

Staff and Pensions Committee

9 December 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	7,488	39.76% of active members	3.69% Increase
Deferred	6,352	29.2% of deferred members	2.66% Increase
Pensioner	5,623	33.02% of pensioners	1.18% Increase
Dependants	200	9.13% of dependants	0.1 % Decrease

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

- 4.3 We have been informed by the MSS system provider that the system will be discontinued from 31st January 2026. The new system they are providing is called Engage and has increased functionality for members. Pension Funds that currently use MSS are being transferred over to the new system. Warwickshire Pension Fund are currently planning the best time for the switch over to take place and expect the project implementation to start in January 2025. Costs associated with the upgrade in system will be met from the

pension fund, ongoing costs for the new system are at the same level as the current system.

5. Annual Benefit Statements

- 5.1 Annual benefit statements (ABS) were issued to members by the 31st August 2024 deadline. Statements were issued onto the MSS portal for all members without paper communication set as their preference. Emails were issued to inform members their ABS was available.
- 5.2 For active members the fund issued 17,225 statements representing 98.5% of membership. For deferred members the fund issued 21,550 statements representing 99.9% of membership.
- 5.3 Statements that were not issued by the deadline remained outstanding due to information outstanding from employers. The fund is working to issue the outstanding 290 statements by 31st December 2024.

6. Pensions Administration Key Performance Indicators (KPIs)

- 6.1 Appendix 1 shows the KPI performance for the period 1 April 2024 to 30 September 2024.
- 6.2 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 KPIs have increased in number from 14 to 16 with the new measures being shown as B3 and B15. Measures B9 and B10 have been updated as to the part of the process that is being reported on and as such the teams 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.
- 6.3 For the period to end of September 2024 9 of the 16 KPIs are meeting the 95% target. Of the remaining 7 KPIs that are not hitting the 95% target, 5 of these are higher than 90%.

6.4 For context, the table below includes the volume of cases per KPI and the value for the previous year. In all but two cases where the KPI data is available for both current and previous years, Performance to date in 2024/25 is equal to or better than 2023/24.

0	Key Performance Indicator	Fund Target	Total Year Cases	Apr-Sep KPI	Last Year Average
	Target performance	95%		95%	
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	193	95%	92%
B2	Communication issued confirming the amount of dependents pension	10 days	77	94%	88%
B3	Communication issued to deferred member with pension and lump sum options (quotation)	15 days	619	90%	N/A
B4	Communication issued to active member with pension and lump sum options (quotation)	15 days	190	93%	90%
B5	Communication issued to deferred member with confirmation of pension and lump sum (actual)	15 days	415	98%	98%
B6	Communication issued to active member with confirmation of pension and lump sum (actual)	15 days	199	99%	99%
B7	Payment of lump sums (actives and deferred)	15 days	610	98%	97%
B8	Communication issued with deferred benefits	30 days	823	94%	96%
B9	Communication issued to scheme member with completion of transfer in	15 days	231	71%	N/A
B10	Communication issued to scheme member with completion of transfer out	15 days	232	96%	N/A
B11	Payment of refund	10 days	184	92%	91%
B12	Divorce quotation	45 days	62	100%	98%
B13	Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	15 days	2	100%	33%
B14	Communication issued to new starters	40 days	163	88%	98%
B15	Member estimates requested by scheme member and employer	15 days	271	96%	N/A
B16	Process and pay death grant	10 days	83	100%	96%

7. Pensioner Payroll Key Performance Indicators

- 7.1 The pensioner payroll for Warwickshire Pension Fund is administered by Warwickshire County Council's payroll team.
- 7.2 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 payrolls

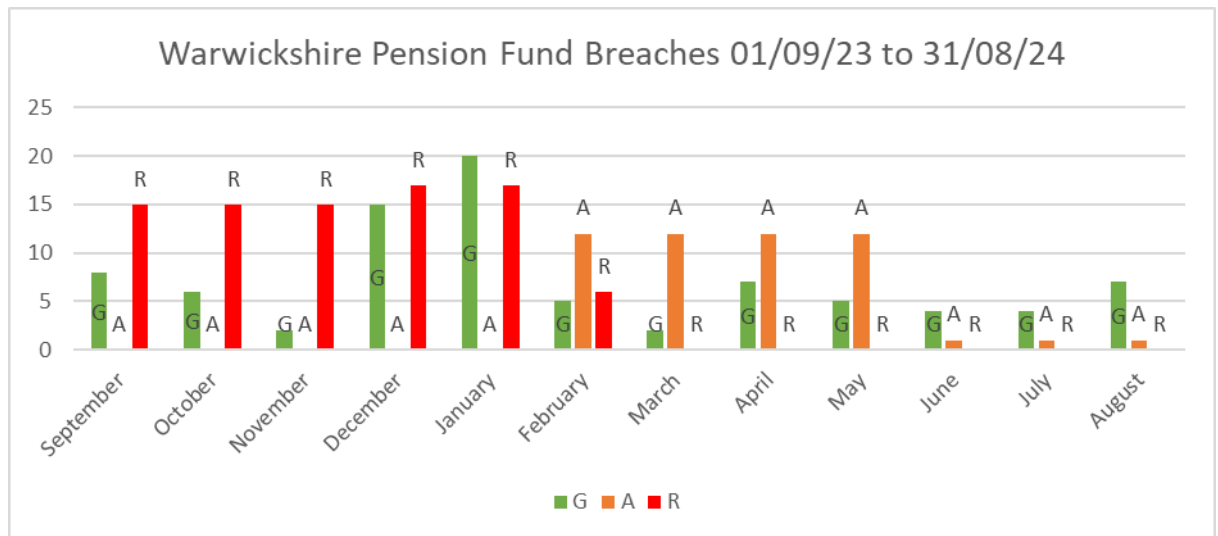
Indicator	Description	Measure	Q3 23/24	Q4 23/24	Q1 24/25	Q2 24/25
Customer Care	We will respond to any queries about service delivery within 5 days. (Formal complaints)	95% of queries will be responded to within 5 days.	Nil	Nil	Nil	Nil
Accuracy	Paying people accurately	99% of all requested staff payments will be paid accurately.	100%	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%
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 constantly high levels of customer satisfaction	Traded wide net promoter score will be 8.8 or more.	10	7.4	9	8.7

8. Workloads

- 8.1 The PAS continues to monitor work being received by the team to ensure we have the resources to manage the workload.
- 8.2 From 1 January 2024 to 30 September 2024 there have been 25,750 cases created and 25,565 completed. This compares to 28,450 created and 29,048 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 3,704 open cases which is a reduction from 4,013 open cases from the preceding period.

9. Breaches

- 9.1 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.
- 9.2 The table below indicates the number of breaches the Fund has recorded for the period 1st September 2023 to 31st August 2024:



9.3

- 9.4 An Amber Breach has been recorded against 1 employer for May, June, July and August. This relates to the Fund awaiting legal documentation needed to complete the admission process for an outsourced contract staff involved in a TUPE transfer. The fund is liaising with the employer to try and resolve the issue.

10. Internal Dispute Resolution Procedure (IDRP)

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

11. McCloud Project

- 11.1 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.
- 11.2 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.

- 11.3 The PAS has identified approximately c. 14,000 members in scope for the McCloud protections and have now completed the underpin process check for all in scope members.
- 11.4 The PAS has identified 75 pensioner cases, 210 deferred cases and 263 active cases with a possible pension underpin.
- 11.5 The Fund will contact any pensioner members that are owed pension arrears due to benefit underpins by the project deadline. Interest is being paid on lump sums from retirement date. Pension arrears are also receiving interest, calculated from a mid-point in line with LGA guidance and a Government Actuary Department calculator.
- 11.6 The Annual Benefit Statement data issued for 2024/2025 will also include McCloud underpin information for active and deferred members.

12. Pensions Dashboard Programme

- 12.1 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.
- 12.2 The Local Government Pension Scheme has a staging date by which it must connect to the dashboard. The staging date is 31 October 2025. The Digital Access Point (DAP), when pension dashboards will be available for use by members of the public, is yet to be announced but is expected to be in 2026.
- 12.3 The Local Government Association (LGA) has provided two guides for LGPS Funds to follow on 2nd August 2024 a guide to advise on Pension Dashboards Connection and a guide around Additional Voluntary Contributions' and Pension Dashboards.
- 12.4 The PAS are working with the Integrated Service Pathway (ISP) provider to implement the first stage of the connection. The first stage of connection is expected to take around 10 weeks. The second phase of connection will take place during summer of 2025, in order to meet the 31 October 2025 staging date.

Appendices

Appendix 1 – Key Performance chart

	Name	Contact Information
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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

Pension Fund Administration Key Performance Indicators
2024/2025

