

Warwickshire Local Pension Board

9 July 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	6,858	36.42% of active members	+1.14%
Deferred	5,683	26.31% of deferred members	+0.73%
Pensioner	5,418	34.16% of pensioners	+1.06%

- 4.2 All types of membership have increased by close to 1% from last reported figures. The Fund continues to advertise the MSS system in its communications with its members. It is anticipated that there will be an increase in MSS usage when the Annual Benefit Statements for 2023/2024 are produced (due 31st August 2024).

5. Key Performance Indicators (KPIs)

- 5.1 Appendix 1 shows the KPI performance for the period 1 April 2024 to 30 April 2024.
- 5.2 The Fund has updated its KPI measures in line with changes to advice from the Scheme Advisory Board on the data that should be collected, measured, and reported in each Fund's Annual Report.
- 5.3 The number of KPI measures has increased from 14 to 16. The new measures are B3 which is measuring the quote stage of a deferred retirement and B15 which is measuring member estimates. There have also been changes to the measures for transfers in and out of the scheme, the new KPI's are measuring documentation issued on completion of transfer while the old KPI's were measuring payments.
- 5.4 The table below shows the new KPI measures including description, current performance, and the volume of cases per KPI. A comparison to the previous year is included where available.
- 5.5 11 out of 16 KPIs are meeting their target; the KPIs that are currently below target and the reasons for this are set out in paragraphs 5.6 to 5.10.
- 5.6 **B4** – Delays in cases have been due to queries on pay information received from employers.
- 5.7 **B9** – This is a new KPI measure. The PAS has updated its processes to ensure it is meeting this measure in future.
- 5.8 **B11** – This KPI has slipped below target while the PAS had a high volume of work to do around year end process. The membership team are working with a new work split for team members to try and bring the KPI back in line with expected result of 95% and higher.
- 5.9 **B14** – This KPI has slipped below target while the PAS had a high volume of work to do around year end process. The membership team are also aiming to increase the result of this KPI with their new work split.
- 5.10 **B15** – This is a new KPI measure. The PAS has updated its processes to ensure it is meeting this measure in future. The PAS will continue to encourage members to access this information themselves where they can use the Member Self Service system.
- 5.11 Of the twelve KPIs where a comparison to the previous year is available, seven are currently exceeding or equalling last year's performance. A further two are still performing at or above target. Performance for the remaining three (B4, B11 AND B14) is explained above.

	Key Performance Indicator	Fund Target	Total Year Cases	Full Year KPI	Last Year Average
	Target performance	95%		95.00%	
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	33	100.0%	92.00%
B2	Communication issued confirming the amount of dependent's pension	10 days	7	100%	88.00%
B3	Communication issued to deferred member with pension and lump sum options (quotation)	15 days	173	99%	N/A
B4	Communication issued to active member with pension and lump sum options (quotation)	15 days	31	81%	90.00%
B5	Communication issued to deferred member with confirmation of pension and lump sum (actual)	15 days	77	97%	98.00%
B6	Communication issued to active member with confirmation of pension and lump sum (actual)	15 days	38	100%	99.00%
B7	Payment of lump sums (actives and deferred)	15 days	115	95%	97.00%
B8	Communication issued with deferred benefit options	30 days	135	96%	96.00%
B9	Communication issued to scheme member with completion of transfer in	15 days	31	90%	N/A
B10	Communication issued to scheme member with completion of transfer out	15 days	23	96%	N/A
B11	Payment of refund	10 days	34	88%	91.00%
B12	Divorce quotation	45 days	13	100%	98.00%
B13	Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	15 days	0	100%	33.00%
B14	Communication issued to new starters	40 days	20	90%	98.00%
B15	Member estimates requested by scheme member and employer	15 days	39	85%	N/A
B16	Process and pay death grant	10 days	17	100%	96.00%

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	Q4
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	NIL
Accuracy	Paying people accurately	99% of all requested staff payments will be paid accurately	100%	99.99%	100%	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%	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%	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	7.75

7. Workloads

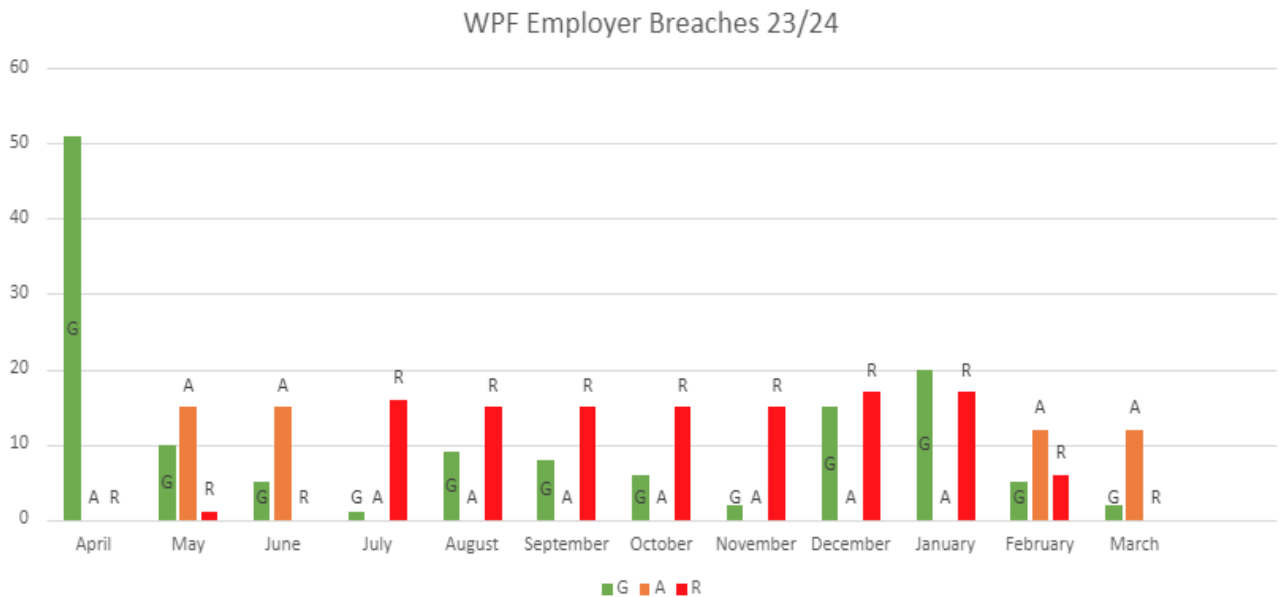
- 7.1 The PAS continues to monitor work being received by the team and to ensure it has the resources to manage the workload.
- 7.2 From 1 May 2023 to 30 April 2024 there were 36,019 cases created and 35,724 completed with a 99.2% open to close variance. This compares to 40,696 created and 40,015 completed with a 98.3% open to close variance 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 the pensions administration system. This is freeing up capacity to deal with more complex casework, focus on data quality, and prepare for the significant projects in the pipeline, such as the Pensions Dashboard, the new Pensions Regulator code of Practice, Scheme Advisory Board Good Governance Review, and the next triennial valuation.
- 7.4 With the introduction of pension dashboards, the PAS will need to consider how it will resource the additional queries it expects to receive

as awareness regarding pensions and planning for retirement increases. Further information on Pension Dashboards is shown in section 10.

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 March 2024:



8.3 An Amber Breach has been recorded against 12 employers for the months of February and March 2024. This is the result of data being provided late by a shared payroll provider who has been unable to run the required reports for i-Connect. The PAS is in contact with the employers and shared provider to resolve the issue as quickly as possible.

8.4 A breach has been reported to the Pension Regulator (tPR) in relation to the non-payment of employer contributions 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. Compliments and Complaints

- 9.1 The fund has two outstanding IDRPs cases which are currently at the initial stages of investigation.
- 9.2 The fund will start to report on compliments received each reporting period.
- 9.3 Two compliments have been received, one relates to help given for the MSS system and the other was relating to general advice.

10. Pensions Dashboards

- 10.1 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.
- 10.2 The Local Government Association (LGA) has provided a draft guide for Funds to follow in preparation for Pension Dashboards which fund officers are following.
- 10.3 The Pensions Dashboard Programme (PDP) has confirmed that public service pension schemes will have a staging date of 31st October 2025.
- 10.4 To ensure a successful implementation date, the Fund must have good data quality scores for its active and deferred members. The Fund's current "common" data has a pass rating of 93.5%, with the main issue being 2,043 records with out-of-date addresses. The PAS is beginning to look at commissioning a tracing service, which will be used to improve data prior to the staging date.
- 10.5 The PAS has had its business case for the Dashboard project approved, and is in the process of procuring an Integrated Service Provider (ISP) which will connect the Fund's pension system to the national dashboard.

11. McCloud Project

- 11.1 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.
- 11.2 The PAS is working through rectification calculations for members who

left the scheme during the remedy period of 01/04/2014 to 31/03/2022.

- 11.3 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.
- 11.4 Statutory guidance is in consultation stage which will require funds to have work completed by 31/08/2025. Warwickshire Pension Fund will complete all work well in advance of this deadline.

Appendix 1 – KPI Table

	Name	Contact Information
Report Author	Lisa Eglesfield Interim Pension Administration Delivery Lead, Ian Morris Membership Team Manager, Alistair Wickens, Employer Relations Team Manager	lisaeglesfield@warwickshire.gov.uk, ianmorris@warwickshire.gov.uk, alistairwickens@warwickshire.gov.uk
Director	Purnima Kandula, Director of Finance	purnimakandula@warwickshire.gov.uk
Executive Director	Rob Powell, Executive Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Cllr Peter Butlin Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

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's 24/25 yearly average

