



## Local Pension Board

### 8 September 2022

<b>Title</b>	<b>Administration Performance Report</b>
<b>Report of</b>	Executive Director of Resources (s151 officer)
<b>Wards</b>	N/A
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	Appendix A – West Yorkshire Pension Fund (WYPF) Monthly Report (for April 2022) Appendix B - Percentage of My Portal registrations per employer
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### Summary

This paper provides the Local Pension Board with the West Yorkshire Pension Fund pensions administration performance report for July 2022, along with an update on the completion of the 2022 Annual Benefit Statements and administration.

### Officers Recommendations

The Local Pension Board are requested to note West Yorkshire Pension Fund's performance levels along with the updates on the 2022 Annual Benefit Statements, and other administration issues.

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The efficient delivery of benefits is reliant upon effective administrative procedures being in place. It is important that this information is reviewed by the Board.
- 1.2 The report in Appendix A provides an overview of performance of the operational pensions administration service delivered by West Yorkshire Pension Fund (WYPF) up to 31 July 2022.

### **WYPF Performance**

- 1.3 The July monthly report shows that WYPF processed **1,440** cases in June 2022 with nearly **89.2%** of cases being completed within the agreed Service Level Agreement (SLA). The number of processed cases is higher than in previous months, but the cases completed within SLA are still lower than has been the case earlier in the year.
- 1.4 The LBB Pensions Team have advised the Board previously that the main reason for this was due to WYPF recruiting additional staff, which has led to existing staff taking time out to train the new staff, as they join WYPF. We were under the impression that this recruitment had progressed well and would expect the performance to show an improvement (ideally around 95% of cases being completed within the SLA).
- 1.5 The LBB Pensions Team will arrange a meeting with WYPF to discuss to discuss their recent performance as it has been continually than expected over the last few months and report back to the Board on the outcome of the meeting.
- 1.6 We would want get clarification from WYPF on their recruitment situation and when they feel that the historic cases being processed ((which will have already not met the KPI) will be cleared, so the performance statistics return up to a satisfactory level.
- 1.7 WYPF work in progress levels remain high. As at the end of July, there were **2,627** outstanding items of work. The main reason for this is the additional work that has arisen following Annual Benefit Statements being issued.
- 1.8 Different work types have different target completion periods and different SLAs, usually depending on the nature/priority of the item of work. These are shown in Section 1 in appendix A.
- 1.9 For most work types, the SLAs have been met. The processes that failed to meet the SLA are also shown in appendix A.

- 1.10 The number of complaints and Internal Dispute Resolution Procedure (IDRP) cases received by WYPF remains very low. There is currently one stage 1 IDRP cases in progress and no stage 2 cases.

### **Automated/Manual Calculations**

- 1.11 Most of calculations undertaken by WYPF are fully automated on their pensions administration system, UPM. However, an occasional case will require a manual calculation. This is usually because a member has an unusual benefit or a data issue that only affects a very small number of members. In such cases, WYPF have processes and controls in place to ensure that any manual calculations are reviewed and checked before figures are sent to members.
- 1.12 For the calculations that have not been automated, WYPF have committed to a programme of getting the automation completed. The first of these calculations was for annual allowance and this has been completed.

### **WYPF member portal**

- 1.13 The number of members who have registered for the WYPF “Member Portal” is still increasing.
- 1.14 The figures in the WYPF report equate to **34%** of all active members, **21%** of all deferred members and **25%** of all pensioners
- 1.15 The active and deferred member numbers registering have increased as these members have received notification that their ABS’s have been posted on the member portal.
- 1.16 The Pensions Team will continue to encourage employers to get their members to register and appeal directly to members themselves, to increase the number of registrations.
- 1.17 We are working with WYPF on ways to get more members engagement. Annual Benefit Statements (ABS) will again be uploaded onto the member portal this year. We have advised employers and council members that ABSs are starting to be produced and encouraged members to register.
- 1.18 Appendix B sets out the number of registrations for active members per employer as of 25 July 2022.
- 1.19 The facility on the portal that will allow members to run their own retirement estimates is in the final stages of being tested. WYPF anticipate that this will be available shortly

## **Prudential**

- 1.20 Prudential have now sent the 2021 AVC annual benefit statements to WYPF and these have been sent to the members. There has been no update from Prudential regarding the issuing of 2022 statements.
- 1.21 Hymans Robertson have commenced a review of AVC providers to the Fund. The LBB Pensions Team will update the Board on the results of this review at the next meeting.

## **Annual Benefit Statements (ABS)**

- 1.22 The production of Annual Benefit Statements (ABS) is going well for both active and deferred members.
- 1.23 As of 11 August, **93%** of active statements had been produced and **99%** of deferred statements.
- 1.24 For the remaining statements that need to be issued, WYPF are working with employers to ensure that these statements are issued by the 31 August deadline.

## **Pensions Dashboard**

- 1.25 WYPF have updated their IT systems, so it is now fully compatible with the systems needed for the Pensions Dashboard.
- 1.26 WYPF are due to go out to tender to find which platform provider they will use for Pensions Dashboard. WYPF will provide updates at future meetings.
- 1.27 The start date for the pensions dashboard for LGPS schemes has now been pushed back to between April 2023 and September 2024.

## **“McCloud” ruling**

- 1.26 The regulations for McCloud have still to be published. However, given the current estimated timescales to be compliant with the McCloud ruling, WYPF have developed an internal IT solution.
- 1.27 This solution is being reviewed by WYPF during June 2022 to establish any further work that may be required. The LBB Pensions Team are waiting for an update on progress.
- 1.28 Further updates will be provided to the Board on WYPF preparations and when the regulations are set out by the Government.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 Not applicable in the context of this report.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

3.1 Not applicable in the context of this report.

### **4. POST DECISION IMPLEMENTATION**

4.1 Not applicable in the context of this report.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

5.1.1 The Local Pension Board supports the delivery of the Council's strategic objectives and priorities as expressed through the Corporate Plan, by assisting in maintaining the integrity of the pension Fund by monitoring the administration and compliance of the Fund.

#### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 Not applicable in the context of this report.

#### **5.3 Social Value**

5.3.1 Not applicable in the context of this report.

#### **5.4 Legal and Constitutional References**

5.4.1 The LGPS Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is the London Borough of Barnet. The Local Government (Amendment) (Governance) Pension Scheme Regulations 2015 inserts regulation 106 into the Local Government Pension Scheme Regulations 2013 which requires the Council to establish a Pension Board, whose role is to assist the Council in securing compliance with legislation, regulation and best practice, including as set out in the Pension Regulator's Code of Practice to ensure the effective and efficient governance and administration of the Scheme and any connected scheme.

5.4.2 Under the terms of reference for the Local Pension Board, the role of the Board is to assist with:

- compliance with LGPS Government regulations;
- compliance with the requirements imposed by the Pensions Regulator.
- such other matters as the LGPS regulations may specify ensure the effective and efficient governance and administration
- ensure the Pension Fund's strategy and policy documents are maintained in accordance with the LGPS Regulations.
- ensure the Pension Fund's internal Risk Register is reviewed at least annually.

- review the Pension Fund's performance in complying with the requirements of the LGPS Regulations

## **5.5 Risk Management**

5.5.1 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met. Good governance is essential to managing the risks of the pension fund.

## **5.6 Equalities and Diversity**

5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation, marriage and civil partnership.

5.6.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public-sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements will benefit everyone who contributes to the fund.

## **5.7 Corporate Parenting**

5.7.1 Not applicable in the context of this report.

## **5.8 Consultation and Engagement**

5.8.1 Where relevant, consultation and engagement is discussed in the paper.

## **5.9 Insight**

5.9.1 Not applicable in the context of this report.

## **6. ENVIRONMENTAL IMPACT**

6.1 None

## **7. BACKGROUND PAPERS**

7.1 None