



Local Pension Board

6 December 2022

Title	Administration Performance Report
Report of	Executive Director of Strategy & Resources (S151 Officer)
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – West Yorkshire Pension Fund (WYPF) Monthly Report (for October 2022) Appendix B - Percentage of My Portal registrations per employer Appendix C – Letter from Prudential regarding Lifestyle investment options
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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 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 October 2022.

WYPF Performance

- 1.3 The October monthly report shows that WYPF processed **1,189** cases in October 2022 with **88.7%** of cases being completed within the agreed Service Level Agreement (SLA).
- 1.4 Workloads remain high at WYPF (at the end of October, there were nearly **2,700** outstanding items of work) primarily due to additional work resulting from the issuing of Annual Benefit Statements and the end of school years in the summer.
- 1.5 Staffing at WYPF remains an issue within the Service Centre (Admin) Team although WYPF have successfully recruited some new members to the Team recently.
- 1.6 Representatives from WYPF will be attending the meeting and this will allow Board members to raise any questions with them on WYPF performance, staffing and any other issues.
- 1.7 The LBB Pensions Team monitor WYPF performance closely and would expect that as the new staff are adequately trained, the performance should return to normal levels. However, this may take a few months as WYPF fill the vacancies in their administration team.
- 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 case in progress and no stage 2 cases.

WYPF member portal

- 1.11 The number of members who have registered for the WYPF “Member Portal” is still increasing albeit slowly.
- 1.12 The figures in the WYPF report equate to **36%** of all active members, **24%** of all deferred members and **28.5%** of all pensioners
- 1.13 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. At an employer meeting on 24 November, we will ask employers to encourage their members to register for the portal.
- 1.14 Appendix B sets out the number of registrations for active members per employer as of 14 November 2022.
- 1.15 The facility on the portal that will allow members to run their own retirement estimates has still to be released. WYPF will provide an update at the meeting.

Prudential

- 1.16 Prudential have sent the letter in Appendix C regarding potential issues for members who invest their AVCs in lifestyle funds. These are funds where as members approach their retirement age, their AVC funds are moved automatically from fund investing in equities to funds investing in bonds and cash, thus reducing the risk of falls in the fund values just before retirement.
- 1.17 The LBB Pensions Team have not been advised of any Barnet Fund members being affected at the time of writing this paper but will update the Board at the meeting.
- 1.18 Hymans Robertson are undertaking a review of AVC providers to the Fund. This is still ongoing as additional information has been requested by Hymans to complete the review. The LBB Pensions Team will update the Board on the results of this review at the next meeting.

AVC Salary Sacrifice

- 1.19 The Council has decided to introduce a salary sacrifice arrangement for Council employees for members who are either currently paying AVC's or wish to start paying AVC's.
- 1.20 This arrangement is due to commence on 1 February 2023 and members will be given the option of making their AVC's through salary sacrifice or not.
- 1.21 Should they elect to use the salary sacrifice facility, both the member and Council will benefit from savings in National Insurance contributions.

Annual Benefit Statements (ABS)

- 1.22 As at the statutory deadline for producing statements of 31 August, **97.3%** of active members had received their ABS – meaning that 181 members were not issued with an ABS. However, 100% of deferred members’ statements were produced.
- 1.23 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. As of 18 November, **94** statements still need to be produced, which result from a combination of outstanding queries from employers and WYPF working on member records (to link benefits).
- 1.24 The LBB Pensions Team have decided that the non-issue of all statements on 31 August will be recorded on the Fund’s breach log and will not submitting a report to The Pensions Regulator.

Pensions Dashboard

- 1.25 WYPF have gone out to tender to find a platform provider that they will use for Pensions Dashboard. WYPF will provide an update at the meeting.
- 1.26 The start date for the pensions dashboard for LGPS schemes has now been pushed back to between April 2023 and September 2024.

“McCloud” ruling

- 1.27 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.
- 1.28 Further details will be provided to the Board by WYPF at the meeting.

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