

# Staff and Pensions Committee

11 December 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	5,367	33.9% of active members
Deferred	4,340	24.2% of deferred members
Pensioner	3,996	29.8% of pensioners

- 4.2 The Pensions Admin Service (PAS) have recently sent out a communication to members to remind them to register for the MSS.

### 5. Pensions Administration Key Performance Indicators (KPIs)

- 5.1 Appendix 1 shows the KPI performance for the period 1 April 2023 to 31 October 2023.

- 5.2 7 out of 14 KPIs are meeting their target, with 5 seeing improvements in the total number of cases being completed within the KPI deadline.
- 5.3 KPI 1 and KPI 11 has seen a reduction in the number of cases completed due to the delay in receipt of up-to-date transfer factors from the Government Actuaries Department. There is now also a hold on some transfers between public sector pension schemes due to the implementation of the age discrimination remedy from 1 October 2023, which require further updates to the transfer factors.
- 5.4 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	Total Year Cases	Full Year KPI	Cases on Target
Target performance			95.00%	
1. Letter detailing transfer in quote	10 days	289	55%	158
2. Letter detailing transfer out quote	10 days	188	85%	159
3. Process and pay a refund	10 days	193	91%	176
4. Letter notifying estimate of retirement benefits (Active)	15 days	184	91%	168
5. Letter notifying actual retirement benefits (Active)	15 days	216	100%	216
6. Process and pay lump sum (Active)	10 days	216	98%	211
7. Process and pay death grant	10 Days	73	98%	72
8. Initial letter notifying death of a member	5 days	294	93%	274
9. Letter notifying amount of dependents benefits	10 days	92	86%	79
10. Divorce quote letter	45 days	64	97%	62
11. Divorce settlement letter	15 days	2	0%	0
12. Send notification of joining scheme to member	40 days	230	98%	226
13. Deferred benefits into payment	15 days	455	98%	446
14. Calculate and notify deferred benefits.	30 days	1244	96%	1198

## 6. Pensioner Payroll Key Performance Indicators

- 6.1 Pensioner payroll for Warwickshire Pension Fund is administered by Warwickshire County Council's Payroll Team.
- 6.2 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.

*Performance of the payroll team in managing the Pensioner payroll*

Indicator	Description	Measure	Q1	Q2
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%	99.99%
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.	10	NIL

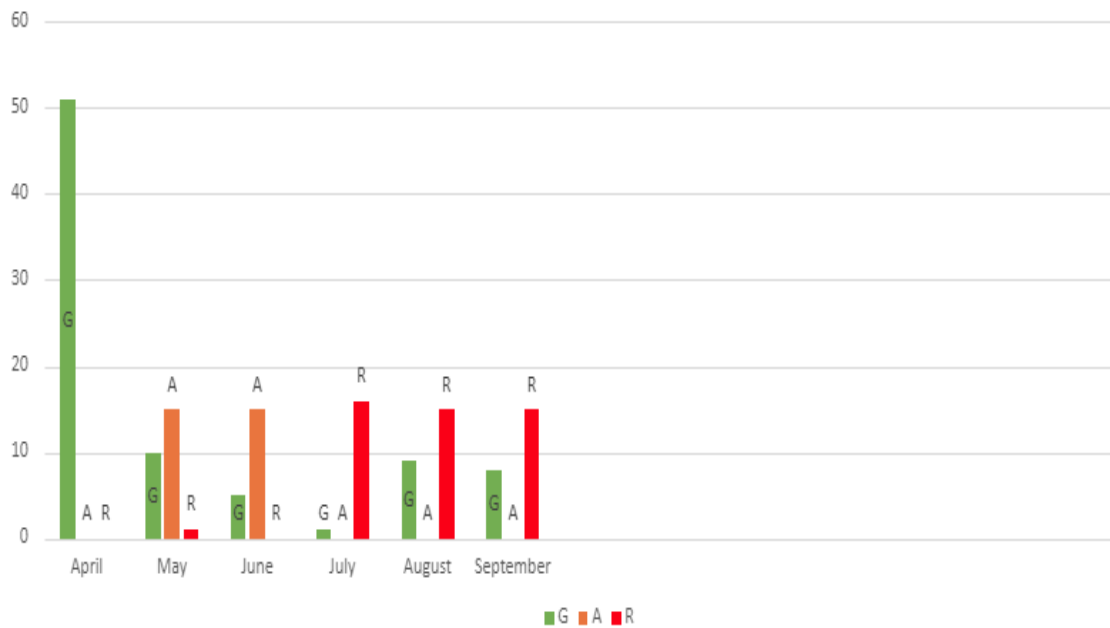
## 7. Workloads

- 7.1 The PAS continues to monitor work being received by the team to ensure we have the resources to manage the workload.
- 7.2 From the 1 January 2023 to 31 October 2023 there have been 32,408 cases created and 33,104 completed. This compares to 34,576 created and 33,693 completed in the same period last year. There are currently 3,652 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. Breaches

- 8.1 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. Where a breach is escalated to Red, this must be reported to The Pensions Regulator, along with a plan for remedying the situation.
- 8.2 The table below indicates the number of breaches the Fund has recorded for the period 1 April 2023 to 30 September 2023:

## WPF Employer Breaches 23/24



- 8.3 The Red breaches relate to a multi academy trust which changed its payroll provider in April. This has led to a delay in providing information to the Fund. The Fund has been working with the Trust to try and get its monthly data extract created. The Trust has needed to seek input from its new payroll provider which has delayed completion of the work. Due to the length of time taken so far and the no receipt of data by set deadlines, this was reported to the Pensions Regulator on 8 November. At the time of writing this report we await the response from the Regulator as to whether any further action will be taken.

## 9. Internal Dispute Resolution Procedure (IDRP)

- 9.1 There are no IDRPs outstanding. It was previously reported that there was 1 Stage One case outstanding, where an appeal was expected, but this has still not been received.

## 10. McCloud Project

- 10.1 Legislation was passed on the 1 October 2023 which implemented the final changes to regulations to deliver age discrimination remedy.
- 10.2 Most of the software developments have been delivered for the PAS to accurately assess and calculate member benefits going forward for members in scope, to ensure the underpin check is completed and applied where necessary. Further developments expected in December 2023 will allow the PAS to complete the review of cases where a member has left the scheme in the remedy period. (1 April 2014 to 31 March 2022).

- 10.3 Under disclosure the Fund is required to notify all affected members of the change to legislation within 3 months. A letter and fact sheet will be sent out to all those affected by 31 December 2023. Included in this letter is a reminder to register for the Member Self-Service (MSS) portal.
- 10.4 The McCloud Project continues, with work progressing on the creation of the underpin check for retrospective cases.
- 10.5 The PAS is also now able to process all cases going forward from 1 October 2023 and apply the underpin where required, this has meant that we are not creating backlogs on these calculations.
- 10.6 We have been instructed by the Local Government Association (LGA) to postpone club transfers in and out of the scheme for members in scope (transfer of benefits between public sector pension schemes). This is due to the need for updated guidance and factors from the Government Actuaries Department (GAD).
- 10.7 The Fund has sent out communications to members, which needed to be completed by 31 December to meet with disclosure requirements.
- 10.8 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.

## **11. Pensions Dashboards**

- 11.1 Pensions dashboards are a government project which will enable individuals to access their pensions information online, securely and all in one place, thereby supporting better planning for retirement. Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State Pension.
- 11.2 The Local Government Association (LGA) has provided a draft guide for Funds to follow in preparation for Pension Dashboards. Fund Officers will be using this document to assist in the creation of the implementation project plan and assessment of the resources required to manage any additional work created from member queries.

## **Appendices**

Appendix 1 – Key Performance Chart

## **Background Papers**

None

	<b>Name</b>	<b>Contact Information</b>
Report Authors	Lisa Eglesfield, Victoria Jenks, Ian Morris, Alistair Wickens	lisaeglesfield@warwickshire.gov.uk, vickyjenks@warwickshire.gov.uk, ianmorris@warwickshire.gov.uk, alistairwickens@warwickshire.gov.uk
Director	Andrew Felton, Director of Finance	andrewfelton@warwickshire.gov.uk
Executive Director	Rob Powell, Executive Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Councillor Peter Butlin, Deputy Leader and 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, Yousef Dahmash and Bill Gifford.

## Appendix 1

A table that shows the percentage for each KPI which have been completed within the set time limit.

