

Wolverhampton City Council**OPEN INFORMATION ITEM**

Committee / Panel	PENSIONS	Date	20 JUNE 2012
Originating Service Group(s)	WEST MIDLANDS PENSION FUND		
Contact Officer(s)/ Telephone Number(s)	GEIK DREVER 2020	NADINE PERRINS 2727	
Title/Subject Matter	<u>MEMBER SERVICES AND OPERATIONAL MANAGEMENT REPORT FROM 1 MARCH 2012 – 30 APRIL 2012</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 6 of this report.



Pensions Member Services Management Report

from 1 March 2012
to 30 April 2012

WEST MIDLANDS



PENSION FUND

Pensions Member Services Management Report

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 March 2012 to 30 April 2012.

2. Scheme Membership

2.1 The number of Scheme members in the Fund in all three categories stands at 255,154 with an overall increase since 29 February 2012 of 201. Details of overall membership of the Fund are shown at Appendix A.

2.2 Of the active membership of 95,143, 50% are full-time and 50% part-time.

2.3 The longer-term trend over an 11-year period in membership is set out in Appendix B.

3. Benefit Operations Incoming Work

3.1 The process analysis statistics show details of overall workflow within the Pensions Administration Service during the period 1 March 2011 to 30 April 2012 (Appendix C).

3.2 During the period covered by this report 20,251 administrative processes were commenced and 19,733 completed. On 30 April 2012, there were 12,645 items of work currently outstanding. Of this, 5,898 items are pending as a result of information awaited from a third party, eg, Scheme members, employers or transferring authorities. With administration, 6,747 processes can either proceed to the next stage of the process or through to final completion which represents a manageable volume of work. 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.

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 D.

3.4 The Fund continues to see an increase in employer membership due mainly to the establishment of academies and outsourced local government contracts. 16 were admitted to the fund during the period 1 March to 30 April. The total has increased from 190, approximately 12 months ago, to the current total of over 270. In addition, we are administering the growth as a result of TUPE-related contracts against a slight decrease, 12 in total, of terminations. The level of ongoing work being processed at the end of the period is as follows:

- 84 admission agreements
- 36 academies
- 21 employer terminations

3.5 An analysis of employer telephone calls received details the value of an immediate response provided by the Fund addressing some fundamental pension queries (see Appendix E).

3.6 Following the valuation exercise, the Fund continues to adopt a more pragmatic approach to improving data quality, with major employers working closely with the administration teams to identify data errors which are corrected using a 'triage' system. This reduces waiting time for employers and Scheme members, and will continue through to the implementation of the new Local Government Pension Scheme. Details of this work are shown in Appendix F.

4. Death Grant Payments

4.1 In the financial year 2012/13, two cases relating to the payment of the death grant have been referred for legal consideration. A decision has been made in one case and one case is still ongoing.

5. IDRP (Internal Dispute Resolution Procedure) Casework

5.1 Since the start of the 2011/12 financial year, two cases have been received, one of which is still in progress; the other case was dismissed and related to the exercise of an employer discretion on the extension of the 12-month time limit for transferring in previous benefits.

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6. Application For Admission Body Status

6.1 The Local Government Pension Scheme Administration Regulations 2008 determine those bodies which are eligible for membership of the Local Government Pension Scheme. There are two defined categories of Scheme employer, which are:

i) Scheduled bodies

These bodies which have automatic access to LGPS and no Committee decision is required as employees of these organisations are eligible for membership of the LGPS.

ii) Other organisations which gain access to LGPS through an admission agreement where they are providing a public service and fulfil the following criteria:

- A community of interest exists
- An organisation has been approved by the Secretary of State to join the Scheme
- An organisation to which a Scheme employer contributes and can receive funding from that employer
- An organisation known as a transferee admission body under Section 15 of the Local Government Act 1999 or under Section 497A of the Education Act 1996.

6.2 Organisations must satisfy one or more of the above criteria and admission to the Fund is dependent upon the Pensions Committee approving the application. Sometimes, a decision is required which is not compatible with the cycle of Pensions Committee meetings and admission agreements cannot be backdated (LGPS Regulations). In these circumstances, Pensions Committee has delegated responsibility for approving such applications to the Director of Pensions in consultation with the Chair and Vice Chair.

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6.3 The table below lists the applications received for admission to the West Midlands Pension Fund which have been approved/or awaiting approval by the Director of Pensions, the Chair and Vice Chair:

	Employer Name	Guarantee Status (Agreement)	Number Of Employees (Scheme Members)	Status
1	Barnado's (Solihull)	Solihull MBC (not yet determined)	3 (3)	Approved
2	Mytime Active (Birmingham)	Birmingham City Council (not yet determined)	30 (30)	Approved
3	Redcliffe Catering Limited (Waverley School) (Birmingham)	Birmingham City Council (closed)	1 (1)	Approved
4	Sandwell Community Caring Trust (Sandwell)	Sandwell MBC (not yet determined)	107 (107)	Approved
5	Taylor Shaw Limited (Wolverhampton)	Wolverhampton City Council (closed)	8 (4)	Approved
6	Lend Lease Facilities Management (EMEA) Ltd (Birmingham)	Birmingham City Council (closed)	68 (68)	Awaiting approval
7	Lend Lease Construction (EMEA) Ltd (Birmingham)	Birmingham City Council (closed)	21 (21)	Awaiting approval
8	Premier Support Services (Hill West Primary) (Birmingham)	Birmingham City Council (closed)	2 (2)	Awaiting approval
9	Premier Support Services (Four Oaks School) (Birmingham)	Birmingham City Council	5 (1)	Awaiting approval

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6.4 This table lists the new applications for admission which require Committee approval:

Employer Name	Guarantee Status (Agreement)	Number Of Employees (Scheme Members)	Status
10 Alliance in Partnership (King Edward VI Sheldon Heath Academy) (Birmingham)	King Edward VI Sheldon Heath Academy (closed)	16 (16)	Committee approval
11 DRB Contract Cleaning Limited (Yew Tree Primary School) (Birmingham)	Birmingham City Council (not yet determined)	3 (1)	Committee approval
12 Lawrence Cleaning Ltd (Parkfield Primary School) (Wolverhampton)	Wolverhampton City Council (not yet determined)	2 (2)	Committee approval
13 Murraray Hall Community Trust (Oldbury Children's Centres) (Sandwell)	Sandwell MBC (not yet determined)	7 (7)	Committee approval
14 Murray Hall Community Trust (Rowley Children's Centres) (Sandwell)	Sandwell MBC (not yet determined)	21 (21)	Committee approval
15 Murray Hall Community Trust (Wednesbury Children's Centres) (Sandwell)	Sandwell	12 (12)	Committee approval

6.5 During the period 1 March 2012 to 30 April 2012, there have been four terminations of employer outsourced local government contracts.

7. Pensions in Payment

7.1 The gross annual value of pensions in payment in April 2012 was £367.6m, of which £18.9m (£8.9m for pensions increase and £10.0m for added years compensation) was recovered from employing authorities and other bodies as the expenditure was incurred.

7.2 Monthly payroll numbers were:

March	78,422
April	69,620

March payroll includes members paid quarterly and yearly.

8. Communications & Marketing Activity

8.1 Communicating With Members

Segmented mailing campaigns continue with support from partner organisations (namely Prudential) in respect of AVCs and general pensions (LGPS) awareness. A member update mailing has been issued to appropriate members to make them aware of the benefits of AVCs, and informing them of Prudential's intention to introduce an exit charge for first contributions received on or after 19 August 2012.

Retirement Planning Events (previously known as pre-retirement seminars)

July events have been confirmed and places are being confirmed for members to attend their chosen presentation. These events will include four presentations per day and will continue to include two separate presentations.

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Members that have more than five years until retirement will be invited to attend a one-hour presentation. The content will include the benefits of being a member of the LGPS and the potential changes to the Scheme, and why the Government are looking to impose the changes ahead. The other presentation available lasts for two hours and will also include information to help members to plan effectively for their retirement. It is aimed at those with less than five years until retirement.

Members will also be given the opportunity to meet with a Member Solutions Officer, at the Fund's offices, to discuss their individual circumstances on a one-to-one basis.

The four presentations will be held at the following times:

- **Midday - 1.00 pm and 5.00 pm - 6.00 pm** for members with more than five years until retirement.
- **2.00 pm - 4.00 pm and 7.00 pm - 9.00 pm** for members with less than five years until retirement.

Date	Location
Tuesday 3 July	The Studio, Birmingham
Wednesday 4 July	Novotel, Wolverhampton
Thursday 5 July	Holiday Inn Express, Walsall
Wednesday 11 July	Regency Corus Hotel, Solihull
Thursday 12 July	Ramada Hotel, Coventry

8.2 Civic Roadshows

Co-ordination of the civic roadshows continues. Posters and leaflets have been produced in order to promote the events and have been distributed to all employers.

The roadshow vehicle and Fund representatives will be on-site at each event between 10.00 am and 4.30 pm.

Date	Location	Venue
Tuesday 12 June	Wolverhampton City Council	Civic Centre Piazza
Wednesday 13 June	Birmingham City Council	Chamberlain Square
Thursday 14 June	Solihull MBC	Church Hill House car park
Friday 15 June	Coventry City Council	Opposite Council House
Monday 18 June	Birmingham City Council	Chamberlain Square
Tuesday 19 June	Walsall MBC	Civic Centre entrance (paved area)
Thursday 21 June	Sandwell MBC	Oldbury Council House, Mayor's car park
Friday 22 June	Dudley MBC	Stone Street Square

Details of the 2014 LGPS proposals will be made available to roadshow visitors and have also been circulated to Fund employers.

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8.3 Presentations

During the period, Fund officers have held 38 events that have been requested by employers that require support for their employees and our members covering several subjects. The communications team will continue to provide support on any subjects that are requested by an employer for their employees, requests received this period include potential changes to the LGPS, pay and grading/single status, redundancy/at risk, academy status (bespoke), planning for retirement and induction.

Examples of activity during the period are as follows:

7 March	University of Wolverhampton	Member retention
12 March	Wolverhampton City Council	Redeployment workshop
13 March	Sandwell Homes	Lifestyle event
26 March	Shirestone Academy	Academy status (bespoke)
16 April	Bournville College	Potential changes to the LGPS
25 April	Sacred Heart School	Potential changes to the LGPS
1 May	Solihull Community Housing	Potential changes to the LGPS
9 May	Dudley MBC	Pay and grading
17 May	Sandwell MBC	Surgery
23 May	Walsall Housing Group	Roadshow

8.4 Benefits Statements

Work is underway to produce deferred benefits statements with a view to be distributed week commencing 18 June.

8.5 Automatic Enrolment Employer Meeting

The automatic enrolments briefing sessions were held on Thursday 19 April. There were a total of 96 attendees representing 57 organisation – the feedback received suggests that the sessions helped the employers understand the impact of automatic enrolment on their organisation and the resources required to implement the legislation. The slides used by Mercer at the briefing sessions are available on the Fund's website.

8.6 Fund Member Documentation

The following publications have been updated during the period:

- All About Your Scheme
- Short Guide
- Bereavement Guide
- Superlink June 2012 containing the following articles:
 - The National Campaign for Courtesy
 - Adventures for pensioners
 - Letters to the editor
 - Superlink savings
 - We want your opinion
 - Summer wordsearch competition
 - A day (plus) in the day of a headteacher
 - Funny photo competition

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8.7 Postal Items Issued

During the period, the Fund issued the following postal communication direct from Mander House:

	UK Mail	Monthly Pay Advice Air Mail	UK Air Mail	Royal Mail Air Mail	Royal Mail	Recorded Delivery	Special Delivery	Monthly Total
February 2012	7,246	1,020	63	0	621	45	15	9,010
March 2012	7,719	1,419	103	0	681	23	15	9,960
April 2012	6,134	1,019	163	0	476	30	12	7,834

9. Operational Budget Monitoring

9.1 The approved budget provision for 2011/12 financial year is:

a) Pensions Administration	£6.2m
b) Pensions Investments	£11.2m

Within the Pensions Administration budget there is a service development provision for £590k for 2012/13, in line with the *Business Plan Medium-Term Financial Plan* agreed in April 2012. A service plan, together with a financial monitoring report, will be provided at the next Committee meeting.

9.2 No write on and offs of pension payments were processed during the period.

10. Legal Implications

10.1 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.

11. Financial Implications

11.1 The report contains financial information which should be noted.

11.2 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 employers contribution rate based on the pension assets and liabilities of the individual employer.

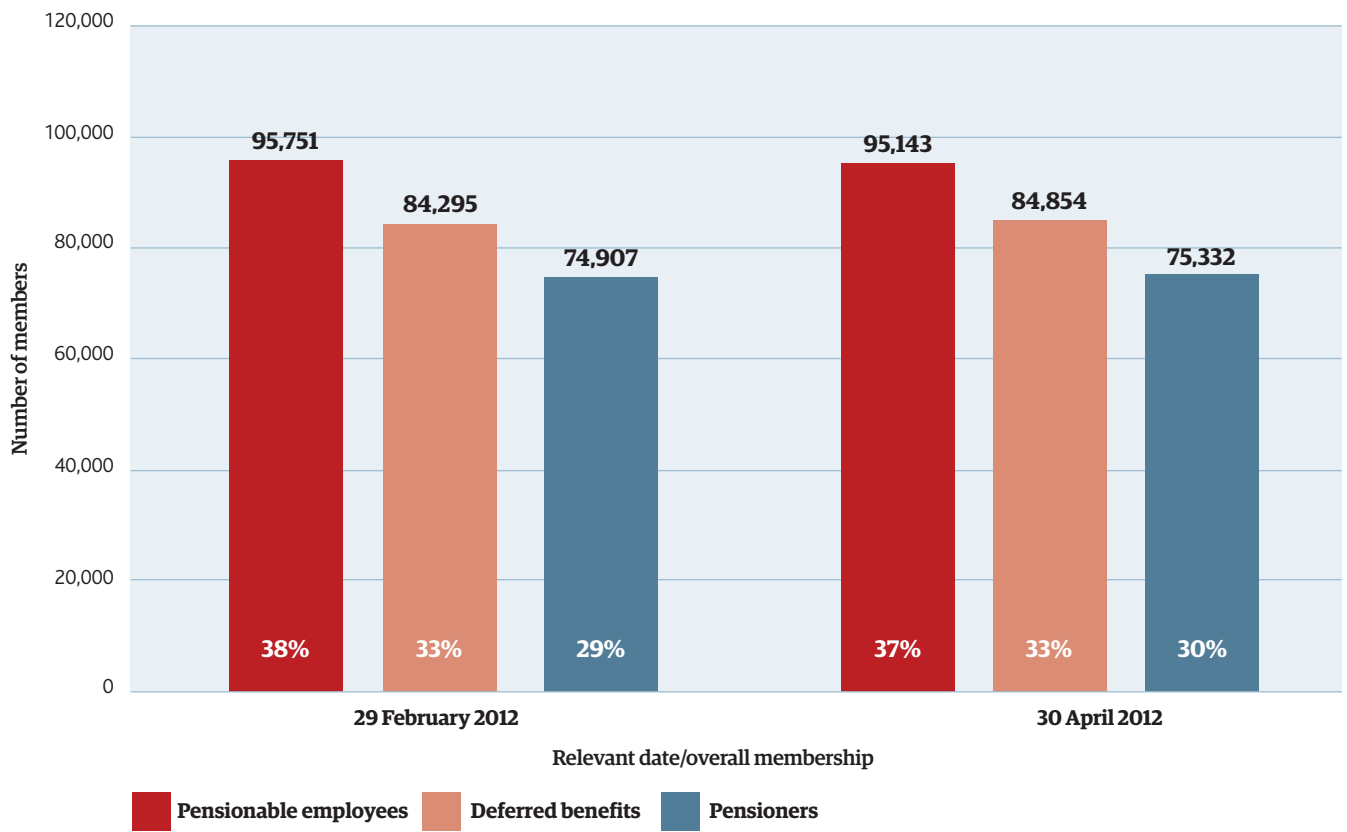
12. Environmental Implications

12.1 The report contains no direct implications for the Authority's environmental policies.

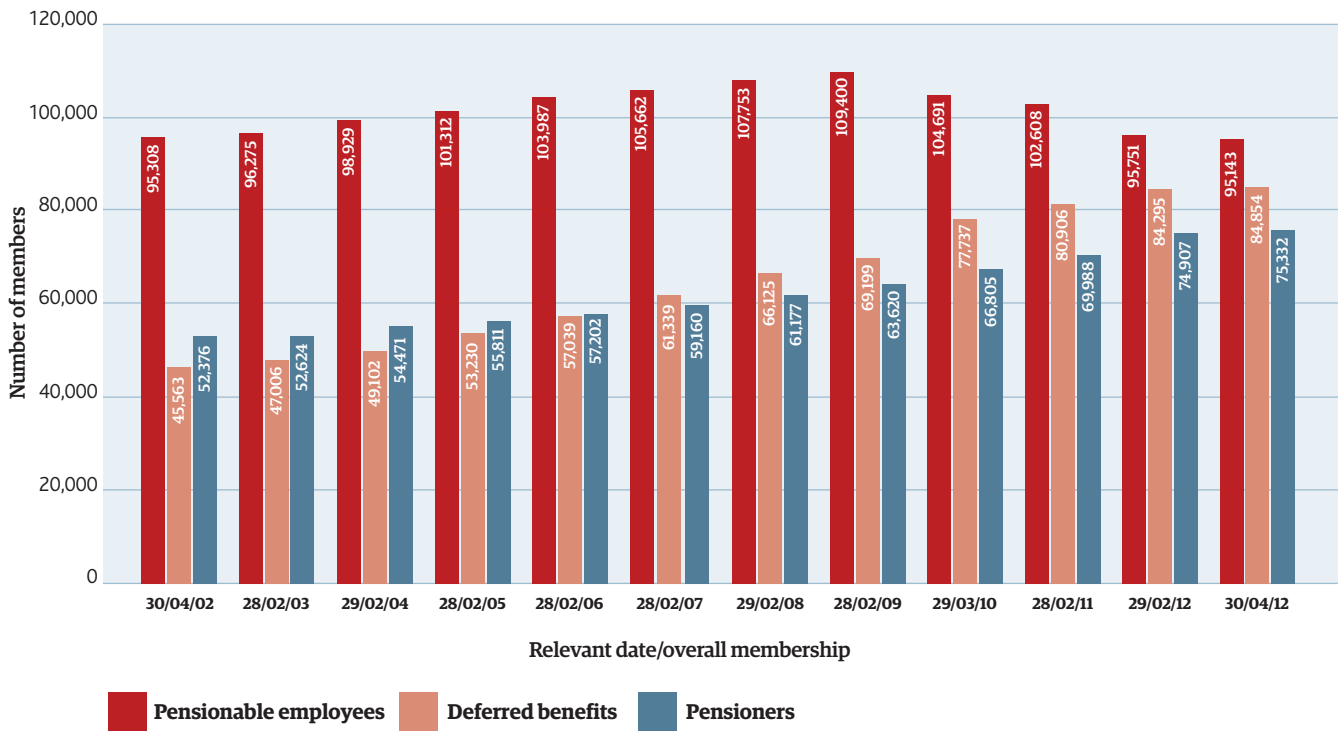
13. Equal Opportunities Implications

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

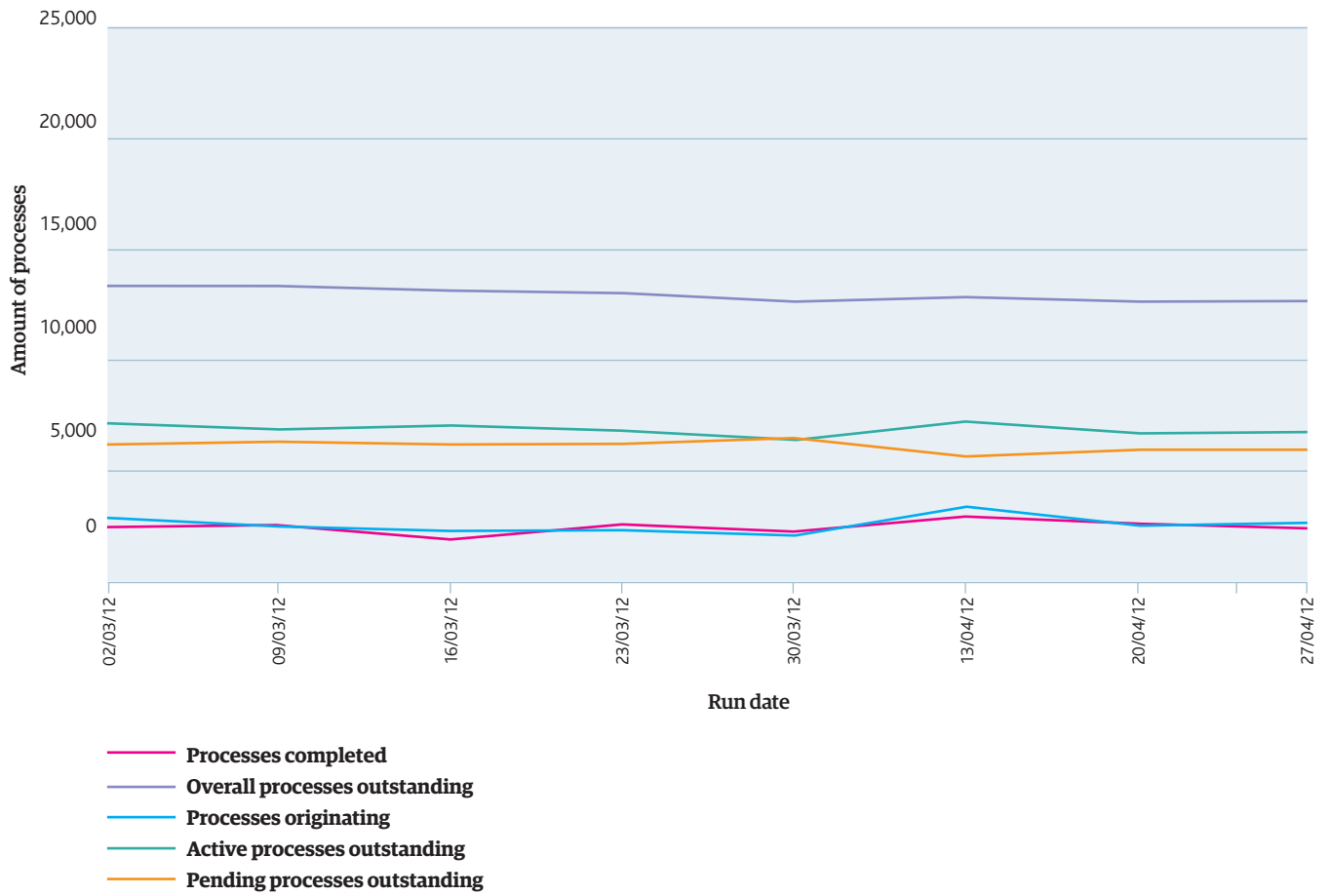
Appendix A: Overall Membership



Appendix B: Overall Membership



Appendix C: Process Analysis



Appendix D: Detailed Process Analysis

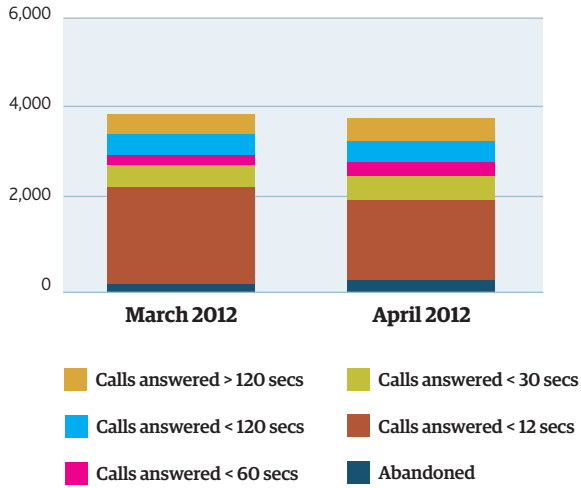
Active & Deferred Members				2011/12													2012/13
	2008/09	2009/10	2010/11	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	
Process type	Number started																
Joiners and rejoiners	13,949	11,437	8,763	285	470	508	394	450	471	815	537	752	448	640	633	441	
Changes in circumstances, eg, change in hours	17,179	27,341	18,759	919	1,324	1,270	1,599	1,322	1,115	2,021	1,362	773	1,138	1,219	1,241	1,066	
Deferments	9,907	6,915	5,939	572	664	936	541	562	762	547	994	478	654	663	445	501	
Active retirements (employer retirements)	2,442	2,652	3,317	423	480	358	297	425	377	265	251	292	266	269	247	199	
Deferred retirements	2,367	4,106	3,332	230	226	226	283	264	263	239	284	233	367	59	296	305	
Deaths of members	191	253	295	16	25	11	25	28	28	19	27	23	21	12	27	11	

Pensioner Members				2011/12													2012/13
	2008/09	2009/10	2010/11	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	
Process type	Number started																
Changes in circumstances:																	
Data, eg, passwords, NI numbers	2,109	7,407	1,310	42	20	276	161	155	163	135	186	131	150	159	226	136	
Changes of address	2,235	2,222	2,420	170	204	196	183	231	278	238	245	253	221	227	235	198	
Changes of bank	2,651	1,125	2,927	215	228	251	262	216	225	194	253	187	255	232	13	248	
Deaths of pensioners	2,036	2,014	2,085	166	197	195	146	170	185	145	186	159	212	178	206	198	

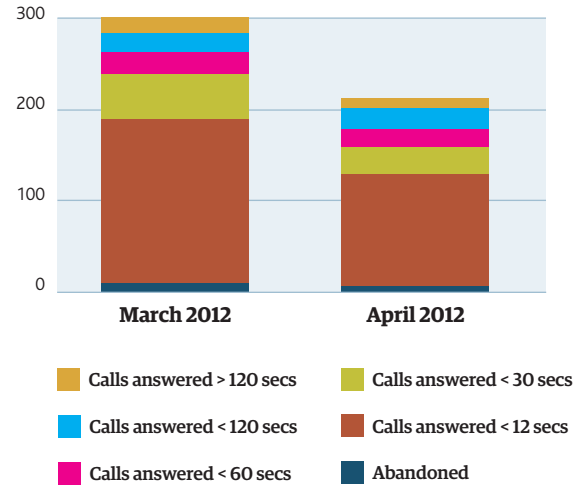
Pensioner Members			2011/12													2012/13
	2009/10	2010/11	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	
Payroll	Monthly Monthly M & Q Monthly Monthly M & Q Monthly Monthly M & Q Monthly Monthly M, Q & Y Monthly															
Actual number paid	763,022	792,724	65,993	66,312	71,253	67,158	67,435	72,165	68,088	68,567	73,422	69,080	69,294	78,422	69,620	

Appendix E: Customer Service Telephone Statistics

Customer Line



Employer Line



First-call resolution

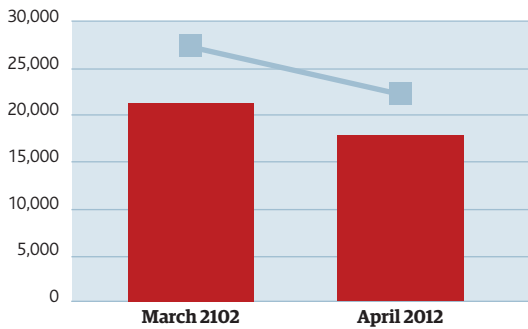
Calls answered at first point of contact	
March 2012	April 2012
98.99%	97.74%

An account of the total calls from 1 March 2012 - 30 April 2012

	Offered	Answered	% Answered
Total calls	7,901	7,465	94.48
Customer calls	7,384	6,972	94.42
Employer calls	517	493	95.36

Appendix F: Data Management Statistics

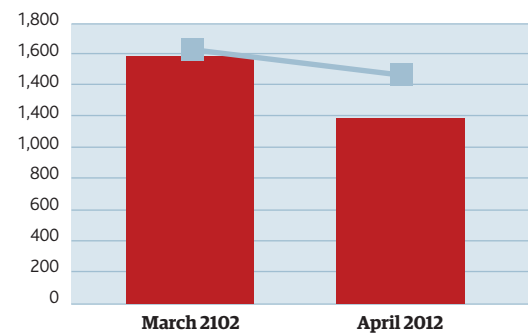
Overall items scanned



■ Overall total ■ Previous year

	Overall total	Previous year
March 2012	21,366	27,453
April 2012	17,903	22,324

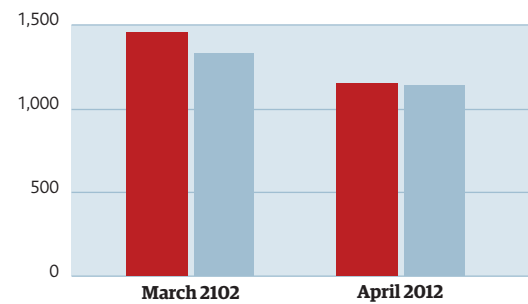
Forms received from major employers



■ Monthly total ■ Previous year

	Overall total	Previous year
March 2012	1,579	1,618
April 2012	1,182	1,466

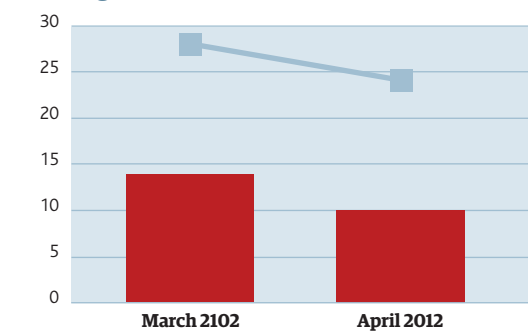
Processes



■ Total started ■ Total completed

	March 2012	April 2012
Total started	1,454	1,149
Total completed	1,311	1,145

Indexing errors



■ Indexing errors ■ Previous year

	Indexing errors	Previous year	Overall scanned	Indexing errors	
Mar 2012	14	28	Mar 2012	21,366	14
Apr 2012	10	24	Apr 2012	17,903	10

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.