



Local Pension Board

1 March 2023

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 January 2023) 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 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 January 2023.

WYPF Performance

- 1.3 In January WYPF processed **1,281** cases with **89.5%** cases being completed within the agreed Key Performance Indicators (KPIs) targets. The number of processed cases is similar to the previous few months. The cases completed within their KPI is slightly below the 90% threshold that the LBB Pensions Team regard as good practice.
- 1.4 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.
- 1.5 For most work types, the SLAs have been met. The processes that failed to meet the SLA are also shown in appendix A.
- 1.6 WYPF updated the Local Pensions Board at the last meeting in December 2022 regarding the recruitment issues they have faced and the time it takes to get new employees trained. WYPF have advised that most of the vacancies on the Administration Team have been filled, which should mean that the KPI scores increase over the next few months. A WYPF representative will attend the next Board meeting to discuss performance.
- 1.7 Workloads remain high at WYPF (at the end of January, there were just over **2,400** outstanding items of work) primarily due to a large increase in the leavers that they have to process.
- 1.8 The LBB Pensions Team continue to monitor WYPF performance closely
- 1.9 The number of complaints and Internal Dispute Resolution Procedure (IDRP) cases received by WYPF remains very low. There are currently no stage 1 IDRP cases in progress and one stage 2 case.

WYPF member portal

- 1.10 The number of members who have registered for the WYPF "Member Portal" is still increasing.
- 1.11 The figures in the WYPF report equate to **37%** of all active members, **25%** of all deferred members and **33%** of all pensioners.

- 1.13 The largest increase has been from pensioners. WYPF have been contacting more pensioners encouraging them to sign up to the member portal so they can receive their payslips and 2022/23 P60 via the portal.
- 1.14 The Pensions Team will continue to encourage members to sign up for the portal and ask employers to get try and get their members to register. The 2023 Annual Benefit Statements will again be sent out via the portal.
- 1.15 Appendix B sets out the number of registrations for active members per employer as of 6 February 2023.
- 1.16 The facility on the portal that allows members to run their own retirement estimates has now been released and they are now able to use the facility on the member portal.

AVC Provider review

- 1.17 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.
- 1.18 Unfortunately, this is taking longer than anticipated but the LBB Pensions Team expect to update the Board on the results of this review at the next meeting.

AVC Salary Sacrifice

- 1.19 The Council has introduced a salary sacrifice arrangement for Council employees on 1 February for members who are either currently paying AVC's or wish to start paying AVC's.
- 1.20 Communications were sent to employees in late January and webinars are being arranged for employees in February by the salary sacrifice provider, AVC Wise.

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, with 100% of deferred members' statements being produced.
- 1.23 As of 13 February, **77** 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 For the remaining statements that need to be issued, the LBB Pensions Team are working with WYPF and employers to ensure that these statements are issued by mid-March, when WYPF will stop issuing 2022 statements.

Pensions Dashboard

- 1.25 WYPF paused their tender exercise to find a platform provider to use for Pensions Dashboard. This is because they are waiting for the offering for this service from the LGPS National Framework.
- 1.26 The start date for the pensions dashboard for LGPS schemes has now set as 30 September 2024.
- 1.27 Updates will be provided to the Board at future meetings.

“McCloud” ruling

- 1.28 The regulations for McCloud have still to be published. McCloud remedy regulations that would extend the Local Government Pension Scheme (LGPS) statutory underpin protection to younger members of the scheme are expected to come into force from October 2023.
- 1.29 Further details will be provided to the Board by WYPF at future meetings.

Finance Update

- 1.30 Between April 2022 and January 2023, the fund has received £50.3m of contribution payments into the funds bank account.
- 1.31 The monthly contribution returns received from employers for the same period only total £49.9m, meaning that £0.4m of the contributions received relate to employers who have not submitted returns or have sent in returns which do not reconcile to the amounts received.
- 1.32 Officers continue to chase these employers to obtain missing or incomplete monthly returns.
- 1.33 For the contributions reconciled with the monthly returns, this is split as follows:

Employer Contributions – £37.3m
Employee Contributions - £9.9m
Employee Additional Contributions - £0.043m
Employer Deficit Contributions - £2.7m

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