)	15 days
5.Letter notifying actual retirement benefits (Active)	15 days
6.Process and pay lump sum (Active)	10 days
7.Process and pay death grant	10 Days
8.Initial letter notifying death of a member	5 days
9.Letter notifying amount of dependents benefits	10 days
10.Divorce quote letter	45 days
11.Divorce settlement letter	15 days
12.Send notification of joining scheme to member	40 days
13.Deferred benefits into payment	15 days
14.Calculate and notify deferred benefits.	30 days

Total Cases Opened & Total Closed Per Period

Total closed cases are broken down to show volume completed and volume terminated



■ Total Cases Opened    
 ■ Total Cases Terminated    
 ■ Total Cases Completed