

Wolverhampton City Council**OPEN DECISION ITEM**

Committee / Panel	<u>PENSIONS</u>	Date	<u>17 APRIL 2013</u>
Originating Service Group(s)	<u>WEST MIDLANDS PENSION FUND</u>		
Contact Officer(s)/ Telephone Number(s)	<u>GEIK DREVER</u> <u>2020</u>	<u>NADINE PERRINS</u> <u>2727</u>	
Title/Subject Matter	<u>PENSIONS ADMINISTRATION REPORT FROM</u> <u>1 FEBRUARY 2013 – 31 MARCH 2013</u>		

RECOMMENDATION

- a) That the contents of the report be noted.
- b) That Members are requested to approve the Admitted Bodies Applications contained in paragraph 7.2 of this report.

PENSIONS MEMBER SERVICES MANAGEMENT REPORT
FROM 1 FEBRUARY 2013 – 31 MARCH 2013

1. PURPOSE OF THE REPORT

- 1.1. To inform the Committee of the work undertaken by Pensions Member Services and other operational matters during the period 1 February 2013 – 31 March 2013.

2. SCHEME MEMBERSHIP

- 2.1. The number of scheme members in the Fund in all three categories stands at 261,309 with an overall increase since 31 January 2013 of 1288.
- 2.2. Of the active membership of 97,309, 48% are full-time and 52% part-time. This is a reflection of the flexible working conditions amongst employers.
- 2.3. The longer-term trend over an 11 year period in membership is set out in Appendix A which illustrates a move into a more mature profile whereby active memberships are falling and pensioners and deferreds are rising.

3. PENSIONS OPERATIONS INCOMING WORK

- 3.1. The process analysis statistics show details of overall workflow within the Pensions Administration Service during the period 1 February 2013 – 31 March 2013 (Appendix B).
- 3.2. During the period covered by this report 22,013 administrative processes were commenced and 20,066 completed. On 31 March 2013 there were 15,248 items of work outstanding. Of this 6,122 items were pending as a result of information awaited from a third party e.g. scheme members, employers or transferring authorities. Within pensions administration, 9,126 processes can either proceed to the next stage of the process or through to final completion. Additional work is being generated from a data-cleansing project for one of our major employers undertaken by a team of pension specialists, which ensures the streamlining of processes when allocated into the benefit administration teams. However it should be noted that outturn (processes completed) is not making real inroads into processes outstanding. Details of the workload performance and resource issues can be seen in paragraph 4.
- 3.3. More detailed analysis of the key processes in calculating benefits for retirements and pensioners and maintaining and updating employee details is shown at Appendix C and links into the overall KPI outcomes for this function.
- 3.4. The Fund continues to see an increase in employer membership due mainly to the establishment of academies and outsourced local government contracts, with 10 new organisations being admitted to the fund during the period 1 February 2013 – 31 March 2013. The current number of employers as at 31 March 2013 is 342. The level of ongoing work being processed at the end of the period is as follows:-
- 67 admission agreements
 - 70 academies
 - 18 employer terminations
- 3.5. An analysis of employer telephone calls is shown in Appendix D which details the immediate response provided by the Fund when addressing fundamental pension queries for all our employers. We continue to aim to provide a high quality response rate at first point of contact both for scheme members, the 7 districts, admitted bodies and academies.

3.6. Work on the quality of data exchanged between the Fund and employers continues to be a key priority for administration during the actuarial valuation process. The aim is to reduce outstanding data queries, in particular with Birmingham City Council, where a target reduction of 2,500 out of 10,000 outstanding queries, by 31 March 2013 has been agreed between the Fund and the employer. The key focus had been on data input by the Fund which will improve all information sent to Mercers for the 2013 actuarial valuation. However, due to the redundancy exercise undertaken by Birmingham City Council their resources for the data project were suspended. As a consequence the Fund has only completed 1,176 individual record cleansing processes. During April we will work with the actuary, Mercers, to ensure priority is given to their data requirements. A summary of this work is shown in Appendix E.

4. **PERFORMANCE**

4.1 During March the Key Performance Indicator (KPI) table and graph show that some KPIs were not achieved (see Appendix F):-

KPI	TARGET	OUTCOME	REASON	ACTION
Processing & payment of retirement benefits	85%	51.45%	This was due to a sharp increase in pensions into payment at the same time as 2 long-term sickness issues on the team and 1 short term absence.	Resources from other Operations Teams re-allocated to process retirements.
Survivor Benefit/Deaths of Active & Deferred Scheme Members	85%	82.98%	As above, as the resources are on the same Retirement & Death team	Job share staff working full-time

4.2 As part of the review of KPI's, the Fund has introduced a new performance monitoring period which results in more 'challenging' KPI's. This has also contributed to the failure to achieve the 85% target alongside the resource issues. Obviously, the increase in workload will be closely monitored and any further remedial action reported to the next Committee.

5. **IDRP (INTERNAL DISPUTE RESOLUTION PROCEDURE) CASEWORK**

5.1 In the 2012/2013 financial year nine cases have been received. Eight cases have been dismissed, and one case upheld.

The case that was up held related to a dispute over the ill health tier awarded.

The eight cases dismissed relate to the following pension issues:

- Exercise of employer discretion on the extension of the 12 month time limit for transferring in previous benefits.
- Two cases relate to the award of deferred benefits on ill health grounds rather than immediate ill health grounds.
- Calculation of benefits as a result of incorrect start date.
- Incorrect notification issued to Inland Revenue resulting in revision to of benefits.
- Exercise of employer discretion on the early payment of deferred benefits from age 55.
- Entitlement to a deferred benefit on redundancy for a member under 55 rather than an immediate payment of benefit.
- Interpretation of legislation on the implementation of a Pension Sharing Order.

The one hour AVC session is aimed at employees that want to find out the benefits of being a member of the LGPS and the options available to them to increase their pension savings. As this presentation is aimed at younger scheme members, the events have been held at local authority buildings throughout the West Midlands which increase accessibility and keep event costs at a minimum. The Fund planned three sessions a day at each of the following venues:

Date	Location	11 am	1.30 pm	4.30 pm	Total
13 February	Civic Suite, Solihull	25	14	14	53
14 February	Council House, Dudley	21	12	16	49
26 February	Council House, Coventry	22	19	19	60
28 February	Council House, Walsall	13	10	18	41
15 March	Woodcock Street, Birmingham	27	26	25	78

During these events, a ten minute web-portal demonstration was held before each presentation which resulted in 16% of the attendees registering for the web-portal. The results will be analysed in full post 31st March and reported to the next Committee.

Due to the success of the AVC events being held at local authority venues, the Fund is trialling the Retirement Planning Events being held at similar locations to reduce costs. These events are aimed at scheme members that have a retirement date within the next twelve months and they are given the opportunity to meet with a Member Solutions Officer at the Funds offices, to discuss their individual circumstances on a one to one basis following the presentations.

Date	Location
Tuesday 16 April, 2013	Training and Developments Centre (TDC), Oldbury
Wednesday 17 April, 2013	Council House, Coventry
Tuesday 23 April, 2013	Civic Suite, Solihull

9.2 **Presentations**

During the period Fund officers have continued to deliver presentations upon request from employers.

Examples of activity during the period are as follows:

6 February	Birmingham City University	Planning for retirement
7 February	Wolverhampton City Council	Re-deployment workshop
15 February	Streetly Academy	Induction
25 February	Dudley MBC	TUPE transfer/induction
1 March	Coventry City Council	Pre-retirement
5 March	Sandwell MBC	Surgery
6 March	Dudley MBC	Redundancy
20 March	West Midlands and Staffordshire Probation	Pre-retirement

9.3 **Trustee Training**

The second day of trustee training was held on Thursday 21 February and in response to the positive feedback received by the Fund, an additional day has been arranged in order to cover those Trustees unable to attend the previous training. This will take place on Tuesday 23 April, invitations have been sent to the 20 members of Pensions Committee, JCP and Investment Advisory Sub-Committee that were unable to attend.

9.4 **Business Support**

During the period, the Fund issued 17,670 items of postal communication direct from Mander House, an average of 8,835 items per month. The number of items received and processed through the Business Support office during the period was 9,764 including 139 cheques and 371 certificates.

9.5 **New Fund logo**

The new Fund logo was launched on Thursday 28 March, 2013 alongside the launch of the online portal facility for members and employers, which was previewed at the Fund's AGM in December. During the first week in April a campaign was undertaken to attract existing scheme members to register for Web Portal access, this was held in the main concourse at the Civic Centre, Wolverhampton. This will be rolled out to other employer centres during the year.

9.6 **Pensioner magazine replacement**

The fund has now signed the contract to distribute 'Club Together' which is a replacement for the pensioner magazine 'Superlink'. The next stage in the process is to produce a plan and agree the timeframe for the launch of the magazine to all WMPF pensioners. As part of the annual distribution, pensioners will be given the option to opt-out of receiving the Club Together magazine and any marketing information connected to the group.

10. **OPERATIONAL ACCOUNTING**

10.1 **Write-on/write-off**

There is no information to report this period for Write Off or Write On as the Fund is currently reviewing this policy as part of its operational accounting arrangements. Decisions and outcomes from the review process will be reported to the next Committee.

11. **LGPS 2014 UPDATE**

11.1 The second period of statutory consultation for the new LGPS 2014 Scheme and Draft Transitional Provision Regulations commenced on 27 March 2013. This release is more detailed than the earlier release in December 2012 including the core elements of the scheme and the first draft of the transitional provisions and savings regulations.

11.2 The Fund are currently reviewing the draft regulations to produce a formal response to DCLG, within the specified timeframe. A briefing note and copy of the response will be sent to Members and a formal update for the next Committee and JCP.

11.3 Members have received a briefing note on 9 April 2013 detailing the LGPS 2014 consultation information.

12. **LEGAL IMPLICATIONS**

12.1 The fund on behalf of the Council will enter into a legally binding contract with organisations applying to join the Local Government Pension Scheme under an admission agreement.

13. **FINANCIAL IMPLICATIONS**

13.1 The report contains financial information which should be noted.

13.2 Employees of organisations who become members of the Local Government Pension Scheme will contribute the percentage of their pensionable pay as specified in the Regulations. The Fund's actuary will initially, and at each triennial valuation, set an appropriate employer's contribution rate based on the pension assets and liabilities of the individual employer.

14. **ENVIRONMENTAL IMPLICATIONS**

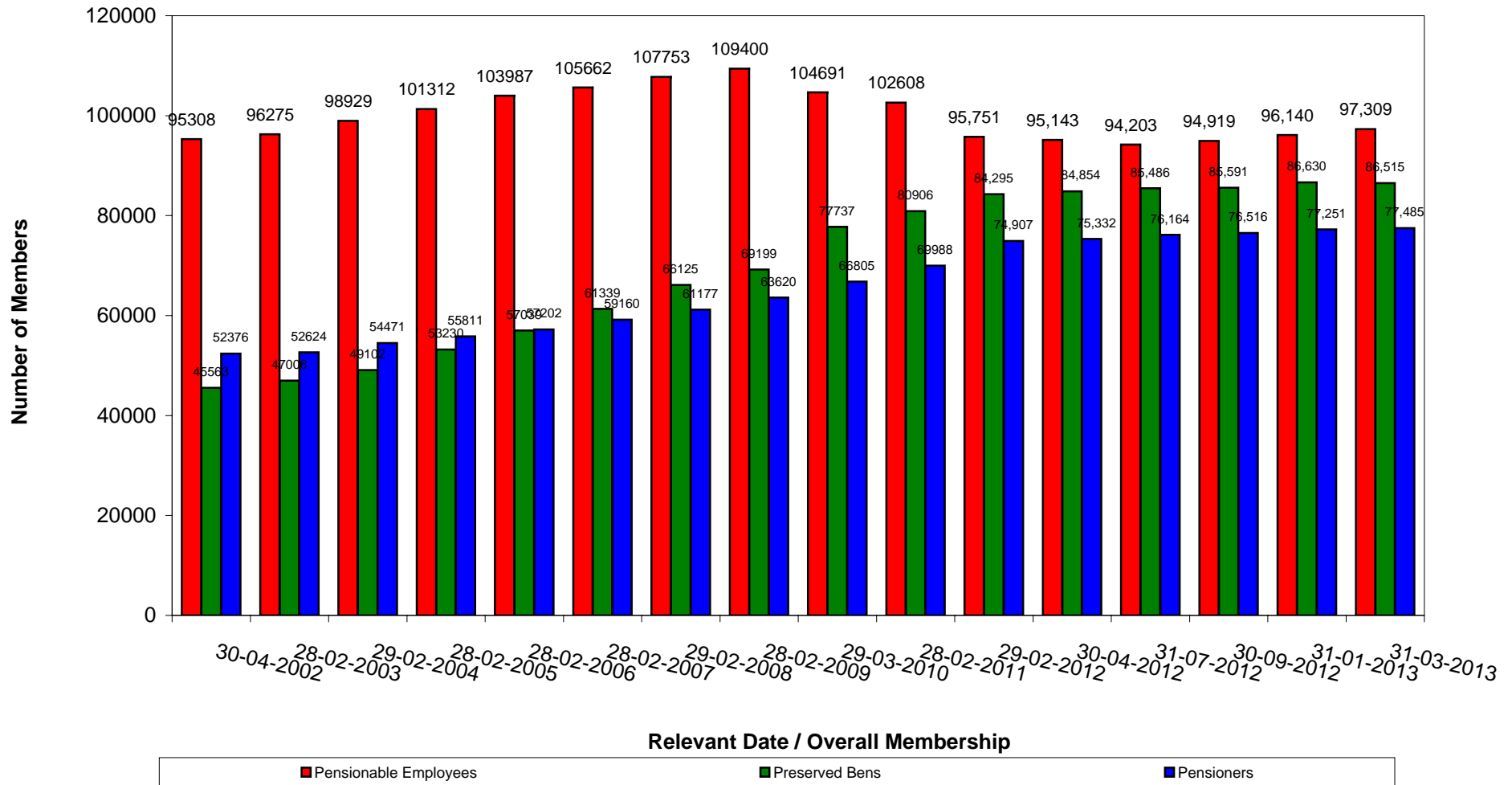
14.1. The report contains no direct environmental implications.

15. **EQUALITIES IMPLICATIONS**

15.1. This report has implications for the Council's equal opportunities policies, since it deals with the pension rights of employees.

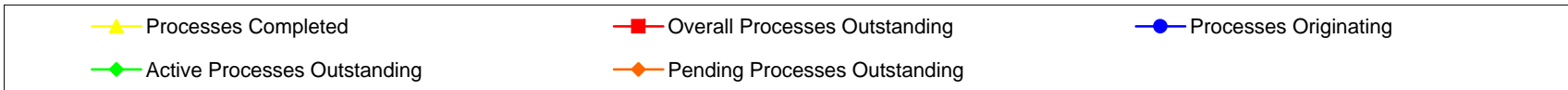
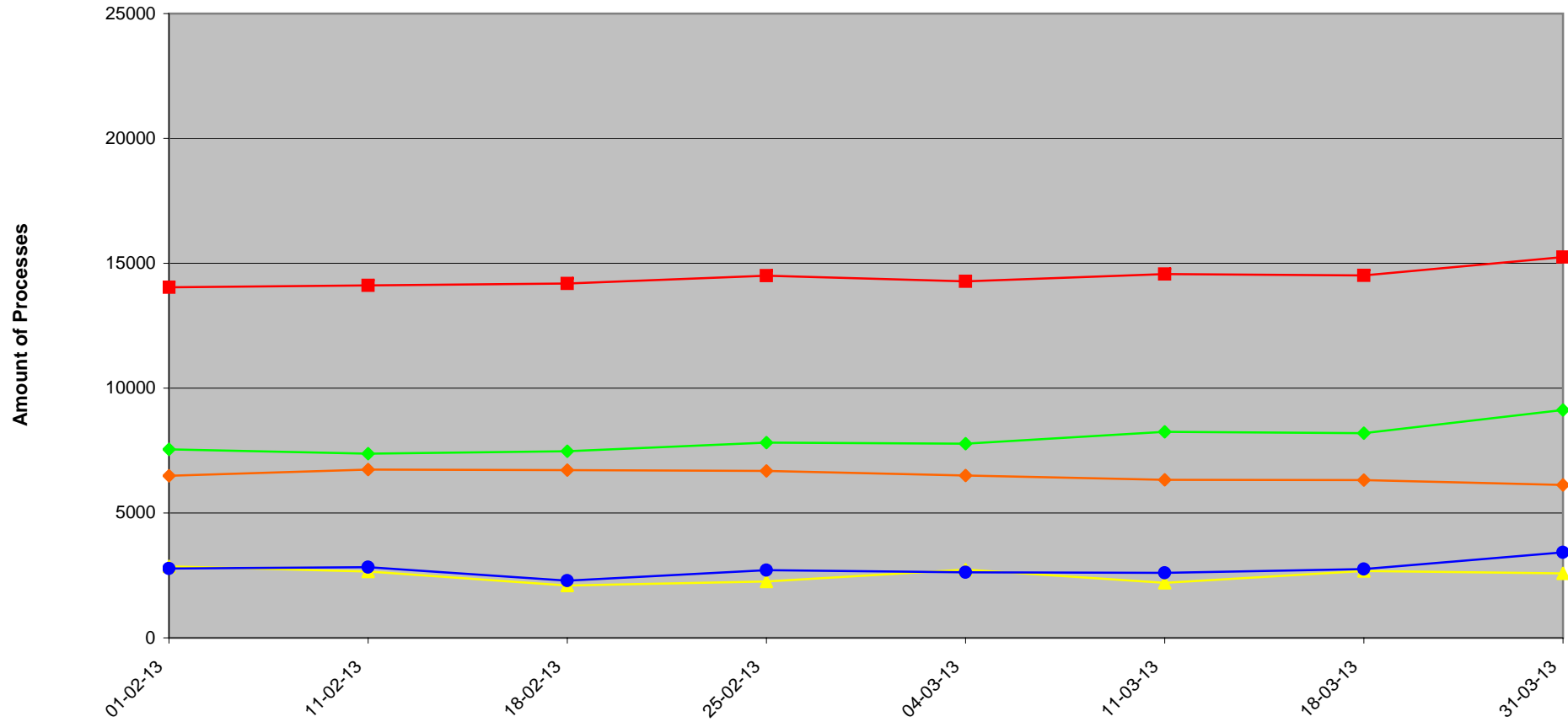
February - March 2013

Overall Membership



February - March 2013

Process Analysis



February - March 2013

				2012/13													
2008/09	2009/10	2010/11	2011/12	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	YTD 2012/13	

Active & Deferred members

Process type	Number started																
Joiners and Rejoiners	13,949	11,437	8,763	6,403	441	547	481	305	1,619	597	1,027	1,641	739	1,353	1,328	1,060	11,138
Changes in circumstances eg change in hours	17,179	27,341	18,759	15,303	1,066	915	842	1,106	1,654	1,003	1,443	944	652	970	823	967	12,385
Deferments	9,907	6,915	5,939	7,818	501	543	325	406	617	398	522	560	316	574	486	493	5,741
Active Retirements (Employer retirements)	2,442	2,652	3,317	3,950	199	212	158	221	282	156	217	195	169	247	190	229	2,475
Deferred Retirements	2,367	4,106	3,332	2,970	305	327	240	236	210	221	245	261	201	258	199	268	2,971
Deaths of members	191	253	295	262	11	27	16	31	37	18	18	24	21	40	20	24	287

Pensioner members

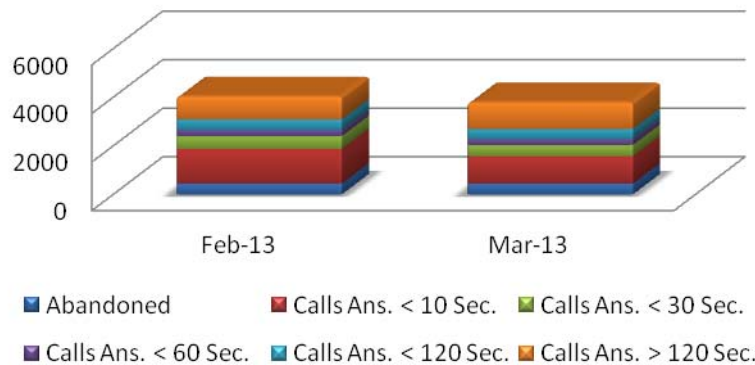
Process type	Number started																
Changes in circumstances:-																	
Data eg Passwords, NI Numbers	2,109	7,407	1,310	1,804	136	188	133	162	138	130	205	196	123	136	152	166	1,865
Changes of Address	2,235	2,222	2,420	2,681	198	181	179	183	200	180	156	174	138	202	185	155	2,131
Changes of Bank	2,651	1,125	2,927	2,531	248	248	301	262	221	187	241	259	143	199	228	17	2,554
Deaths of pensioners	2,036	2,014	2,085	2,145	198	169	161	200	171	156	154	176	163	146	183	224	2,101

Payroll					Monthly	Monthly	M & Q	Monthly	Monthly	M & Q	Monthly	Monthly	M & Q	Monthly	Monthly	M & Q	
Actual number paid		763,022	792,724	837,189	69,620	69,770	75,017	70,200	70,273	75,591	70,545	70,770	76,159	70,905	71,000	80,954	870,804

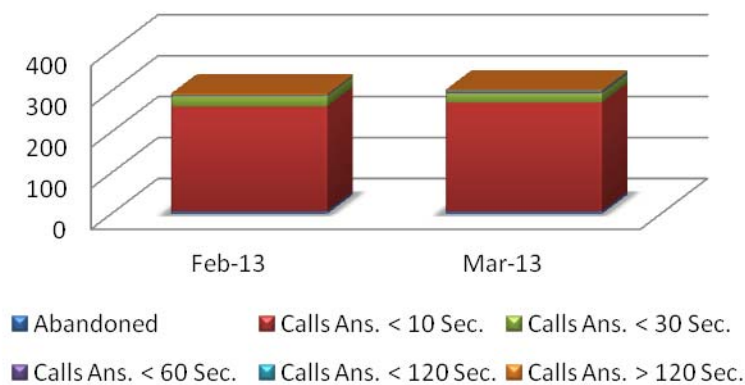
Customer Service Telephone Statistics

1 February 2013 – 31 March 2013

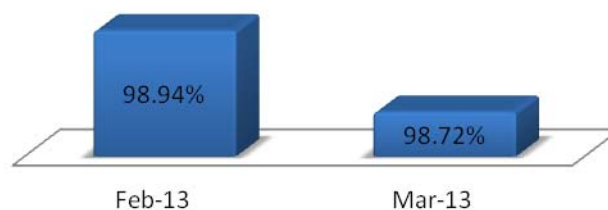
Customer Line



Employer Line



Calls answered at first point of contact

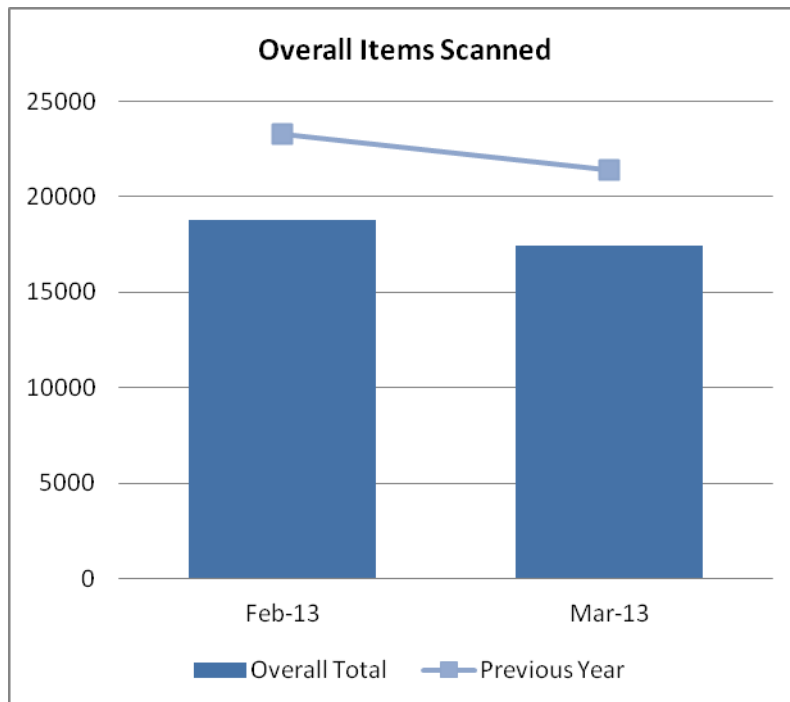


An account of the total calls from 1 February 2013 – 31 March 2013

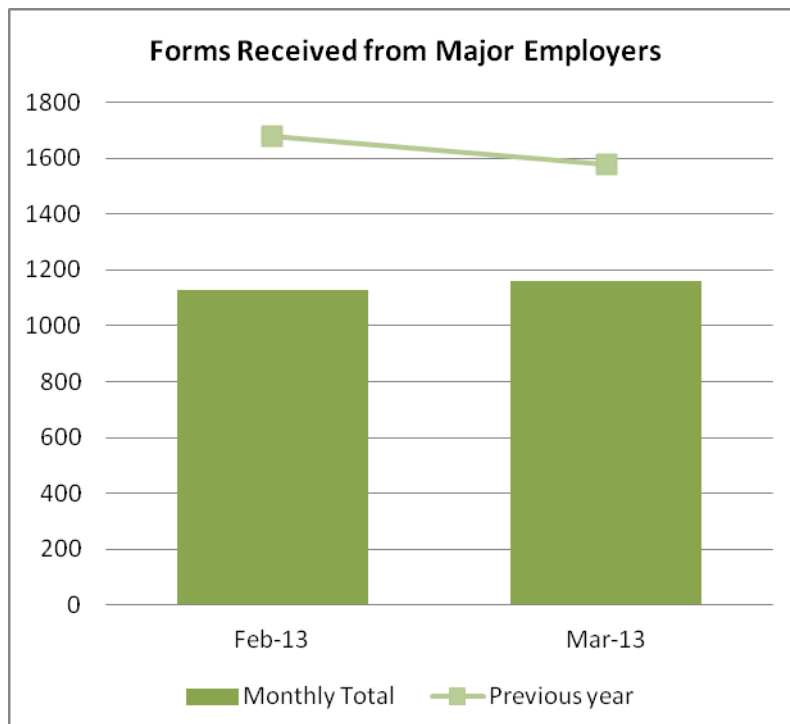
	Offered	Answered	% Ans
Total Calls	8427	7526	89.31
Cus. Calls	7830	6941	88.65
Emp. Calls	597	585	97.99

Data Management Statistics

1st February 2013 – 31st March 2013



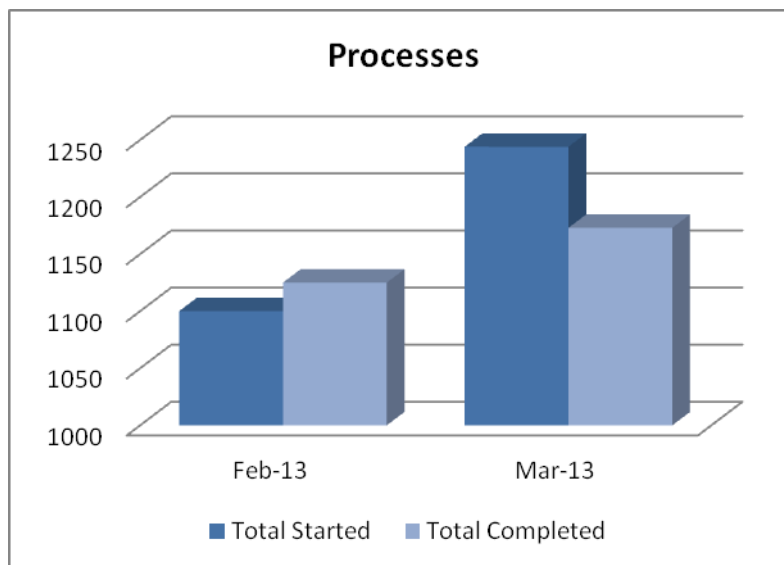
	Overall Total	Previous Year
Feb-13	18777	23268
Mar-13	17433	21366



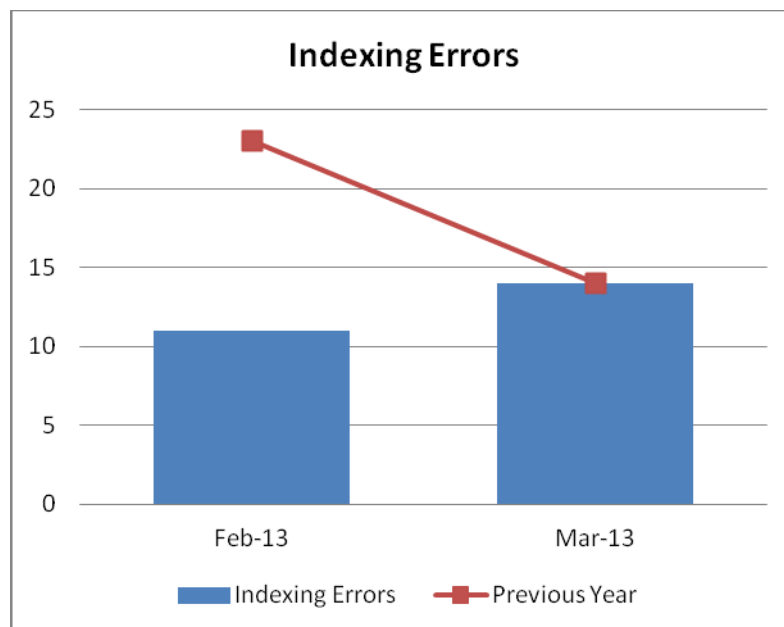
	Monthly Total	Previous year
Feb-13	1128	1678
Mar-13	1161	1579

Data Management Statistics

1st February 2013 – 31st March 2013



	Feb-13	Mar-13
Total Started	1100	1244
Total Completed	1125	1173



	Indexing Errors	Previous Year
Feb-13	11	23
Mar-13	14	14

	Overall Scanned	Indexing errors	%
Feb-13	18777	11	0.058
Mar-13	17433	14	0.0

Indexing errors are errors made while attaching an electronic imaged document to a member's record. It is identified and then corrected.

The issue could range from a document going onto an incorrect record or being assigned the wrong document type.

Key Performance Indicator Report – Member Services: 1 February 2013 to 31 March 2013

Key Performance Indicator	Measurement	February 2013	March 2013
Processing of New Joiner and Re-joiners	Target	85%	85%
	Actual	99.51%	95.48%
Processing of Transfers Payments - Incoming and Outgoing	Target	85%	85%
	Actual	97.85%	90.83%
Processing and Payment of Retirement Benefits	Target	85%	85%
	Actual	78.11%	51.45%
Notification and Calculation of Survivor Benefits following Deaths of Active and Deferred Scheme Members	Target	85%	85%
	Actual	80.77%	82.98%
Processing of Provisional Quotes	Target	60%	60%
	Actual	95.29%	91.43%
Processing of Maintain Member Data	Target	60%	60%
	Actual	93.57%	73.98%
Processing of Deferments	Target	60%	60%
	Actual	70.35%	63.64%
Processing & Payment of Deferred Retirement Benefits	Target	60%	60%
	Actual	98.61%	94.94%