CITY OF WOLVERHAMPTON COUNCIL	**Pensions Board** 26 January 2021

Report Title	Pensions Administration Report from 1 July to 30 September 2020	
Originating service	Pension Services	
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Recommendations for noting:

The Pension Board is asked to note:

1. The impact of COVID19 on the workload across service areas supporting pension administration.

2. The update on progress of the Fund's Digital Transformation Programme.

3. The enhanced processes in place to routinely test and improve accuracy of Fund member records.

1.0 Purpose

1.1 To inform Board of the routine operational work undertaken by the pensions administration service areas during the period 1 July to 30 September 2020.

2.0 Background

2.1 The Fund provides a pension administration service covering employer, customer and member services, data processing, benefit operations, payroll and systems/technical support. A report is provided to Board on a quarterly basis to assist monitoring of the activity and performance of these functions during that period.

3.0 Scheme Activity

3.1 Membership Movement – Main Fund

3.1.1 The total number of scheme member records in the Fund at 30 September 2020 stands at 333,529, with an overall increase since June 2020 of 1,297. The long-term trend over a 12-year period in membership continues to illustrate a move towards a more mature profile whereby, in general, pensioners and deferred memberships continue to rise.

|	Membership as at 30 June 2020	Net Movements during the period	Membership as at 30 September 2020
	Total	Total	Total
Active Members	115,269	-775	114,494
Deferred Members	113,147	586	113,733
Pensioner Members	104,347	955	105,302
Total Members	**332,763**	**766**	**333,529**
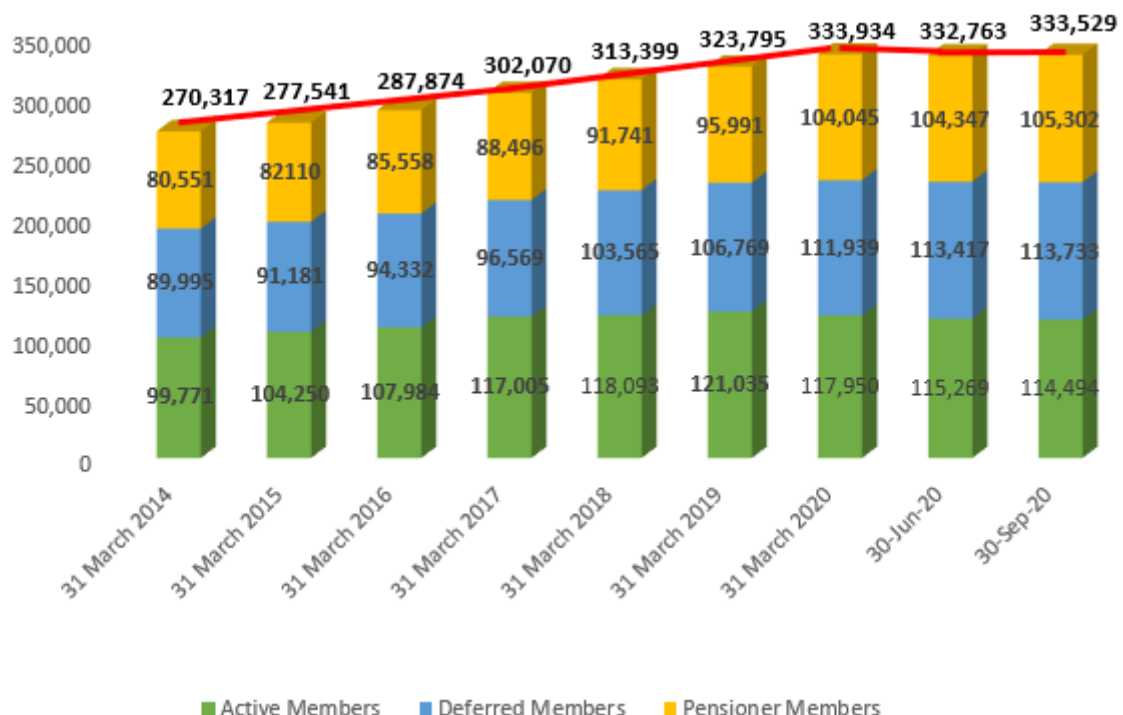
3.2   Employers

3.2.1   The Fund has seen an increase in employer numbers this reporting period, with the overall number of employers registered with the Fund 713 as at 30 September 2020 - a 70% increase since March 2014 as shown in the graph below.
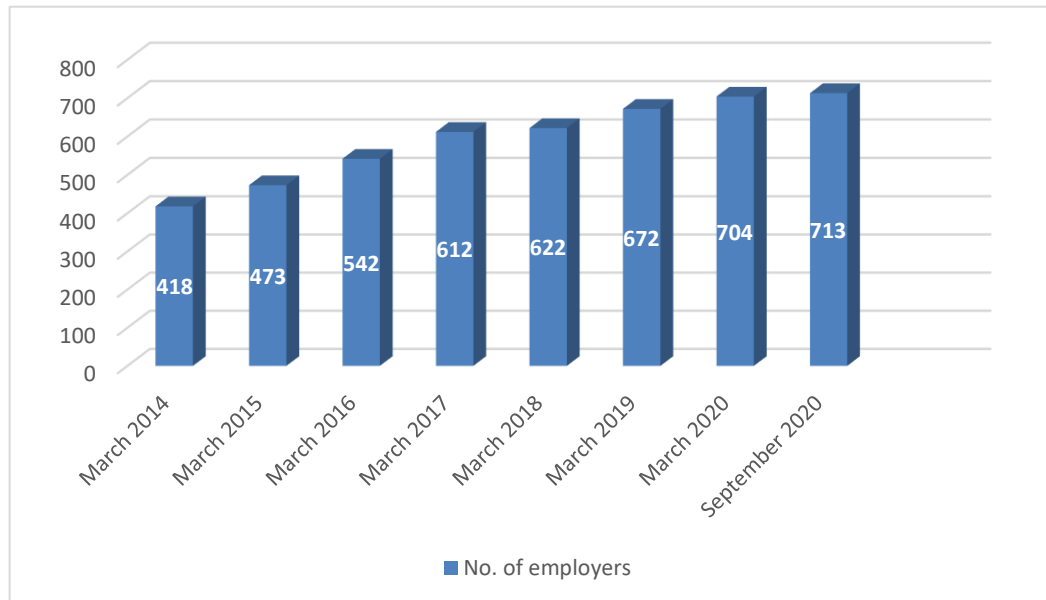
3.2.2   The employer base is categorised into the following employer types:
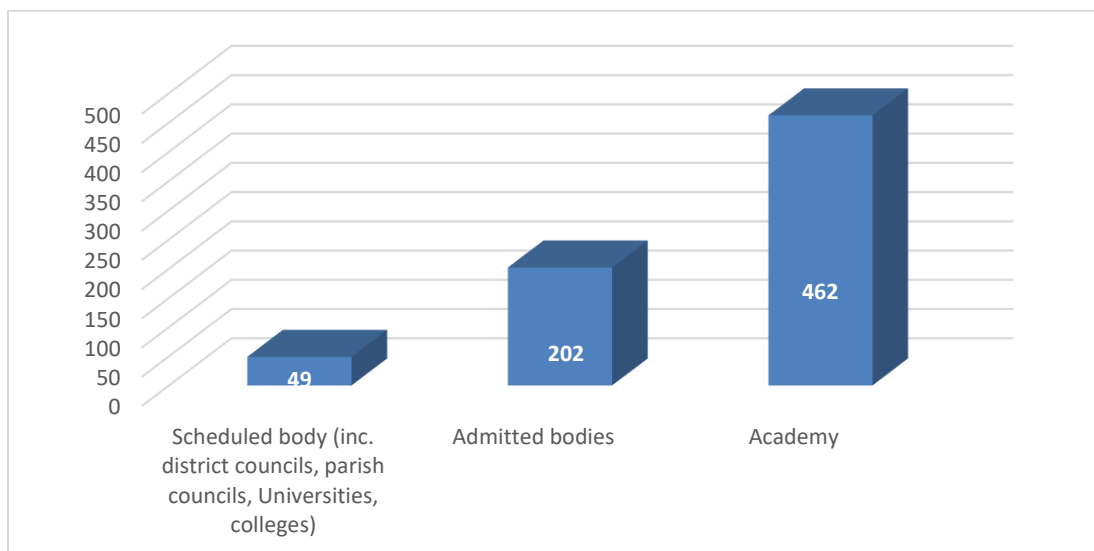
3.2.3   The level of on-going work being processed at the end of the period is as follows: -

- •   90 admission agreements
- •   12 academies
- •   48 employer terminations

3.3   Workflow Statistics

3.3.1   The process analysis statistics (Appendix A) details overall workflow within the Pensions Administration Service during the period 1 July to 30 September 2020. During the period covered by this report, 40,038 administrative processes were commenced and 37,700 processes were completed.

3.3.2   On 30 September 2020 there were 47,542 items of work outstanding. This represents an increase of 2,504 items outstanding compared to 30 June 2019 (45,038). Of the 47,542 items of work outstanding, 4,806 items were pending as a result of information awaited from a third-party e.g. scheme members, employers or transferring authorities and 42,753 processes are now either proceeding to the next stage of the process or through to final completion.

3.3.3   The impact of COVID-19 to date has seen the overall volume of incoming work and processes completed reduce compared to the same period last year. Since the last reporting period the Fund has started to see a return to normal volumes of casework, and in particular saw high volume of active members retiring during August and September. The Fund is monitoring workloads on a weekly basis and ensuring resource is reallocated as far as possible, to maintain service delivery and mitigate the impact on timescales and performance relative to KPI target.

3.3.4   The total number of processes outstanding remains high but continues to stabilise and can be broken down into the following key categories:
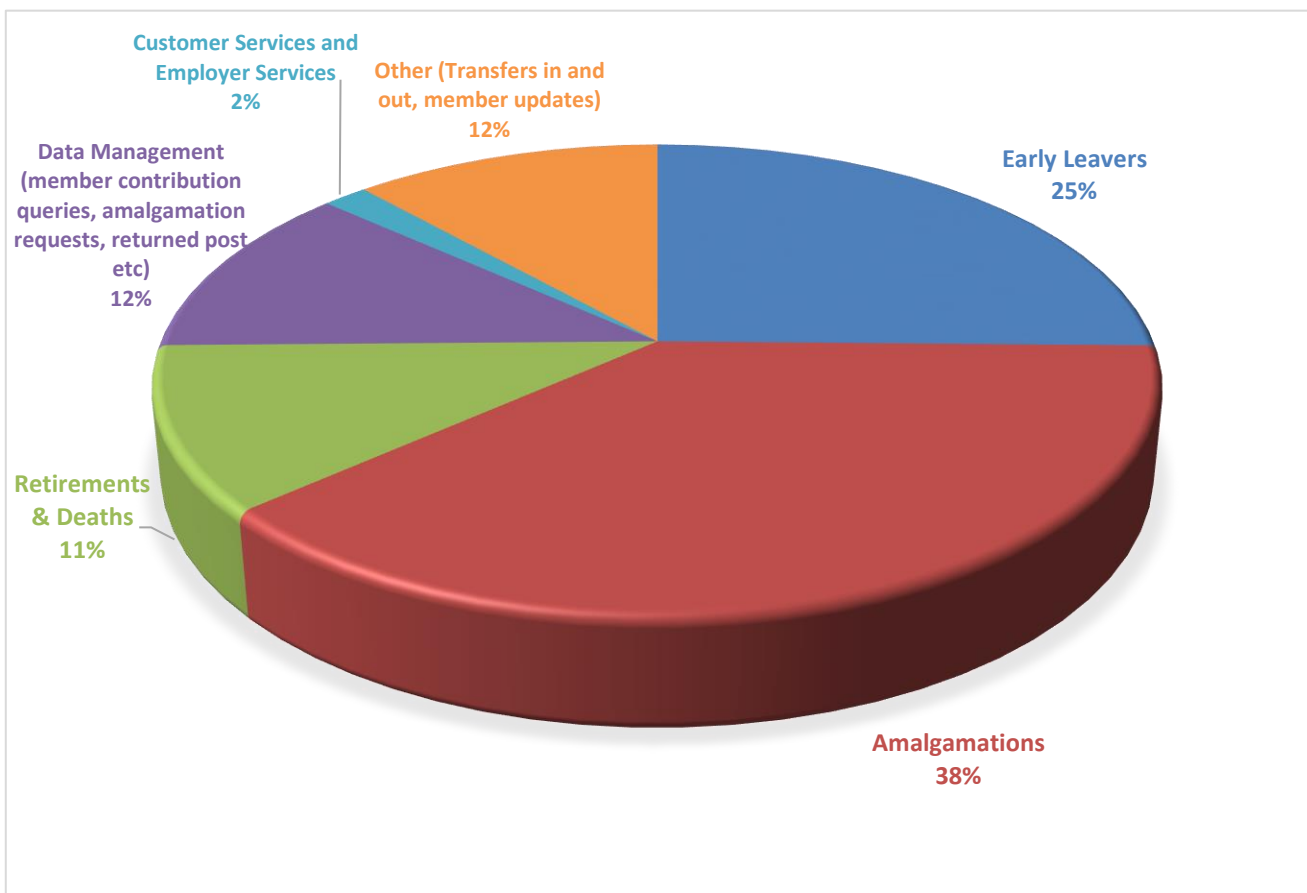
As shown in the graph above, most of the outstanding work is managing the movement of members between employments, where they have the option to amalgamate their records, and those members who leave the scheme before their retirement date. Since June 2019, the fund has seen c60% increase in this type of casework. Work has been focussed on reducing the volume of these outstanding processes and this has seen a 2% reduction since June 2020.

The Fund continues to review the volumes of incoming work and put in place plans to address high volume areas. This includes looking to increase the number of processes which could be completed in bulk and further analysis and review of the management of queries with employers to increase efficiency in processing.

3.3.5   A detailed process analysis of the key processes completed across all operational functions e.g. calculating benefits for retirements, pensioner member data changes as well as the maintenance of updating membership details is shown in Appendix B.

4.0   Digital Transformation Programme

4.1   The aim of the programme is to support the Fund to transform its administration services using information and technology to drive processing efficiencies and cost savings whilst improving the service we provide to our members and responding to increasing volumes of benefit processing work.

4.2   Since the October 2020 report to Board, the programme continues to see some progress with the implementation of its key projects. An update on key development projects are detailed below:

4.2.1   Deferred Retirement Quotes Online
As previously reported to Board, following the amendment to the regulations to allow deferred members to access their pension from age 55, the Fund has seen a significant increase in the number of requests for members, and has been working with our software provider to develop functionality to enable members to self-service and perform a retirement estimate online. In April, this was made available to members, and a total of 11,247 estimates have been run by members, on demand, over the four months to the end of July.

The Fund has now progressed onto Phase two of this project which will enable members to run a formal retirement quote and select their retirement options online, and is currently undertaking testing of this new functionality, which is expected to be available in 2021.

4.2.2   Employer Hub
The platform for exchanging data with our employers is the employer portal, which is key to ensuring efficient and secure exchange. The development work aims to improve the reporting functionality, user experience through design, availability of performance monitoring information and enable earlier issue resolution. Since September, the system has undergone security testing and the rollout to employers began in November 2020.

4.2.3   Employer Web Trays
This functionality enables queries with data to be raised with employers via the web portal with the process being sent to the employers' web-tray for action. This development supports the flow of information and assists in monitoring queries and resolution, providing insight to the development of employer communications and coaching material, supporting faster resolution. The functionality was moved into the live environment in August, and the Fund is in the process of transitioning employers to this new facility, alongside the rollout of the new Employer Hub.

5.0   Key Performance Indicators (KPIs)

5.1   The Fund uses a number of KPIs to measure performance when processing items such as Transfers In and Out, Retirements and Deferred Retirements.

5.2   During the period the Fund performance fell short of the KPI target in one of the three months in two areas:

- The notification of Death benefits in July due to the significant volume of cases earlier in the year and;

- The issue of Deferred Retirement quotes in September. This is due to the increase in volume of notifications received from employers for active retirements in August and September, which impacted on the achievement of this KPI.

Other KPIs have been achieved across the period.

5.3   Further information on achievement of target KPIs by process by month over the reporting period is included in Appendix C.

6.0   Member Address Tracing and Mortality Screening

6.1   To assist in reducing processing times at retirement, potential data breaches and risk of overpayments, the Fund introduced an improved programme of member address tracing and mortality screening in 2019/2020.

6.2   For deferred members, no longer in active employment with a Fund employer, the Fund is reliant on member notification of changes in address and contact information to enable the Fund to remain in dialogue. Member self-service through the portal enables updates of personal details but returned post and gaps in portal uptake indicate a higher risk of loss of member contact.

6.3   To assist in the review and update of data held, in 2019/2020 the Fund developed a deferred member tracing programme, targeting checks on member contact information ahead of their anticipated retirement date, with the aim of reducing data queries and confirming contact at retirement. Since inception of the programme, the Fund has successfully confirmed over 77% of the addresses held are accurate, 18% of cases have identified a new address, ensuring the members receive their benefit options timely and personal data is not issued to an incorrect address. Furthermore, the work has also identified where members are deceased and the Fund had not been notified.

6.4   As part of this programme the Fund has also enhanced its mortality screening procedures to minimise the delay in review and change to pension payments in the event of member death. Since this new procedure, over the last 12 months the Fund has seen a 44% reduction in the average number of days taken for the Fund to be notified of a death.

7.0   Financial implications

7.1   The report contains financial information which should be noted.

7.2   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 or on joining intervaluation, set an appropriate employer's contribution rate based on the pension assets and liabilities of the individual employer.

8.0   Legal implications

8.1   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.

9.0   Equalities implications

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

10.0   Environmental implications

10.1   There are no direct environmental implications arising from this report.

11.0   Human resources implications

11.1   This report has implications for the Council's human resources policies since it deals with the pension rights of employees.

12.0   Corporate landlord implications

12.1   There are no direct corporate landlord implications arising from this report.

13.0   Schedule of background papers

13.1   None.

14.0   Schedule of appendices

14.1   Appendix A: Process analysis statistics

14.2   Appendix B: Detailed process analysis

14.3   Appendix C: Key performance indicators (KPIs)