Staff and Pensions Committee

6 March 2023

Pensions Administration Activity and Performance Update

Recommendation

That the Staff and Pensions Committee notes and comments on the content of the report.

1.   Executive Summary

1.1   This report updates the Committee 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 arising directly from the content of this report.

4.   Member Self Service - MSS

4.1   We continue to promote the use of MSS with our pension scheme membership and currently have 27.7% (8479) of eligible members signed up to use the online facility. This is up 0.7% 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 10th 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. If such changes occur, we would write and confirm those 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 January 2023. 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 one KPI which is below 85%. Appendix 2 confirms the timescales within which each KPI must be delivered.

5.2   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. A high volume of deferred benefit casework has impacted on the resource available to process claims in this area.

**KPI 4 - Letter notifying estimate of retirement benefits (Active*)*
We are currently working through the late pay award recalculations. As the April pay award was delayed until November, new enhanced pay figures for previous retirements mean pension must be recalculated. This has increased the workflow and pressure in the short term while this work was completed in

December and January. We now expect to see the time taken for notifying estimates to decrease again accordingly.

KPIs 8 & 9 - Initial letter notifying death of a member and Notification of Dependants Benefits
While the KPIs are currently showing as under 95% both of these are improving due to the recent workflow redesign, and have achieved the 95% target for the last month, so the average will start to increase. We have a team member attending Local Government Association training on Survivor benefits in April which will increase the number of officers trained to work on these queries.

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. For the year we have opened 35430 cases and closed 35051.

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 1st April 2022 to 31 December 2022:
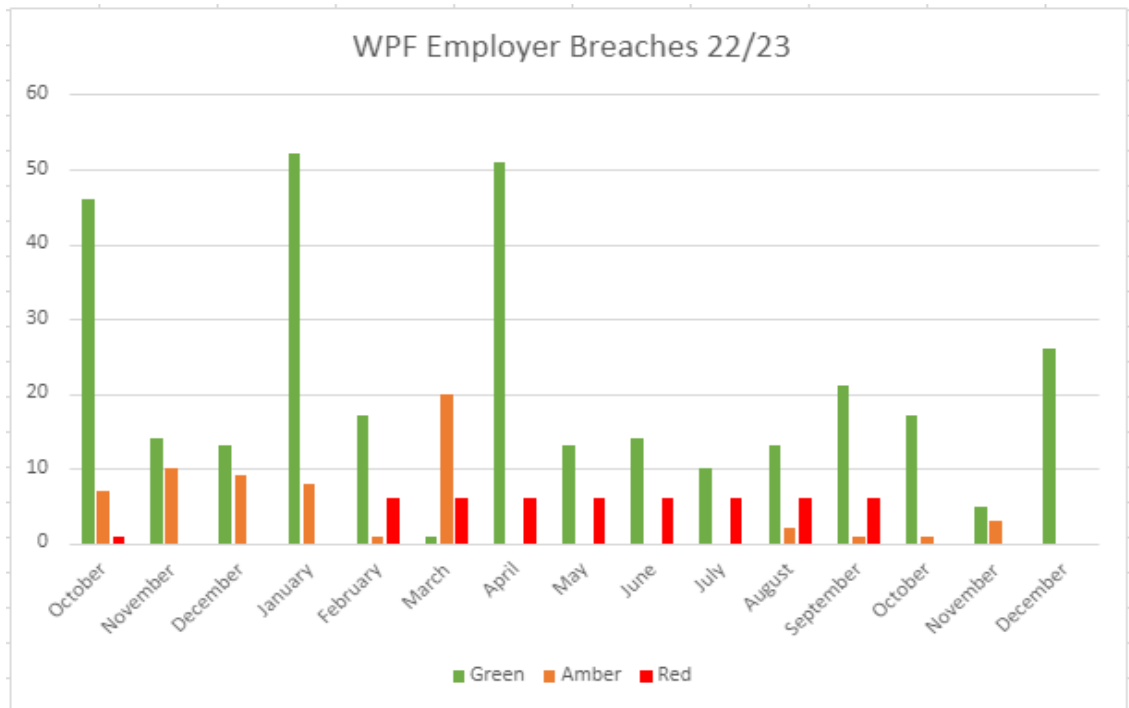
A table depicting the number of breaches per month, these are colour coded

7.3 We are 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 the employer is giving priority 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. A consultation on the Funds Funding Strategy Statement (FSS) was also held.

8.2 The new rates are applicable from 1 April 2023 to 31 March 2026.

8.3 The Fund has been in consultation with two employers regarding their revised rates and their ongoing membership of the fund. Any changes to rates will need to be signed off by the Pension Fund Investment Sub Committee.

9. Internal Dispute Resolution Procedure (IDRP)

9.1 The Fund has no outstanding IDRP cases, which is a positive reflection for the Fund.

10.   Pensioner Payroll Key Performance Indicators

10.1   Pensioner payroll for Warwickshire Pension Fund is administered by Warwickshire County Council's 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 and include a standing agenda item covering the payroll 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 their questions 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.

10.7   Nil indicates no complaints have been received

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. The DFE guarantee provides assurance that if an Academy fails, the pension liabilities for the Academy would be covered.

11.2   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.

11.3   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 then the Academy would pick up the pensions bill, but If the Academy then fails the DFE would not step in to cover the liabilities.

11.4   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.

11.5   The Fund has identified that there are a small number of contractors where ESFA approval is required and this 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.

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

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

12.   Pensions Dashboards

12.1   The Department of Works and Pensions (DWP) are running the Dashboards Programme where all pension schemes will need to be able to connect to Dashboards. This will allow people to see all their pension pots in one place. Local Government Pension Schemes will need to establish their connection to the Dashboard by September 2024. Work has begun on establishing the technical requirement and the potential resource required to prepare for dashboards and support additional information requests that come through from members once the Dashboards go live.

Appendices
Appendix 1 – Key Performance chart
Appendix 2 – Key Performance indicators
Appendix 3 – Workflow chart

Background Papers
None

	Name	Contact Information
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, Assistant Director - Finance	andrewfelton@warwickshire.gov.uk
Strategic Director	Rob Powell, Strategic Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Councillor Peter Butlin, Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

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

Local Member(s): Not applicable
Other members: Cllrs Peter Butlin, Bill Gifford, and Andy Jenns
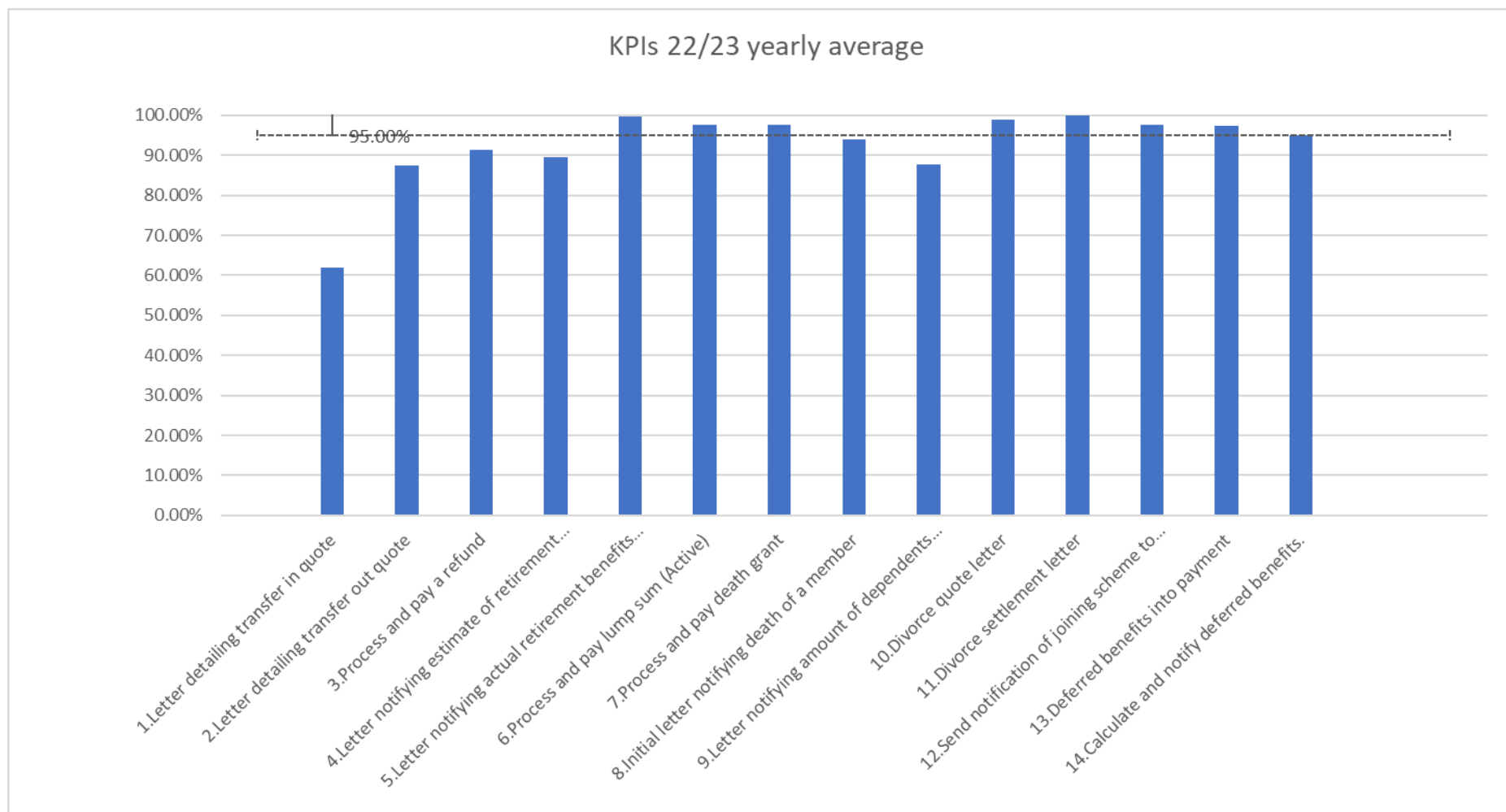
A table that shows the 14 KPIs and the level of achievement marked against a target of 95%

| Key Performance Indicator	Fund Target
Target performance	
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

34,530	30,711	4,340	35,051	-521	101.5%
Cases Opened	Cases Completed	Cases Terminated	Total Closed (Completed + Terminated)	Opened to Closed Variance (**Less** cases were opened than were closed over the period)	Opened to Closed %

Total Cases Opened & Total Closed Per Period

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

Legend: Total Cases Opened (grey) · Total Cases Terminated (yellow) · Total Cases Completed (green)
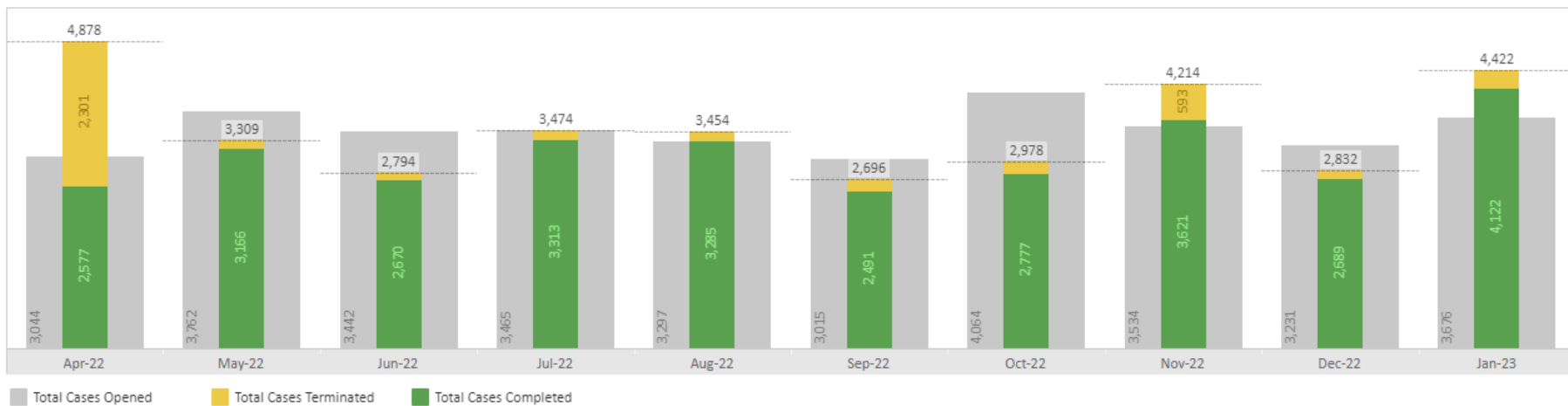
A bar chart that shows the number of workflow cases created and completed per month