

Warwickshire Local Pension Board

16 April 2024

Pension 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	6,573	35.28% of active members	+1.36%
Deferred	5,527	25.58% of deferred members	+1.14%
Pensioner	5,184	33.10% of pensioners	+1.40%

- 4.2 All types of membership have increased by between 1% and 2% from last reported figures. The fund continues to advertise the MSS system in other communications with our members. We hope to see an increase in MSS usage when we issue our Annual Benefit Statements for 2023/2024.

5. Key Performance Indicators (KPIs)

- 5.1 Appendix 1 shows the KPI performance for the period 1 April 2023 to 29 February 2024.
- 5.2 7 out of 14 KPIs are meeting their target; the KPIs that are currently below target and the reasons for this are set out in paragraphs 5.3 to 5.9.
- 5.3 **KPI 1 (Letter detailing transfer in quote)** - There had 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 87% at the last report to 89% 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 is improving. The result for February 2024 was 92.5%, up from 88.5% in January 2024.
- 5.6 **KPI 4 (Letter notifying estimate of Retirement benefits (Active))** – Fund staff continue to work to improve this KPI. Manual workarounds needed for McCloud cases had affected the fund’s ability to meet this KPI, these workarounds are no longer needed due to a recent software update, so we expect to see an improvement.
- 5.7 **KPI 8 (Initial letter notifying death of a member)** – This KPI is nearly achieving the 95% target. 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.
- 5.8 **KPI 9 (Letter notifying amount of dependent’s benefits)** - This KPI is improving. When last reported it was 85%, it is now 88%. 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	456	57%	258
2.Letter detailing transfer out quote	10 days	323	89%	287
3.Process and pay a refund	10 days	323	90%	291
4.Letter notifying estimate of retirement benefits (Active)	15 days	279	90%	252
5.Letter notifying actual retirement benefits (Active)	15 days	345	100%	344
6.Process and pay lump sum (Active)	10 days	345	97%	336
7.Process and pay death grant	10 Days	120	96%	115
8.Initial letter notifying death of a member	5 days	444	93%	415
9.Letter notifying amount of dependents benefits	10 days	144	88%	126
10.Divorce quote letter	45 days	92	98%	90
11.Divorce settlement letter	15 days	3	33%	1
12.Send notification of joining scheme to member	40 days	369	98%	362
13.Deferred benefits into payment	15 days	675	98%	661
14.Calculate and notify deferred benefits.	30 days	1893	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.

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%	99.99%	100%
Assurance	Paying people on time	100% of input submitted onto YourHR 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 consistently high levels of customer satisfaction	Traded wide net promotor score will be 8.8 or more	10	NIL	10

7. Workloads

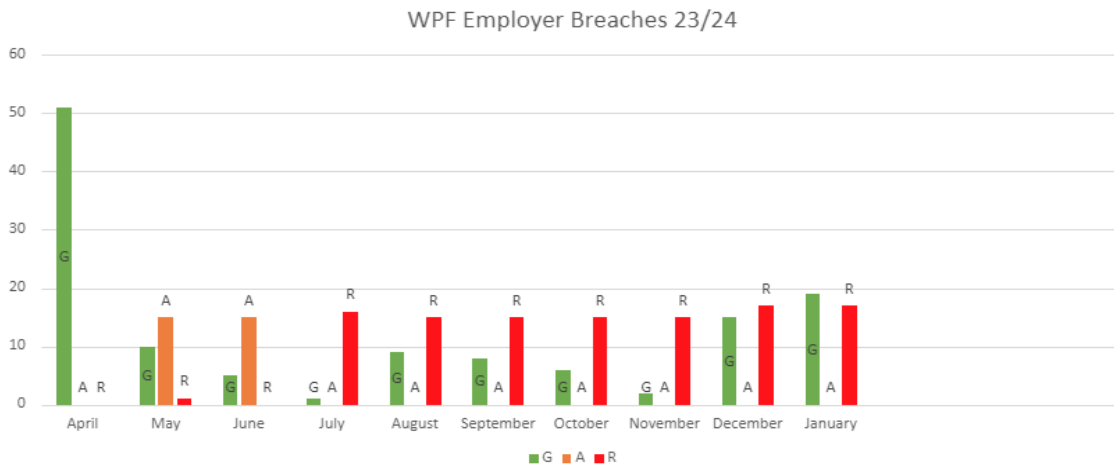
- 7.1 The PAS continues to monitor work being received by the team and ensure we have the resources to manage the workload.
- 7.2 From 1 January 2024 to 29 February 2024 there have been 6,235 cases created and 6,505 completed. This compares to 6,623 created and 7,635 completed in the same period last year.
- 7.3 The drop in the 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 and the i-connect system where employers can upload data directly into our administration system.
- 7.4 We (along with wider council colleagues) have implemented a new telephone system from 27 February 2024 which will allow us to collate data on the volume, length and type of telephone calls we receive. The PAS will review the additional information this provides, and where appropriate include data on this in future reports.
- 7.5 With the introduction of pension dashboards, the PAS will need to consider how it will resource queries coming into the team as awareness regarding

pensions and planning for retirement increases. Further information on Pension Dashboards is shown in section 11.

8. Breaches

8.1 In accordance with the Fund’s Breaches Policy, a green breach is recorded where a breach is identified and monitored by the fund but is not yet material and no further escalation is required. An amber breach arises from multiple breaches and 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, and a red breach recorded.

8.2 The table below indicates the number of breaches the Fund has recorded for the period 1 April 2023 to 31 January 2024:



8.3 The Multi Academy Trust (MAT) (consisting of 17 employers) who had not provided data since April 2023 have provided outstanding information up to 31 December 2023 and 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. As at January 2024 the MAT’s data is still one month behind schedule and the red breaches will be removed when data submissions are up to date.

8.4 We have reported to the Pension Regulator (tPR) a breach in relation to the non-payment of employer contribution’s on back pay for a group of 6 employers who use Warwickshire County Council payroll. The PAS have an agreed action plan to rectify this error. We await to hear a response from tPR.

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 which fund officers are following.
- 11.3 The Pensions Dashboard Programme (PDP) has confirmed that public service pension schemes will have a staging date of 30 September 2025.
- 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 93.5%, with our main issue being that we have 2,043 records with out-of-date addresses. The fund are beginning to look at providers which run address tracing services, this will be used to improve our data prior to the staging date.
- 11.5 The fund have created a business case for the PDP project and are engaging with suppliers and Warwickshire County Council procurement team to purchase an Integrated Service Provider (ISP) which will connect us to the national dashboard.

12. McCloud Project

- 12.1 The McCloud project is now drawing to a close. The regulations were laid on 1 October 2023 and all business-as-usual work is being calculated in accordance with the new regulations.
- 12.2 The fund are working through rectification calculations for members who left the scheme during the remedy period of 01/04/2014 to 31/03/2022.
- 12.3 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

