

	<h2>Local Pension Board</h2>
<b>Title</b>	<b>Administration Performance Report and update on other administration and legislative matters</b>
<b>Date of meeting</b>	11 March 2024
<b>Report of</b>	Executive Director of Strategy & Resources (S151 Officer)
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Appendices</b>	<p>Appendix A– West Yorkshire Pension Fund (WYPF) Monthly Report (for October 2023)</p> <p>Appendix B – Percentage of My Portal registrations per employer</p> <p>Appendix C - London Borough of Barnet Pension Fund Communication and Engagement Policy</p>
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<b>Summary</b>	
<p>This paper provides the Local Pension Board with the West Yorkshire Pension Fund (WYPF) pensions administration performance report for January 2024, along with an update on other administration and legislative matters.</p>	
<b>Recommendations</b>	
<p><b>That the Local Pension Board note West Yorkshire Pension Fund’s performance levels along with the updates on other administration and legislative issues.</b></p>	

## 1. Reasons for the Recommendations

- 1.1 The efficient delivery of benefits is reliant upon effective administrative procedures being in place. It is important that this information is reviewed regularly 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 2024.

### WYPF Performance

- 1.3 In January, WYPF processed **911** cases with just **88.79%** cases being completed within the agreed Key Performance Indicators (KPIs) targets. Their performance against the KPIs has been consistently around the minimum target that the LBB Pensions Team expects of 90% for the past few months. In December 2023, the performance level was 90.14%.
- 1.4 The LBB Pensions Team monitor the performance of WYPF monthly. While WYPF continue to process the additional work resulting from the McCloud judgement, along with completing backlogged tasks, it is expected that the performance level will remain around this level over the next few months. Ideally, in the medium term, it is hoped that WYPF performance can move up towards the 95% level.
- 1.5 Different work types have different target completion periods and different SLAs, usually depending on the nature/priority of the item of work. For most work types, the SLAs have been met. The processes that failed to meet the SLA are shown in the "Performance Section" in the report in Appendix A.
- 1.6 The number of complaints received by WYPF continue to remain very low, as does the number of Internal Dispute Resolution Procedure (IDRP) cases received, with currently two stage 1 IDRP cases in progress and one stage 2 case. We are still waiting for TPO's response on the two recent cases received from them.
- 1.7 The LBB Pensions Team have recently adjudicated on a stage 2 IDRP case, where it was decided to offer the member compensation of £2,000. This is in line with classification of "severe" under the TPO's "non-financial injustice guidelines. This case involved long delays and incorrect information when his retirement was processed, which lasted over a period of around 5-6 years. The member is now in receipt of his correct pension.
- 1.8 In addition, the same member also suffered a tax charge from the scheme due to the maladministration and we have also offered to reimburse the member for this charge which amounted to £2,826. The member has accepted both offers and we have arranged payment.

### WYPF member portal ("*My Pension*")

- 1.9 The number of members who have registered for the WYPF "My Pension" member portal continues to increase. The figures in the WYPF report equate to **46.2%** of all active members, **30.8%** of all deferred members and **42.3%** of all pensioners.
- 1.10 The Pensions Team are working to increase the number of registrations. The target is for active member registrations to be at least 50% by the end of March 2024.
- 1.11 The LBB Pensions Team have been contacting all Council and non-teaching members at maintained schools (where we hold an email address) who have not registered and encouraged them to register on the portal. Help on registering has also offered, if required. For this cohort of members, the number of registrations is now up to c43%.

- 1.12 We will also be offering a “drop in” session in the Colindale office in late March, where we can meet members face to face to help them with registering. We may also visit the Street Scene depot, and possibly other locations to help with registration as well.
- 1.13 We have also written to deferred members (again where we have an email address held on the record) to encouraging them to register on the portal.
- 1.14 We are also contacting all other employers asking them to encourage their members to register. WYPF can provide these employers with a list of their members who have not registered.
- 1.15 We are also working with WYPF to check if they can produce a list of members who have registered on the portal each month. If they can produce this list, we may decide to run a ‘raffle’ and award a small gift (such as an Amazon voucher) to a member selected at random, who has registered in the month.
- 1.16 We will continue to provide further updates at future meetings.
- 1.17 Appendix B sets out the number of registrations for active members per employer as of 19 February 2024.

### **AVC Provider review**

- 1.18 Hymans Robertson are undertaking a review of Additional Voluntary Contributions (AVC) providers to the Fund. This work is still in progress, but should be completed by the next Board meeting, when an updated will be provided.

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

- 1.19 The outstanding 2023 Annual Benefit Statements (ABS’s) for active members continue. As of 20 February, **99.3%** of ABS’s had been produced. This means that there are **45** ABS’s still to be issued, of which **24** are where WYPF are waiting for the employer to respond to a pay or service query. The remaining **21** members are where WYPF are working on linking their pension records and ABS’s will be issued when this work is complete.

### **Automation of Pension Processes by WYPF**

- 1.20 WYPF continue to work on automating their processes. They have recently completed the automation of the deferred benefit calculation and are now working on:
  - Flexible Retirement – when a member decides to take their pension but continue working at the same time.
- 1.21 Updates will be provided to the Board at future meetings.

### **Pensions Dashboard**

- 1.22 The Department for Work and Pensions (DWP) announced a delay to the Pensions Dashboard Programme in March, which was described as a “reset”. The Government has set an ultimate deadline of 31 October 2026, although it is hoped that dashboards will be accessible to the public earlier than this.
- 1.23 On 14 November 2023, it was confirmed that the proposed staging date for public service pension schemes will be within the period of one month up to **30 September 2025**.

1.24 The final staging guidance will be in the Spring of 2024. The Pensions Team will review this guidance when issued and report back to the Board at a future meeting.

### **Finance Update**

1.25 Between April 2023 and January 2024, the fund has received £58.1m of contribution payments into the funds bank account.

1.26 The monthly contribution returns received from employers for the same period only totalled £61.7m, meaning that £3.6m of the contributions received relate to employers who have yet to make contribution payments or have sent in returns which do not reconcile to the amounts received. The Pensions Team continue to chase these employers to obtain missing or incomplete monthly returns.

1.27 For the contributions reconciled with the monthly returns, this is split as follows:

- Employer Contributions – £47.1m
- Employee Contributions - £12.2m
- Employee Additional Contributions - £0.053m
- Employer Deficit Contributions - £2.3m

### **Pension Fund Engagement Strategy**

1.28 At their meeting on 11 January, the Pensions Fund Committee approved the updated version of the Fund's Communication and Engagement Policy. This is included in Appendix C.

1.29 Recently, the LBB Pensions Team have recently undertaken the following activities in terms of engaging with members and employers:

- 'Pensions Myth Busting Training' – the LBB Pensions Team ran in person training session in Colindale for staff with the aim of demystifying the world of pensions. The session included topics that were requested by staff plus information on the most common questions that asked to the Pensions Team.

It was attended by around 25 staff (unfortunately, it fell on a day of a train strike). The LBB Pensions Team may run the session again in a couple months either in person again or in a virtual session.

- 'Basic guide/introduction to pensions training' – this training was requested by employers, primarily due to several new business managers at schools who have limited knowledge of pensions.

The training was held virtually on four different dates with around 50 attendees.

### **TPR Code of Practice**

1.30 Following a consultation launched in 2021, The Pensions Regulator (TPR) has now published the new General Code of Practice which is expected to take effect from 27 March 2024.

1.31 More detail on the new Code is included in a separate paper for discussion at the meeting.

### **Expression of Wish Forms**

1.32 Expression of Wish (EOW) forms are completed by members of the Fund to nominate who they would like to receive any lump sum benefits payable in the event of their death.

- 1.33 Whilst there is no obligation to follow the nominated beneficiaries on an EOW form, in most cases, the administering authority (who are responsible for deciding who to pay the lump sum to) pay the lump sum to the person(s) nominated.
- 1.34 Having a EOW form on file when a member dies ensures that decisions can be made quicker and can help to avoid inheritance tax being payable on the lump sum.
- 1.35 The LBB Pensions Team will be running an exercise over the next couple of months to get more members to complete an EOW form. We will be asking all employers to engage with their members, so that the number of members with a completed EOW form on file increases.

## **2. Alternative Options Considered and Not Recommended**

- 2.1 Not applicable in the context of this report.

## **3. Post Decision Implementation**

- 3.1 Not applicable in the context of this report.

## **4. Corporate Priorities, Performance and Other Considerations**

### **Corporate Plan**

- 4.1 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.

### **Corporate Performance / Outcome Measures**

- 4.2 Not applicable in the context of this report.

### **Sustainability**

- 4.3 Not applicable in the context of this report.

### **Corporate Parenting**

- 4.4 Not applicable in the context of this report.

### **Risk Management**

- 4.5 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.

### **Insight**

- 4.6 Not applicable in the context of this report.

### **Social Value**

- 4.7 Not applicable in the context of this report.

## **5. Resource Implications (Finance and Value for Money, Procurement, Staffing, IT and Property)**

5.1 Not applicable in the context of this report.

## **6. Legal Implications and Constitution References**

6.1 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.

- Under the terms of reference for the Local Pension Board, the role of the Board includes 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 to 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.

## **7. Consultation**

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

## **8. Equalities and Diversity**

8.1 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.

8.2 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.

## 9. Background Papers

9.1 None