Staff and Pensions Committee

4 March 2024

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

Active	6,311	34.41% of active members	0.51% Increase
Deferred	5,373	24.94% of deferred members	0.74% Increase
Pensioner	4,845	29.55% of pensioners	0.25% Decrease

4.2 The Pensions Admin Service (PAS) continue to advertise the MSS system in their email signatures and promote the system during interactions with members.

5. Pensions Administration Key Performance Indicators (KPIs)

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

5.2 7 out of 14 KPIs are meeting their target, with 4 of the other 7 seeing improvements in the total number of cases being completed within the KPI deadline. The 4 improving are KPIs 1, 2, 8 and 11.

5.3 KPI 1 and KPI 11 have 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	374	57%	214
2.Letter detailing transfer out quote	10 days	238	88%	209
3.Process and pay a refund	10 days	244	90%	220
4.Letter notifying estimate of retirement benefits (Active)	15 days	234	90%	210
5.Letter notifying actual retirement benefits (Active)	15 days	290	100%	289
6.Process and pay lump sum (Active)	10 days	290	97%	282
7.Process and pay death grant	10 Days	99	98%	97
8.Initial letter notifying death of a member	5 days	351	94%	330
9.Letter notifying amount of dependents benefits	10 days	114	86%	98
10.Divorce quote letter	45 days	78	98%	76
11.Divorce settlement letter	15 days	3	25%	1
12.Send notification of joining scheme to member	40 days	307	98%	300
13.Deferred benefits into payment	15 days	545	98%	536
14.Calculate and notify deferred benefits.	30 days	1477	96%	1198

6. Pensioner Payroll Key Performance Indicators

6.1 The 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	Q3
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	NIL
Accuracy	Paying people accurately	99% of all requested staff payments will be paid accurately.	100%	99%	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%	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%	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	10

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 December 2023 there have been 37,598 cases created and 38,481 completed. This compares to 41,244 created and 40,667 completed in the same period last year. The reduction from the previous year is due to the success of the i-connect system, which reduces the need for manual intervention of our data. There are currently 3,471 open cases. 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 November 2023:

WPF Employer Breaches 23/24
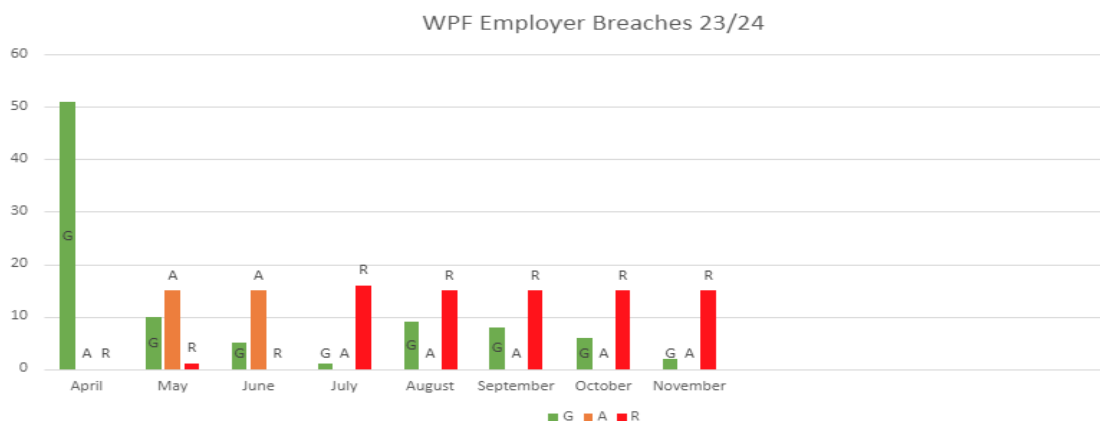
8.3   The Red breaches relate to a multi academy trust which changed its payroll provider in April. This has led to a delay in providing information to the Fund. The Fund have worked with the Trust to get its monthly data extract created and all returns are now complete. The Trust had needed to seek input from its new payroll provider which had delayed completion of the work. Due to the length of time taken so far and data not being received 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   The Fund currently have 2 IDRP cases outstanding at the initial stage. Both cases are currently being investigated with responses being drafted.

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, this project is known as McCloud.

10.2 Under disclosure the Fund was required to notify all affected members of the change to legislation within 3 months. A letter and fact sheet were sent out to members in December 2023 to inform them of key information via the methods below.

	Active	Deferred	Pensioner/Dependants
Posted Letter	5037	6296	1427
Email	4645	5037	1710
Member Self Service	4660	4228	4225

10.3   The McCloud project work continues with progress on the creation of the underpin check for retrospective cases. The project deadline for this work is 31 March 2024 and the team are on course to meet the deadline.

10.4   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 PAS are not creating backlogs on these calculations. Manual intervention is being needed at present due to software developments still outstanding. We believe the software will be available in March 2024 and are liaising with the software developer regarding requirements.

10.5   We have been instructed by the Local Government Association (LGA) to postpone 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). Other pension transfers are continuing.

10.6   Even though there are a large number of members in scope it is not anticipated that significant numbers 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 Pension scheme has a staging date that it must connect to the dashboard. The staging date is 1 October 2025.

11.3   The Local Government Association (LGA) has provided a draft guide for Funds to follow in preparation for Pension Dashboards. Fund Officers are 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.

11.4   The PAS are currently investigating the purchase of an integrated service provider which will be used to connect to the dashboard.

11.5   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. We will run a tracing exercise this year to improve the data in this area.

Appendices

Appendix 1 – Key Performance chart

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

Local Member(s):
Other members: Cllrs Dahmesh, Gifford

Appendix 1

KPIs 22/23 yearly average