

# Staff and Pensions Committee

9 September 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	6936	37.07% of active members	1.05% Increase
Deferred	5,741	26.54% of deferred members	0.50% Increase
Pensioner	5548	31.84% of pensioners	1.89% Increase
Dependants	200	9.23% of dependants	New data line

- 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 2024 to 30 June 2024.
- 5.2 The publication of the Scheme Advisory Board guidance for Annual Reports has seen the KPIs slightly updated to meet the new guidance from April 2024. The KPI's have increased in number from 14 to 16 with the new measures being shown as B3 and B15. Measure B9 and B10 have been updated as to the part of the process that is being reported on and as such the team aim to improve the result for B9 in future cases. B7 has had an update from 10 days to 15 days as the measure period.
- 5.3 For the period to end of June 2024 10 of the 16 KPI's are meeting the 95% target. Of the remaining 6 KPI's that are not hitting the 95% target, 5 of these are higher than 90%.
- 5.4 For context, the table below includes the volume of cases per KPI and the value for the previous year.

	Key Performance Indicator	Fund Target	Total Year Cases	Full Year KPI	Last Year Average
	<b>Target performance</b>	95%		95%	
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	113	98%	92%
B2	Communication issued confirming the amount of dependents pension	10 days	31	94%	88%
B3	Communication issued to deferred member with pension and lump sum options (quotation )	15 days	287	97%	N/A
B4	Communication issued to active member with pension and lump sum options (quotation)	15 days	117	92%	90%
B5	Communication issued to deferred member with confirmation of pension and lump sum (actual)	15 days	256	96%	98%
B6	Communication issued to active member with confirmation of pension and lump sum (actual)	15 days	165	99%	99%
B7	Payment of lump sums (actives and deferred)	15 days	310	97%	97%
B8	Communication issued with deferred benefit options	30 days	307	96%	96%
B9	Communication issued to scheme member with completion of transfer in	15 days	145	74%	N/A

B10	Communication issued to scheme member with completion of transfer out	15 days	100	95%	N/A
B11	Payment of refund	10 days	76	93%	91%
B12	Divorce quotation	45 days	27	100%	98%
B13	Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	15 days	1	100%	33%
B14	Communication issued to new starters	40 days	66	94%	98%
B15	Member estimates requested by scheme member and employer	15 days	117	93%	N/A
B16	Process and pay death grant	26	32	100%	96%

## 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***

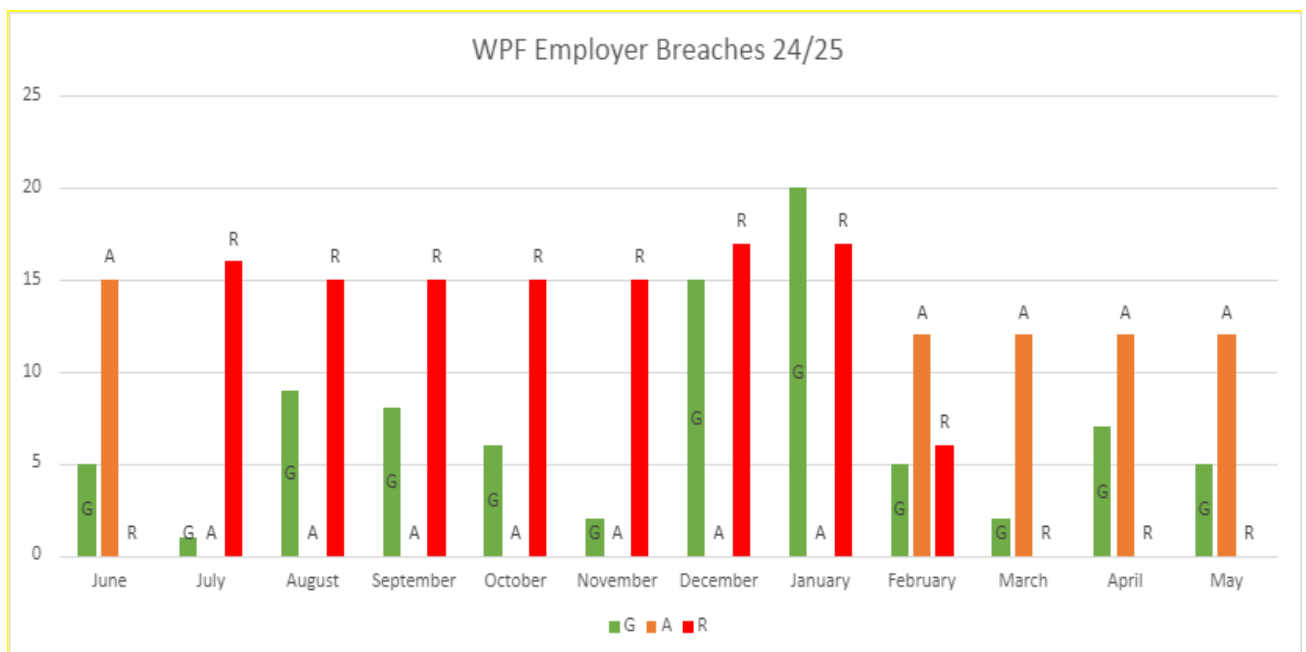
Indicator	Description	Measure	Q1 23/24	Q2 23/24	Q3 23/24	Q4 23/24	Q1 24/25
Customer Care	We will respond to any queries about service delivery within 5 days. (Formal complaints)	95% of queries will be responded to within 5 days.	NIL	NIL	NIL	NIL	NIL
Accuracy	Paying people accurately	99% of all requested staff payments will be paid accurately.	100%	99%	100%	100%	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%	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%	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	7.4	9

## 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 1 January 2024 to 30 June 2024 there have been 16,884 cases created and 16,815 completed. This compares to 18,872 created and 20,152 completed in the same period last year. The reduction in activity 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 4,013 open cases. This is a normal level of outstanding work for the Team.

## 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 June 2023 to 31 May 2024:



- 8.3 The Amber breaches relate to a payroll provider which is used by a number of our employers changing their software system. The change led to a delay in providing i-connect information. The Fund worked with the payroll provider and all information has now been received.

## **9. Internal Dispute Resolution Procedure (IDRP)**

9.1 The Fund currently has one IDRP case outstanding at the initial stage.

## **10. McCloud Project**

10.1 The McCloud project work continues with progress on the creation of the underpin check for retrospective cases. The project deadline for this work has been extended to 31/12/2024 to allow for delays in receiving software and regulation clarification.

10.2 The PAS is processing all cases going forward from 1 October 2023 under the new regulations and applying the underpin where required. All work for the project has been moved to business as usual within the teams.

10.3 The PAS has identified approximately c. 14,000 members in scope for the McCloud protections and have now completed the rectification process for approx. 85% of members in scope.

10.4 The Fund will contact any members that are owed pension arrears due to benefit underpins by the project deadline. The Annual Benefit Statement data issued for 2024/2025 will also include this information for active and deferred members.

## **11. Pensions Dashboard Programme**

11.1 The Pensions Dashboard Programme is 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 by which it must connect to the dashboard. The staging date is 1 October 2025.

11.3 The PAS have purchased an Integrated Service Provider (ISP) which will connect our administration system to the national dashboard. The Fund have purchased the ISP from Heywood's Pension Technologies who currently provide the pension administration system. Heywood's have been part of the testing within the national project from the beginning.

11.4 The Fund will have to decide on three matching criteria for members to enter and find their records with. Testing of the Fund's data with the ISP tool will help the Fund to decide on the most appropriate criteria to ensure the least number of partial matches of data. A partial match of data will require manual intervention by the fund whereas full matches will result in a fully automated response to the individual dashboard and member.

11.5 To ensure a successful implementation date it is necessary to have good data quality scores for our active and deferred members. Our current common data has a pass rating of 93.7%, with the main issue being 1,945 records with out-of-date addresses. The PAS will run a tracing exercise this year to improve the data in this area.

## Appendices

### Appendix 1 – Key Performance chart

	<b>Name</b>	<b>Contact Information</b>
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The report was circulated to the following members prior to publication:

Local Member(s):

Other members: Cllrs Dahmash, Gifford

Appendix 1

