

Wolverhampton City Council

OPEN INFORMATION ITEM

Committee / Panel	<u>PENSIONS</u>	Date	<u>21/11/2012</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>MEMBER SERVICES AND OPERATIONAL MANAGEMENT</u> <u>REPORT FROM 1 MAY 2012 – 30 SEPTEMBER 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 7.3 of this report.
- c) That members approve the change to the WMPF logo and the proposed launch on the 31 March 2013.
- d) That Members note the replacement of Superlink contained in paragraph 9.6 of this report.

PENSIONS MEMBER SERVICES MANAGEMENT REPORT
FROM 1 MAY 2012 – 30 SEPTEMBER 2012

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 May 2012 to 30 September 2012.

2. SCHEME MEMBERSHIP

- 2.1. The number of scheme members in the Fund in all three categories stands at 257,017 with an overall increase since 30 April 2012 of 1688. Details of overall membership of the Fund are shown at Appendix A.
- 2.2. Of the active membership of 94,919, 49% are full-time and 51% 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 May 2012 to 30 September 2012 (Appendix C).
- 3.2. During the period covered by this report 56,786 administrative processes were commenced and 52,766 completed. On 30 September 2012 there were 13,993 items of work currently outstanding. Of this 5,092 items are pending as a result of information awaited from a third party e.g. scheme members, employers or transferring authorities. With administration, 8,901 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. 61 new organisations were admitted to the fund during the period 1 May to 30 Sept 2012. The current number of employers as at 31 October 2012 is 311. The level of ongoing work being processed at the end of the period is as follows:-
- 83 admission agreements
 - 49 academies
 - 19 employer terminations
- 3.5. An analysis of employer telephone calls is shown in Appendix E which details the immediate response provided by the Fund when addressing fundamental pension queries.
- 3.6. The Fund continues to adopt a more pragmatic approach to improving data quality with major employers by working closely with their administration teams to identify data errors which are corrected using a 'triage' system. Currently we are sharing some resources to extract and correct existing data within Birmingham City Council which will eventually assist with the end of year contributions returns. The introduction of Auto-Enrolment and the changes RTI (Real Time Information) for HMRC purposes is forcing employers to submit data on a monthly rather than an annual basis. As part of the consultation with employers on the Pensions Administration

Strategy, the exchange of end of year data will become a priority for the Fund over the next few months. 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. **PERFORMANCE**

4.1 As stated at the last Pensions Committee we have now fully implemented Key Performance Indicator (KPI) framework which measures the outcomes across priority processes and KPI processes within the Operations and customer service functions.

4.2 Since 1 June 2012 we have measured our performance which is shown in Appendix G. The table and graph show that we have exceeded our performance across a target of 85% and will continue to review the targets set and increase the number of processes that have KPI measurement applied.

4.3 By monitoring these targets and operational performance we can then work in partnership with our employers to improve customer satisfaction levels for all scheme membership.

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

5.1 Since the beginning of the financial year 2012/13 six have been received, with five cases being dismissed and one case upheld.

The case that was upheld related to a dispute over the ill-health tier that had been awarded.

The five cases that were dismissed involved the following pensions issues:-

- The exercise of the employer discretion on the extension of the 12 month time limit for transferring in previous benefits.
- Two cases related to the award of deferred benefits on ill-health grounds rather than the award of immediate ill-health.
- Incorrect employer data which resulted in the incorrect calculation of benefits.
- Incorrect information issued to Inland Revenue based on employer data resulting in a revision to benefits.

6. **Death Grant**

6.1 In the financial year 2012/13, three cases have been referred to WCC Legal Services relating to the decisions of payment of the death grant. Of the three cases one remains outstanding.

7. **APPLICATION FOR ADMISSION BODY STATUS**

7.1 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.

7.2 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.

7.3 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 and Pensions Committee:-

EMPLOYER NAME	GUARANTEE STATUS (AGREEMENT)	NUMBER OF EMPLOYEES (SCHEME MEMBERS)	STATUS
1. S4E Ltd (Birmingham)	Birmingham City Council (not yet determined)	24 (20)	Awaiting Approval
2. Carillion Services Ltd (Wolverhampton)	Wolverhampton City Council (not yet determined)	21 (21)	Awaiting Approval
3. Elite Cleaning and Environmental Services (Walsall)	Walsall MBC (closed)	14 (14)	Awaiting Approval
4. Swanswell Charitable Trust	West Midlands Police (not yet determined)	9 (9)	Awaiting Approval
5. Aspens Services Ltd	Coventry City Council (Closed)	3 (3)	Awaiting Approval
6. DRB Contract Cleaning Ltd	Birmingham City Council (not yet determined)	1 (1)	Awaiting Approval
7. Lend Lease Construction (EMEA) Ltd	E-Act Shenley Academy (Closed)	2 (2)	Awaiting Approval
8. Redcliffe Catering Ltd	Birmingham City Council (Closed)	3 (3)	Awaiting Approval
9. Action for Children (West Bromwich South)	Sandwell MBC (Closed)	8 (8)	Awaiting Approval
10. Action for Children (Smethwick)	Sandwell MBC (Closed)	22 (22)	Awaiting Approval
11. Barnados (West Bromwich North)	Sandwell MBC (Closed)	12 (12)	Awaiting Approval

7.4 Members should note that changes to the LGPS (Miscellaneous) Regulations will take effect on 1 October 2012 which affect admission agreements. The new regulation specifies the requirement for a separate admission agreement in respect of each contract or arrangement. The Fund already adheres to this requirement as part of its current admission agreement provision.

7.5 Amendments to a number of clauses within the Funds admission agreements and guarantee bonds will be actioned and details reported back to Committee.

7.6 Current admission agreements which deal with transferee and community admission bodies, e.g. outsourced Local Government contracts/charities will require minor amendments to the Funds arrangements as part of the implementation of Auto-Enrolment.

8. **PENSIONS IN PAYMENT**

8.1. The gross annual value of pensions in payment in September 2012 was £376.8m, of which £18.5m (£8.6m for pensions increase and £9.9m for added years compensation) was recovered from employing authorities and other bodies as the expenditure was incurred.

8.2. Monthly payroll numbers were:

May	-	69,770	August	-	70,273
June	-	75,017	September	-	75,591
July	-	70,200			

June and September payrolls include members paid quarterly.

9. **COMMUNICATIONS & MARKETING ACTIVITY**

9.1. **Communicating With Members**

Retirement Planning Events (previously known as Pre-Retirement Seminars) September/October events ran smoothly and were successful, attracting 372 attendees. The next retirement planning events will be held in February 2013, dates and venues are currently being confirmed and will be circulated to members and employers as soon as they have been agreed.

The events held in September/October included two presentations, a one hour session (AVC) aimed at members more than five years from retirement and a two hour session (RPE) for those members within five years of retirement. Four presentations were held at each venue, two of each session.

Members were also 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.

September/October Events

Date	Location	Number of attendees
25 September	Novotel, Wolverhampton	64
26 September	Holiday Inn Express, Walsall	54
27 September	Hilton Garden Inn, Birmingham	83
3 October	Regency Hotel, Solihull	90
4 October	Ramada Hotel, Coventry	81

9.2. **Presentations**

During the period Fund officers have continued to deliver presentations upon request from employers. The communications team will provide support on any subjects that are requested by an employer for their employees, however, the emphasis is on retaining membership and educating members on the possible changes due to be implemented in 2014.

Examples of activity during the period are as follows:

7 August	Wolverhampton City Council	Re-deployment workshop
16 August	Ormiston Academy	Induction
21 September	Steps to Work	Surgery
5 October	Coventry City Council	Pre-retirement presentation
10 October	Wolverhampton City Council	Single status Surgery
11 October	Sandwell Homes	Roadshow
19 October	Oldswinford School	Induction

9.3. **Benefit Statements**

164 deferred ex-spouse annual benefit statements were dispatched successfully on 18 September, 131 active and 22 deferred councillor annual benefit statements were distributed on 21 September, completing the 2012 benefit statement cycle.

The annual benefit statements project team will meet in January when work will begin on the 2013 annual benefit statement cycle.

9.4 **Business Support**

During the period, the Fund issued 27,193 items of postal communication direct from Mander House, an average of 9,064 items per month. In August, the Fund started to monitor the

communication that is received and processed in the Business Support office in Mander House. During August and September 10,627 items were received including 128 cheques and 397 certificates.

9.5. **Proposed new logo**

The consultation in relation to the proposed fund logo has concluded and based on the information available, the Fund seeks approval to introduce the new Fund logo alongside the proposed new Scheme.

The main objective of the consultation was to engage with stakeholders of the Fund and seek their opinion on the new brand logo. The actions that were taken in order to engage with the stakeholders and obtain their opinion include; inviting Fund employees to attend a presentation about the proposed logo, inserting opinion surveys into active and deferred benefit statements, including an article in the June edition of Superlink asking our pensioners for their thoughts, distributing the opinion survey at the civic roadshows held in June this year, to all visitors to the Fund, all employers and external stakeholders including JCP, Prudential and Civica. Fund employees were encouraged to seek the opinion of their own individual contacts.

Following the engagement of stakeholders, data was collated via the receipt of opinion surveys and emails. It is proposed that following committee approval, the Fund will have an official press launch of the new logo on 31 March, 2013.

9.6. **Pensioner magazine – ‘Superlink’**

Following the payslip production consultation a decision was made to send all pensioners one payslip per year, unless their pension payment changes by plus or minus £10. Superlink is sent out with payslips and therefore it is inevitable that production of the quarterly pensioner magazine will have to cease. The Fund received feedback on this issue, both understanding the decision as well as expressing disappointment.

The final edition of Superlink was distributed to pensioners in September 2012. The communication team is currently researching a pensioner affinity group ‘Club Together’ in order to provide our pensioners with a suitable replacement. It is our intention for the replacement magazine to be distributed in the first half of 2013.

9.7 **Fund Member Documentation**

The following publications have been updated during the period:

Pension Payments Abroad
Transferring Your Pension Rights

10. **OPERATIONAL ACCOUNTING**

10.1 A write –off relates to pensions overpaid to members, after following the debt recovery policy, these cases become uneconomical to pursue or the estate has insufficient funds to recover. In general, an overpayment is generated by late notification of death of members.

A write-on relates to monies due to the members estate in order to make pension payments up to date of death. After correspondences, the legal representative is untraceable or does not wish to claim the funds.

The write-off's and write-on's detailed below cover the period: April 2012 to September 2012.

WRITE-ON ANALYSIS

Individual Value	Number	Total
Less than £50	5	112.99
£50 - £100	1	88.33
£100 - 500	0	0.00
Over £500	1	764.65
TOTAL	7	965.97

WRITE-OFF ANALYSIS

Individual Value	Number	Total
Less than £50	4	75.52
£50 - £100	16	1,110.91
£100 - £500	11	1,970.90
Over £500	4	5,636.75
TOTAL	35	8,794.08

11. **LEGAL IMPLICATIONS**

11.1 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.

12. **FINANCIAL IMPLICATIONS**

12.1 The report contains financial information which should be noted.

12.2 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.

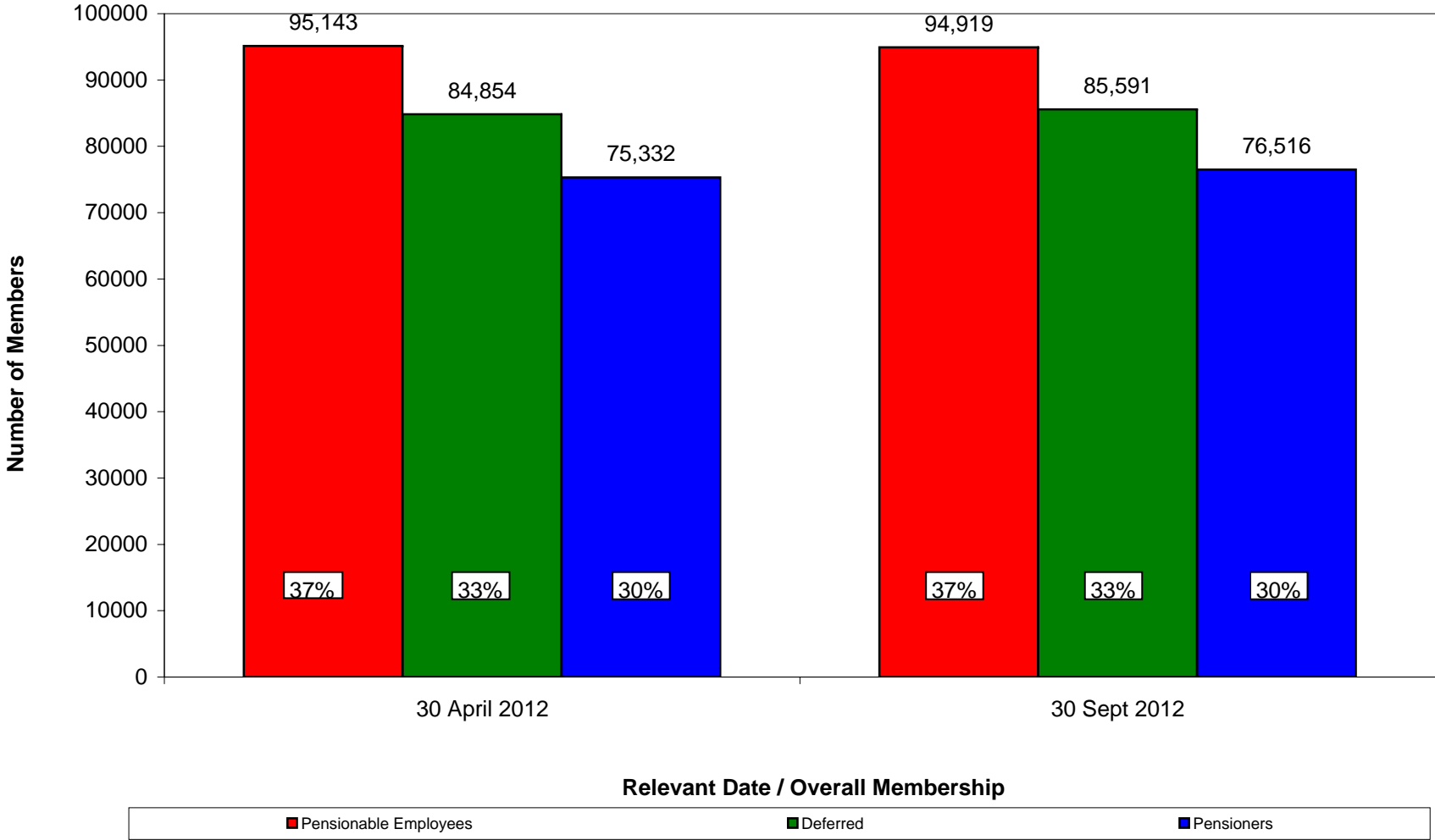
13. **ENVIRONMENTAL IMPLICATIONS**

13.1 The report contains no direct implications for the Authority's Environmental Policies.

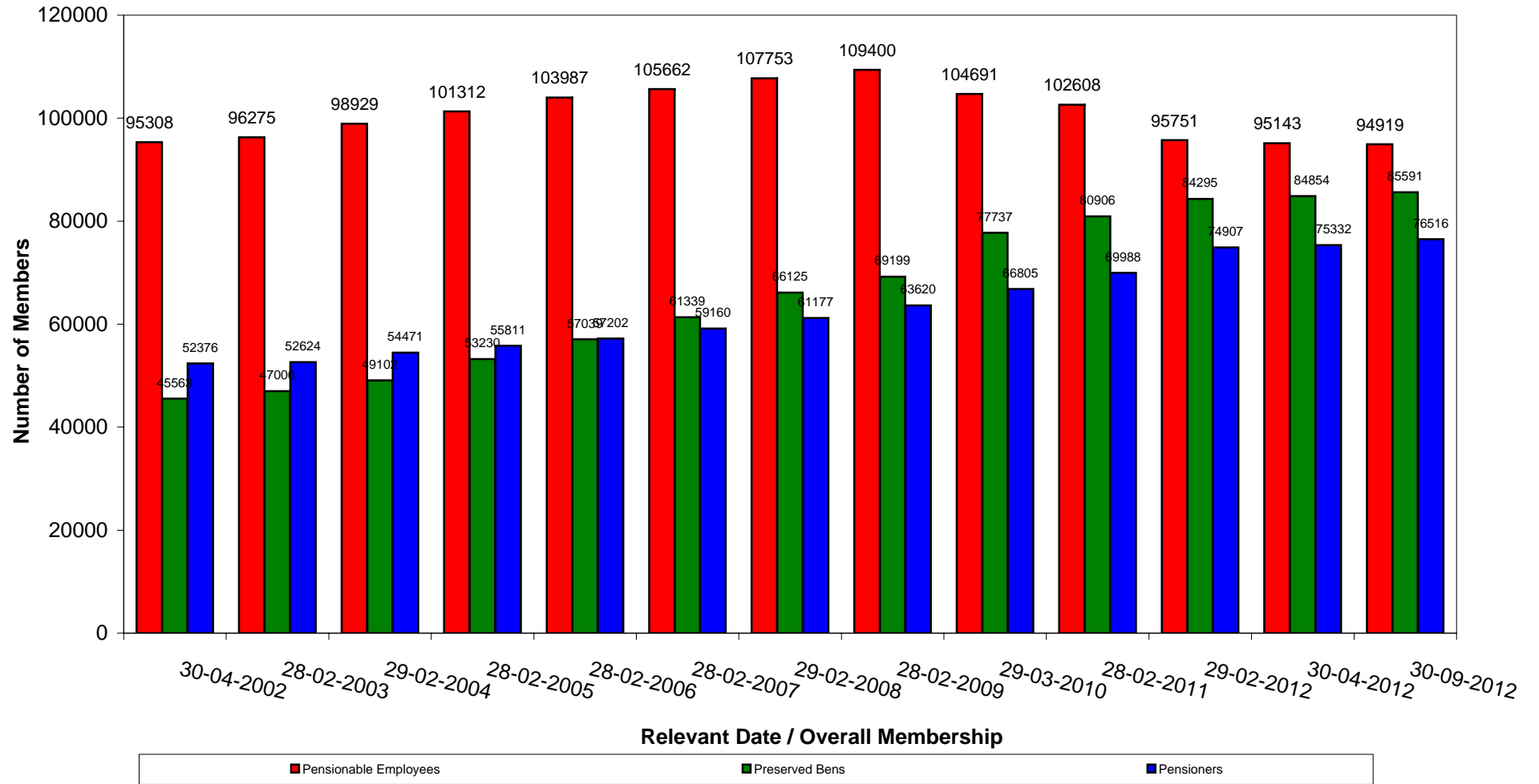
14. **EQUAL OPPORTUNITIES IMPLICATIONS**

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

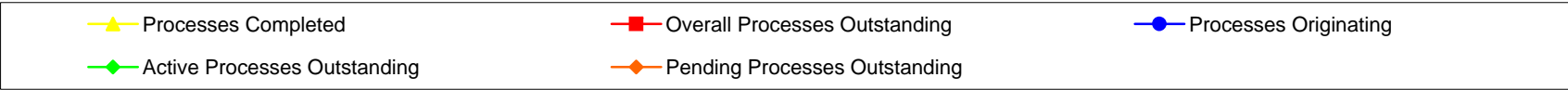
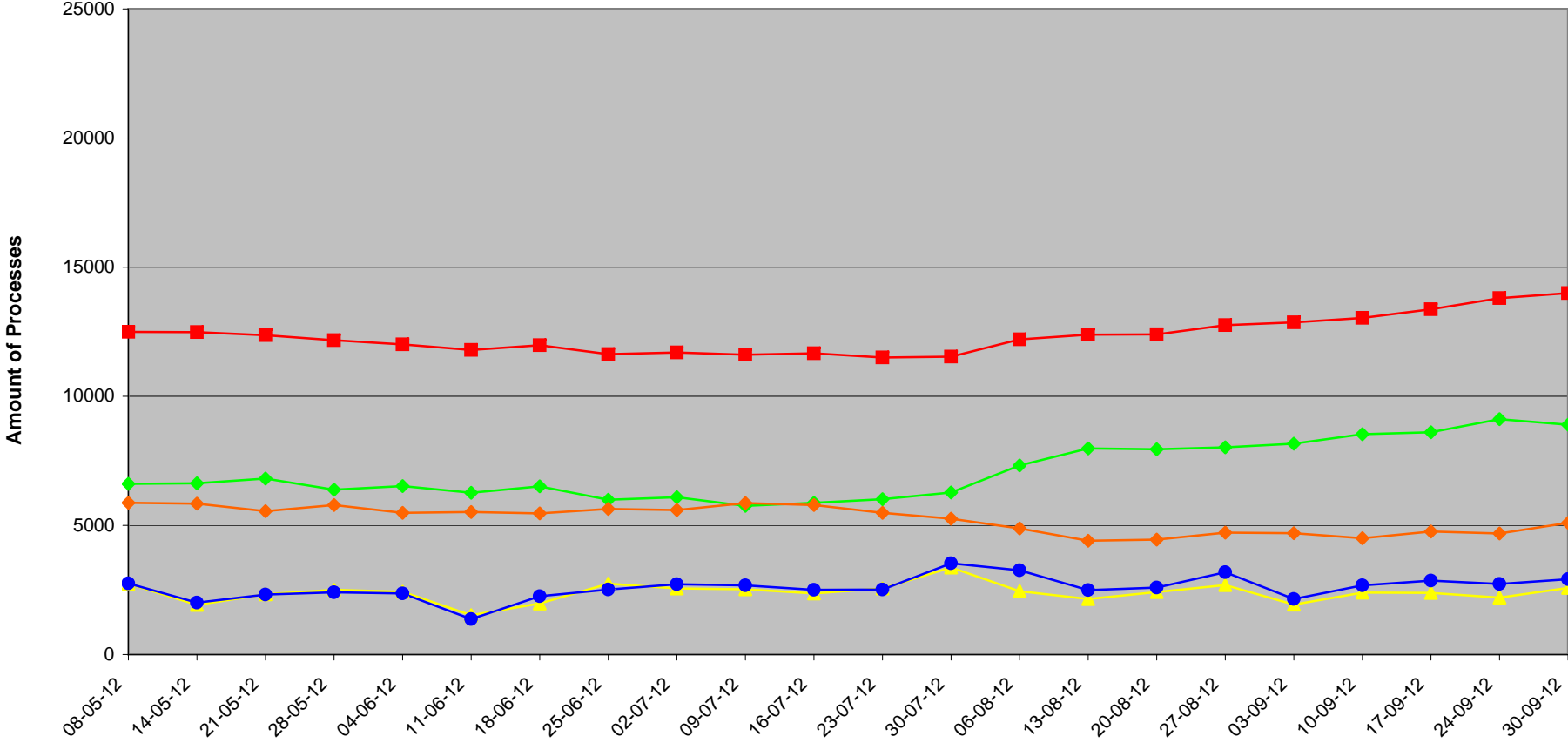
Overall Membership



Overall Membership



Process Analysis



Pension Committee Statistical Report
Detailed Process Analysis

					2012/13					
2008/09	2009/10	2010/11	2011/12		April	May	June	July	August	Sept

Active & Deferred members

Process type	Number started									
Joiners and Rejoiners	13949	11437	8763	6403	441	547	481	305	1619	597
Changes in circumstances eg change in hours	17179	27341	18759	15303	1066	915	842	1106	1654	1003
Deferments	9907	6915	5939	7818	501	543	325	406	617	398
Active Retirements (Employer retirements)	2442	2652	3317	3950	199	212	158	221	282	156
Deferred Retirements	2367	4106	3332	2970	305	327	240	236	210	221
Deaths of members	191	253	295	262	11	27	16	31	37	18

Pensioner members

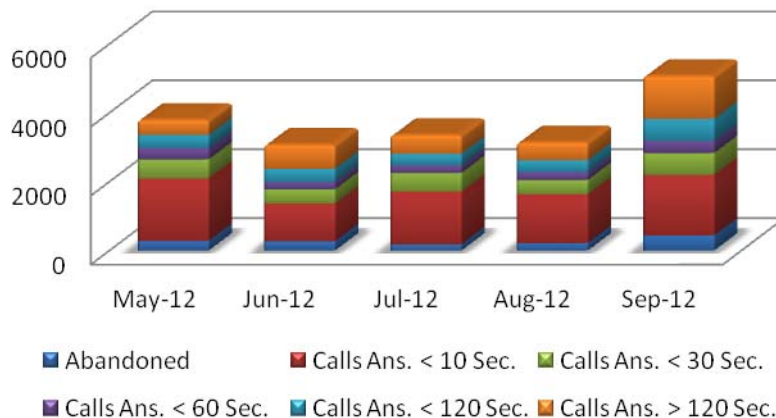
Process type	Number started									
Changes in circumstances:-										
Data eg Passwords, NI Numbers	2109	7407	1310	1804	136	188	133	162	138	130
Changes of Address	2235	2222	2420	2681	198	181	179	183	200	180
Changes of Bank	2651	1125	2927	2531	248	248	301	262	221	187
Deaths of pensioners	2036	2014	2085	2145	198	169	161	200	171	156

Payroll					Monthly	Monthly	M & Q	Monthly	Monthly	M & Q
Actual number paid		763022	792724	837189	69620	69770	75017	70200	70273	75591

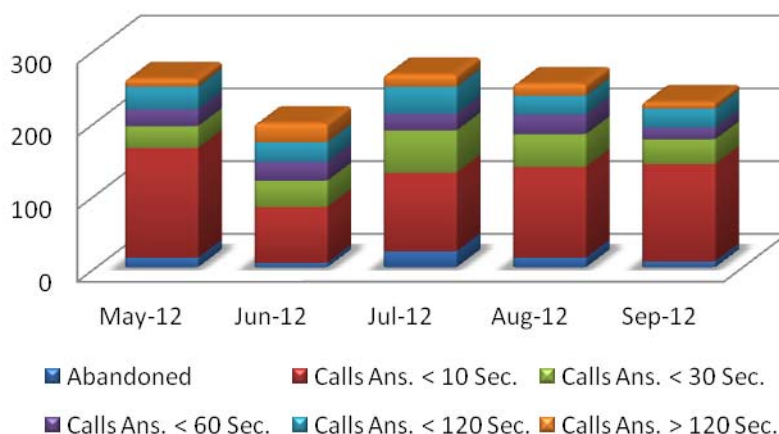
Customer Service Telephone Statistics

1st May 2012 – 30th September 2012

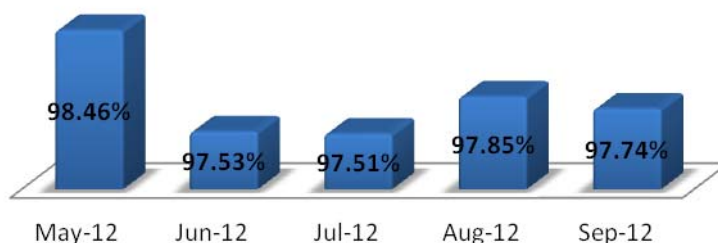
Customer Line



Employer Line



Calls answered at first point of contact

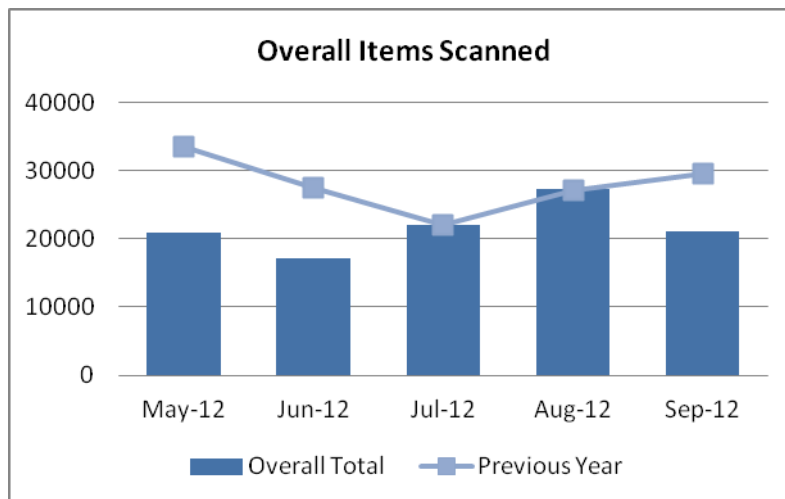


An account of the total calls from 1 May 2012 2012 – 30 September 2012

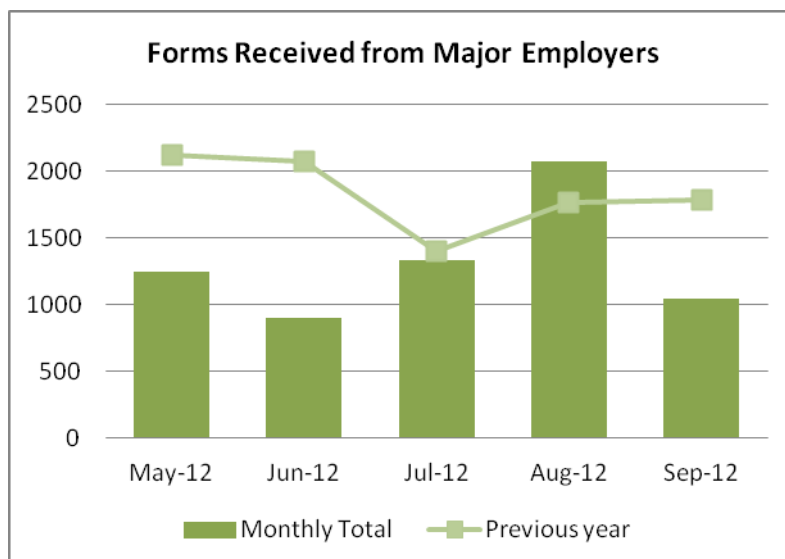
	Offered	Answered	% Ans
Total Calls	19673	18225	92.64
Cus. Calls	18472	17086	92.5
Emp. Calls	1201	1139	94.84

Data Management Committee Statistics

1st May 2012 – 30th September 2012



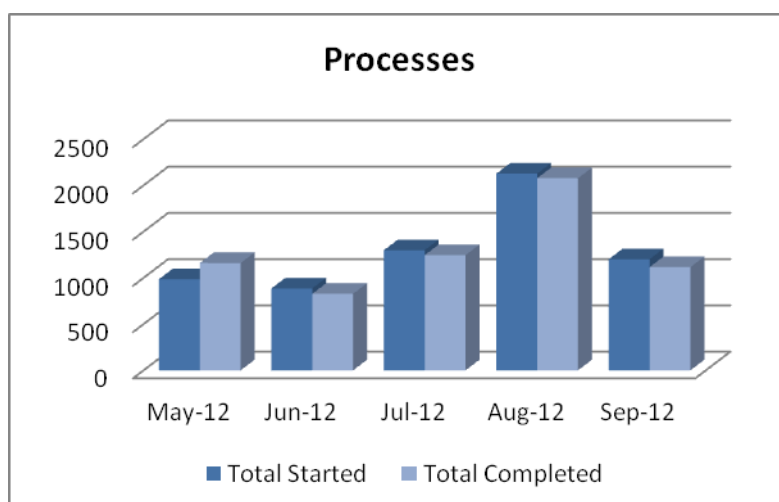
	Overall Total	Previous Year
May-12	20823	33535
Jun-12	17171	27533
Jul-12	22026	22108
Aug-12	27287	27085
Sep-12	21002	29625



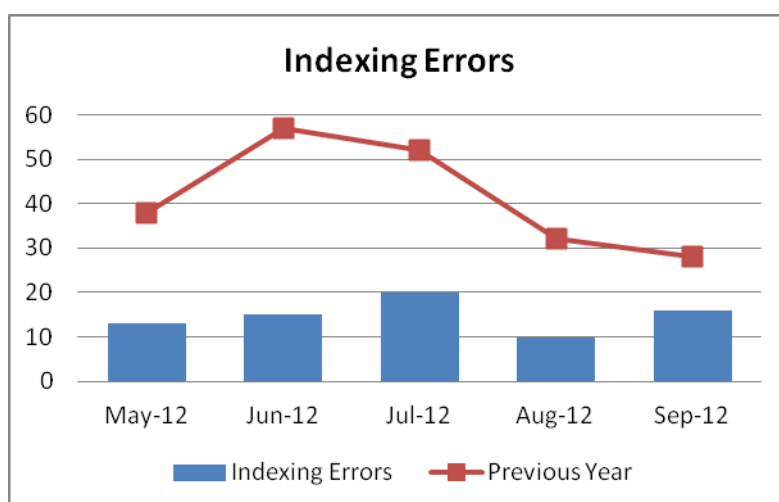
	Monthly Total	Previous year
May-12	1246	2120
Jun-12	898	2068
Jul-12	1331	1404
Aug-12	2074	1761
Sep-12	1040	1779

Data Management Committee Statistics

1st May 2012 – 30th September 2012



	May-12	Jun-12	Jul-12	Aug-12	Sep-12
Total Started	985	885	1298	2126	1201
Total Completed	1160	827	1245	2077	1116



	Indexing Errors	Previous Year
May-12	13	38
Jun-12	15	57
Jul-12	20	52
Aug-12	10	32
Sep-12	16	28

	Overall Scanned	Indexing errors
May-12	20823	13
Jun-12	17171	15
Jul-12	22026	20
Aug-12	27287	10
Sep-12	21002	16

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 July to 30 September 2012

APPENDIX G

Key Performance Indicator	Measurement	July 2012	August 2012	September 2012
Processing of New Joiner and Re-joiners	Target	85%	85%	85%
	Actual	99.72%	99.85%	99.78%
Processing of Transfers Payments - Incoming and Outgoing	Target	85%	85%	85%
	Actual	100%	100%	100%
Processing and Payment of Retirement Benefits	Target	85%	85%	85%
	Actual	99.43%	98.98%	99.45%
Notification and Calculation of Survivor Benefits following Deaths of Active and Deferred Scheme Members	Target	85%	85%	85%
	Actual	100%	100%	100%

July 2012

Performance focus - improve efficiency of pension administration - % of critical work completed within standards	Target	> 85%
	Actual	99.61%

August 2012

Performance focus - improve efficiency of pension administration - % of critical work completed within standards	Target	> 85%
	Actual	99.76%

August 2012

Performance focus - improve efficiency of pension administration - % of critical work completed within standards	Target	> 85%
	Actual	99.68%

