

Staff and Pensions Committee

11 September 2023

Pensions Administration Activity and Performance Update

Recommendation

That the 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 The take up of MSS, split by our different types of members is as follows:

Active	5,194	32.4% of active members
Deferred	4,130	23.3% of deferred members
Pensioner	3,871	25.7% of pensioners

This equates to approximately 27% of the total membership.

- 4.4 The Pensions Admin Service (PAS) has begun to look at data regarding the profiles of members using MSS and those that have not yet engaged. From this we will develop a programme for contacting members to promote this facility further. This will include roadshows, where we will visit employers with low take up and encourage members to sign up.

5. E-payslips

- 5.1 June was the first month where we did not issue paper payslips, and as such we anticipated a larger number of queries from pensioners, following pay day.
- 5.2 Both the pensions team and customer contact centre received a lot of queries with regard to the registering for e-payslips, from those that had not already registered, password queries and requests for paper payslips. An FAQ sheet was created and shared with the teams in order to help deal with the queries.
- 5.3 We have received some feedback that for those that cannot access e-payslips, we should consider the need to still communicate with written correspondence. There is an option for members to opt out of digital communications and continue to receive information via post.

6. Key Performance Indicators (KPIs)

- 6.1 Appendix 1 shows the KPI performance for the period 1 April 2023 to 31 July 2023.
- 6.2 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.
- 6.3 For KPI 1 – there has been a delay in processing these cases due to the team having to hold processing while we waited for new transfer factors to be provided by the Government Actuaries Department (GAD).
- 6.4 For context, the table below shows the volume of cases per KPI and the number of cases that were dealt within the KPI target.

Key Performance Indicator	Fund Target	Full Year KPI	Total Cases	Cases on Target
<i>Target performance</i>		95%		
1. Letter detailing transfer in quote	10 days	49%	153	75
2. Letter detailing transfer out quote	10 days	86%	111	95
3. Process and pay a refund	10 days	92%	102	94
4. Letter notifying estimate of retirement benefits (Active)	15 days	89%	102	91
5. Letter notifying actual retirement benefits (Active)	15 days	100%	121	121
6. Process and pay lump sum (Active)	10 days	99%	121	120
7. Process and pay death grant	10 Days	96%	42	40

Key Performance Indicator	Fund Target	Full Year KPI	Total Cases	Cases on Target
8. Initial letter notifying death of a member	5 days	94%	167	157
9. Letter notifying amount of dependents benefits	10 days	82%	47	39
10. Divorce quote letter	45 days	95%	39	37
11. Divorce settlement letter	15 days	100%	0	0
12. Send notification of joining scheme to member	40 days	100%	155	155
13. Deferred benefits into payment	15 days	98%	189	185
14. Calculate and notify deferred benefits.	30 days	96%	488	468

7. Pensioner Payroll Key Performance Indicators

- 7.1 Pensioner payroll for Warwickshire Pension Fund is administered by Warwickshire County Council's payroll team.
- 7.2 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. Nil indicates no complaints have been received.

Measure	Description	Target	Q1 Perform.
Customer Care	Formal complaints will be responded to within 5 days	95%	Nil
Accuracy	Paying Pensioners accurately	99%	99.99%
Assurance	Paying Pensioners on time	100% of input submitted by processing deadline paid on scheduled date	100%
Statutory Returns	Returns completed by the required external deadlines	100%	100%
Satisfaction with Service	Deliver consistently high levels of customer satisfaction	Net promotor score of at least 8.8 from customers	10

8. Workloads

- 8.1 The PAS continues to monitor work being received by the team and ensure we have the resources to manage the workload.

- 8.2 From the 1 January 2023 to 31 July 2023 there have been 22,571 cases created and 21,916 completed, this compares to 24,321 created and 21,392 completed in the same period last year. There are currently 3,733 open cases across the section. This is a normal level of outstanding work for the team, and we are not seeing any backlog of cases being created.
- 8.3 The drop in number of cases created is a net result of the introduction of Member Self Service (MSS) where members of the scheme can now update their details online rather than submitting them through to the team. However, the use of MSS is increasing members awareness on pensions, which is a positive outcome, and so we are seeing an increase in general enquiries.
- 8.4 While we do not currently have a telephony system that records and provides reporting on the number of calls, we are receiving; the team are indicating that more calls are being dealt with.
- 8.5 We are also dealing with a lot more email traffic for both login queries and general questions about information held on the MSS system.
- 8.6 With the introduction of Pension dashboards, we will need to consider how we will resource queries coming into the team as awareness regarding pensions and planning for retirement increases.

9. Breaches

- 9.1 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.
- 9.2 The table below indicates the number of breaches the Fund has recorded for the period 1 April 2023 to 31 June 2023:



- 9.3 A red breach was reported in May relating to a data breach of a third-party provider. This occurred due to a malware attack on software used by the company. A very small number of members (3) were affected, and they were contacted by letter to inform them of this. This was reported to the Pensions Regulator due to the nature of the attack and we await their response to confirm they are happy with the actions taken by the Fund.
- 9.4 The Fund is no longer using the third-party provider due to the switch to e-payslips, so there is no on-going risk of this reoccurring with this supplier.
- 9.5 The amber breaches relate to a multi academy trust, which changed its payroll provider in April, and this has led to a delay in providing information to the Fund. The trust is working with the new payroll provider to deliver a working extract so that data can be sent across, but this is taking longer than we would like. The Trust has been informed that if information is not received soon, it will be reported to the Pensions Regulator.

10. Internal Dispute Resolution Procedure (IDRP)

- 10.1 The Fund has 1 outstanding IDRP case, currently at stage 1.

11. Pensions Dashboards

- 11.1 On 8 June, the Department for Work and Pensions (DWP) issued a [written ministerial statement providing an update on the connection deadline for pensions dashboards](#). The statement explains that the Pensions Dashboard Programme will be unable to meet the connection deadlines set out in the legislation, and the timeline will need to be revised. The new connection deadline is October 2026.
- 11.2 The PAS will continue to look at the work needed to be ready for dashboards, focusing on data quality, our software provider have provided a data readiness report that shows the quality of our data and areas that require improvement.
- 11.3 As part of the dashboard workplan, we will need to consider how to tackle, issues such as 'gone aways' where members have moved and not kept us informed of their change of address, and mortality screening, so that we can reduce the risk of overpayment of pensions and help to track next of kin for members who have not kept in touch. We will also need to consider how we resource the additional queries we will receive once the dashboard goes live.
- 11.4 The introduction of Member Self Service (MSS) has given us an indication as to how many additional queries can be created when members are given access to an online service. Not only do we receive queries regarding a member's pension benefits, we are also having to assist with login queries. The dashboard will create queries for pension providers for members who

have a partial match to data we hold. Therefore, these will have to be investigated to see if the person is a member of the fund. A set timeframe will be given for pension providers to respond to these.

- 11.5 In October of this year, we will also be able to access the LGPS Framework in order to procure the Integrated Service Provider (ISP) The ISP is a service that sits between the PDP Central Digital Architecture and multiple Pension providers. The service accepts Find and View requests from the Central Digital Architecture and returns matching pensions and subsequently, their values and administrative data to scheme members.

12. Annual Benefit Statements (ABS)

- 12.1 The PAS have been working through the summer to produce ABSs for all Active and Deferred members.
- 12.2 A total of 21,187 (100%) statements were produced and published online for deferred members. These were made available to members by 31 July, within the statutory deadline. 29 ABSs were sent out in paper format as requested by the member.
- 12.3 A total of 16,855 (97%) statements were produced without error for active members. The majority have been published online with only 145 sent out in paper at the request of the member.
- 12.4 The remaining 534 statements, which were not produced due to an error on the member's record, have been investigated. The majority of these are casual or variable time members where CARE pay is missing for 31 March 2023, checks will be done to see if these members are actually due a statement, as they may not have worked in 2022/23.

13. McCloud Project

- 13.1 The McCloud project continues, with work progressing on the creation of an Indicator on records for members who are in scope.
- 13.2 The regulations are set to be laid on 1 October 2023 and the Local Government Association (LGA) are working on template communications that can be used by funds to inform affected members.
- 13.3 The fund will look to use these communications and will post information on its website to share this with members. An FAQ document will also be produced which will cover more complex issues that arise for members.
- 13.4 Even though there are a large number of members in scope it is not anticipated that many will see an increase in their benefits for the remedy

period.

Appendices

Appendix 1 – Key Performance chart

Background Papers

None

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

Local Member(s): Not applicable

Other members: Cllrs Peter Butlin, Yousef Dahmash and Bill Gifford,

Appendix 1: A table that shows the 14 KPIs and the level of achievement marked against a target of 95%

