

# Warwickshire Local Pension Board

30 January 2024

## Pensions Administration Activity and Performance Update

### Recommendation

That the Warwickshire Local Pension Board (“the Board”) notes and comments on the content of 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 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	6,148	33.92% of active members	+0.88%
Deferred	5,253	24.44% of deferred members	+0.64%
Pensioner	4,925	31.7% of pensioners	+2.2%

- 4.4 A recent communication sent out to all members to inform them that the age discrimination remedy legislation is now in place has also included a reminder to register for MSS.

## 5. Key Performance Indicators (KPIs)

- 5.1 Appendix 1 shows the KPI performance for the period 1 April 2023 to 31 November 2023.
- 5.2 7 out of 14 KPIs are meeting their target; the KPIs that are currently below target are listed below.
- 5.3 KPI 1 (Letter detailing transfer in quote) - 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).
- 5.4 KPI 2 (Letter detailing Transfer out quote) - The KPI continues to improve, increasing from 84% at the last report to 87% this report. For transfers out there is an increased level of due diligence required because of the risk of pension scams. This means it can take longer to ensure the member has a right to a transfer out and to check whether this is to be paid to a suitable pension arrangement.
- 5.5 KPI 3 (Process and pay a refund) - This KPI has fallen slightly due to resourcing issues but is generally improving. Vacant posts have now both been filled by temporary staff, so we have capacity to meet KPI's going forwards.
- 5.6 KPI 4 (Letter notifying estimate of Retirement benefits (Active)) - This KPI is maintaining at 91% for the last two reports. Staff have implemented a new Notice of Termination form with notes included to reduce the number of queries going back to employers and delaying the process.
- 5.7 KPI 8 (Initial letter notifying death of a member) - The team have been reminded to check for these tasks daily and ensure that sufficient information is gathered during the initial contact with the member's family to enable them to complete the process. The KPI has been met for the last three months.
- 5.8 KPI 9 (Letter notifying amount of dependents benefits) - This KPI is improving. When last reported it was 84%, it is now 85%. The KPI is now being monitored on a weekly basis to ensure the improvement is sustained.
- 5.9 KPI 11 (Divorce settlement letter) - There have only been three cases, two of which were delayed due to new factors being released by GAD and the process being on hold.
- 5.10 For context, the table below shows the volume of cases per KPI and the number of cases that were dealt with 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	329	55%	182
2.Letter detailing transfer out quote	10 days	216	87%	187
3.Process and pay a refund	10 days	222	91%	201
4.Letter notifying estimate of retirement benefits (Active)	15 days	218	91%	198
5.Letter notifying actual retirement benefits (Active)	15 days	264	100%	264
6.Process and pay lump sum (Active)	10 days	264	97%	257
7.Process and pay death grant	10 Days	91	98%	89
8.Initial letter notifying death of a member	5 days	328	93%	306
9.Letter notifying amount of dependent's benefits	10 days	101	85%	86
10.Divorce quote letter	45 days	71	97%	69
11.Divorce settlement letter	15 days	3	33%	1
12.Send notification of joining scheme to member	40 days	269	98%	263
13.Deferred benefits into payment	15 days	497	98%	487
14.Calculate and notify deferred benefits.	30 days	1406	97%	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.

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 and ensure we have the resources to manage the workload.
- 7.2 From 1 January 2023 to 30 November 2023 there have been 34,941 cases created and 36,266 completed. This compares to 38,063 created and 37,855 completed in the same period last year.
- 7.3 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.
- 7.4 While we do not currently have a telephony system that records and provides reporting on the number of calls we are receiving, the team is indicating that more calls are being dealt with. We (along with the rest of the Council) will be moving onto a new telephone system called Five-9. The current proposed go-live date for the PAS is the 27<sup>th</sup> February, and the new system should provide us with data on call volumes and types which will help to inform the way we use the teams resources going forwards.
- 7.5 We are also dealing with more email traffic for both login queries and general questions about information held on the MSS system. We have recently

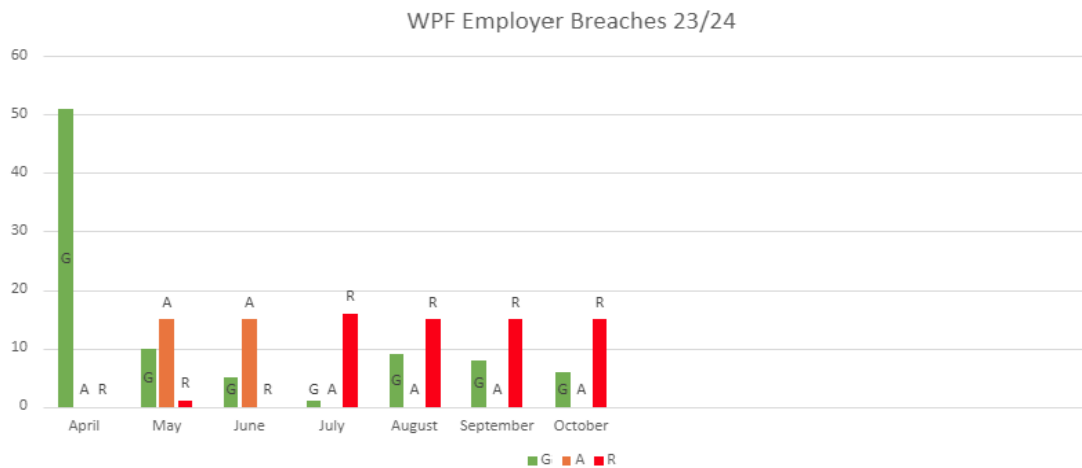
recruited to a vacant part time post, and this post is now dedicated to dealing with this work, freeing other team members to focus on other key tasks.

- 7.6 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.

## 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.

- 8.2 The table below indicates the number of breaches the Fund has recorded for the period 1 April 2023 to 31 October 2023:



- 8.3 The MAT who had not provided data since April 2023 have now provided all outstanding information and now has a working I-Connect submission for future monthly returns. This was reported to the Pensions Regulator who have confirmed that no further action needs to be taken.

- 8.4 The Fund reported itself for late submission of audited accounts. Based on the information supplied, the Pensions Regulator has confirmed that they will not be taking any further action.

## 9. Internal Dispute Resolution Procedure (IDRP)

- 9.1 The fund has one outstanding IDRP case which is currently at the initial stages of investigation.

## 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.
- 11.3 The Pensions Dashboard Programme (PDP) has confirmed that public service pension schemes will have a staging date in October 2026.
- 11.4 To ensure a successful implementation date we need to make sure that we have good data quality scores for our active and deferred members. Our current common data has a pass rating of 93.7%, with our main issue being that we have 1,945 records with out-of-date addresses.

## 12. McCloud Project

- 12.1 The McCloud project continues, with work progressing on the creation of an Indicator on records for members who are in scope alongside developing new work processes for cases going forward.
- 12.2 The regulations were laid on 1 October 2023 and the Local Government Association (LGA) has worked on template communications that can be used by funds to inform affected members.
- 12.3 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. The Fund has used LGA communication templates to write to Active, Deferred and Pensioner members to inform them of key points and where to find further information.
- 12.4 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.

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

Local Member(s): n/a

Other members: Cllrs Dahmash and Gifford

## Appendix 1 KPI Chart

