

Pensions Board

17 October 2023

Report title	Pensions Administration to 30 June 2023	
Originating service	Pension Services	
Accountable employee	Simon Taylor Email	Assistant Director, Pensions Simon.Taylor2@wolverhampton.gov.uk
Report to be/has been considered by	Rachel Brothwood Email	Executive Director of Pensions Rachel.Brothwood@wolverhampton.gov.uk

Recommendation for action:

The Pensions Board is recommended to note:

1. The Committee's approval of the 14 applications for admission from employers into the Fund as detailed in Section 9 and Appendix E of this report.
2. Performance and workloads of the key pension administration functions.
3. Development of the Fund's membership and participating employers.

1.0 Purpose

1.1 To inform the Pensions Board of the routine operational work undertaken by the Pensions Administration Service areas during the period 1 April 2023 – 30 June 2023.

2.0 Background

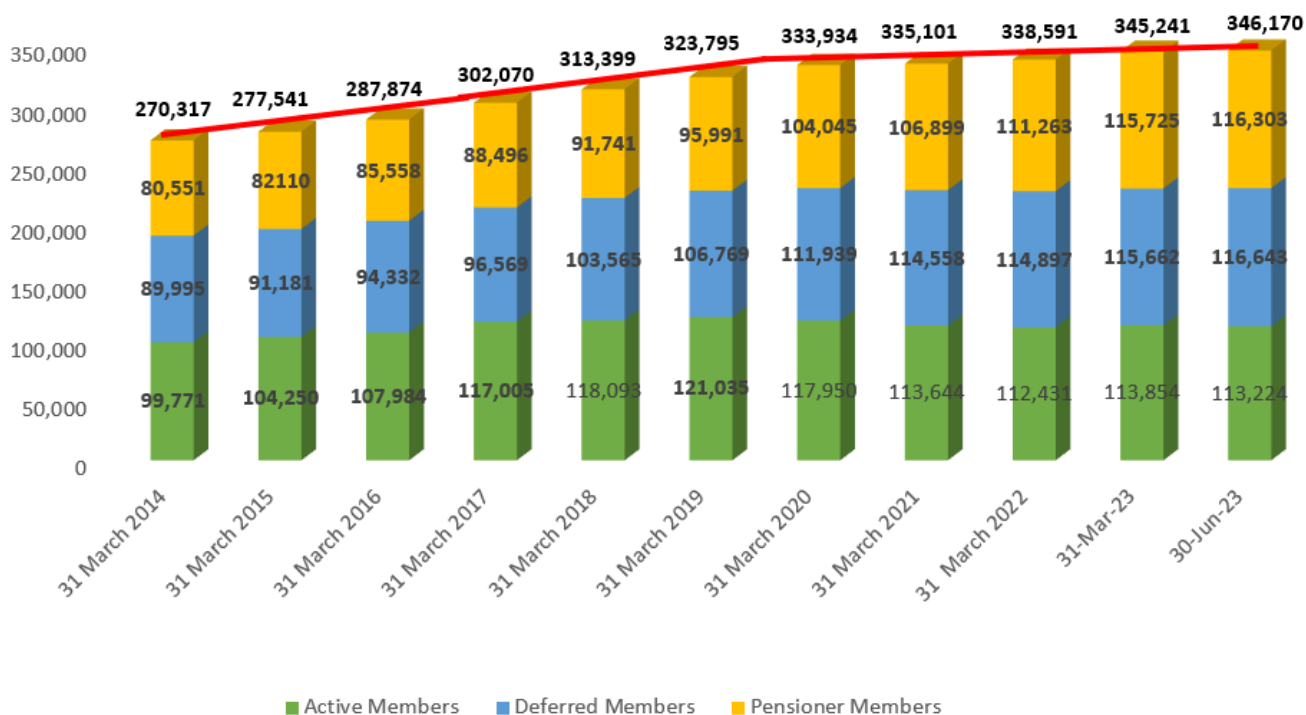
2.1 The Fund provides a pension administration service covering employer, customer and member services, data processing, benefit operations, payroll and systems/technical support. A report is provided to the Pensions Board on a quarterly basis to assist in monitoring the activity and performance of these 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 on 30 June 2023 stands at 346,170 with an overall increase since March 2023. This reporting period sees an increase in the total number of members. The long-term trend 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 31 March 2023	Net Movements during the period	Membership as at 30 June 2023
Active Members	113,854	-630	113,224
Deferred Members	115,662	981	116,643
Pensioner Members	115,725	578	116,303
Total Members	345,241	929	346,170



3.2 Workflow Statistics

- 3.2.1 The process analysis statistics (Appendix A) show details of overall workflow within the Pensions Administration Service during the period 1 April to 30 June 2023.
- 3.2.2 During the period covered by this report, 43,184 administrative processes were commenced and 43,130 processes were completed.
- 3.2.3 On 30 June 2023 there were 40,921 items of work outstanding. This represents a slight increase of 290 items outstanding compared to 31 March 2023 (40,631). Of the 40,921 items of work outstanding, 4,164 items are pending as a result of information awaited from a third-party e.g. scheme members, employers or transferring authorities, and 36,757 processes are now either proceeding to the next stage of the process or through to final completion.
- 3.2.4 Appendix B provides a summary of the key processes completed by volume across benefit operational functions e.g. calculating benefits for retirements, pensioner member data changes as well as the maintenance of updating membership details. The Fund continues to monitor the level of members opting out of the scheme with an increased level observed this quarter, above the rate in 2022/23 but not out of line with prior years.

4.0 Key Performance Indicators (KPIs) – benefit operations

- 4.1 The Fund uses a number of KPIs to measure performance when processing items such as Transfers In and Out, Retirements and Deferred Retirements.
- 4.2 For the reporting, three KPI's did not cumulatively achieve the target:
- Retirements - Notification of Estimated Benefits
 - The KPI fell short of the 90% target, cumulatively achieving 86%, however the team processed 41% more cases than the same period last year, and on average, casework was completed within 17 days against the target of 15.
 - Deferred Retirements –payment of lump sum and creation of payroll record
 - The KPI fell short of the 90% target, achieving 87%, due to restricted timescales for payroll closedown and delayed re-opening. However, on average, casework was completed within 3 days against the target of 5 over the period.
 - Death acknowledgement
 - Despite not cumulatively achieving the KPI, the team processed 6% more cases than the same period last year and on average, casework was completed within 4 days against the target of 5 over the period.
- 4.3 Further information on the achievement of target KPIs by process by month over the reporting period and Scheme year is included in Appendix C.

5.0 Transfer Out – All Casework

5.1 In total, **184** individual transfer payments were made during the period 1 April 2023 to 30 June 2023, resulting in a total amount transferred of **£9,246,908**. This is broken down into the following categories:

Type of transfer	Number of transfer payments	Value of Transfer Payments (£)
Non Local Government Pension Scheme (LGPS)	44	£6,138,361
Interfund (LGPS Fund)	138	£3,037,949
Additional Voluntary Contributions	2	£70,598

5.2 Non LGPS Transfers

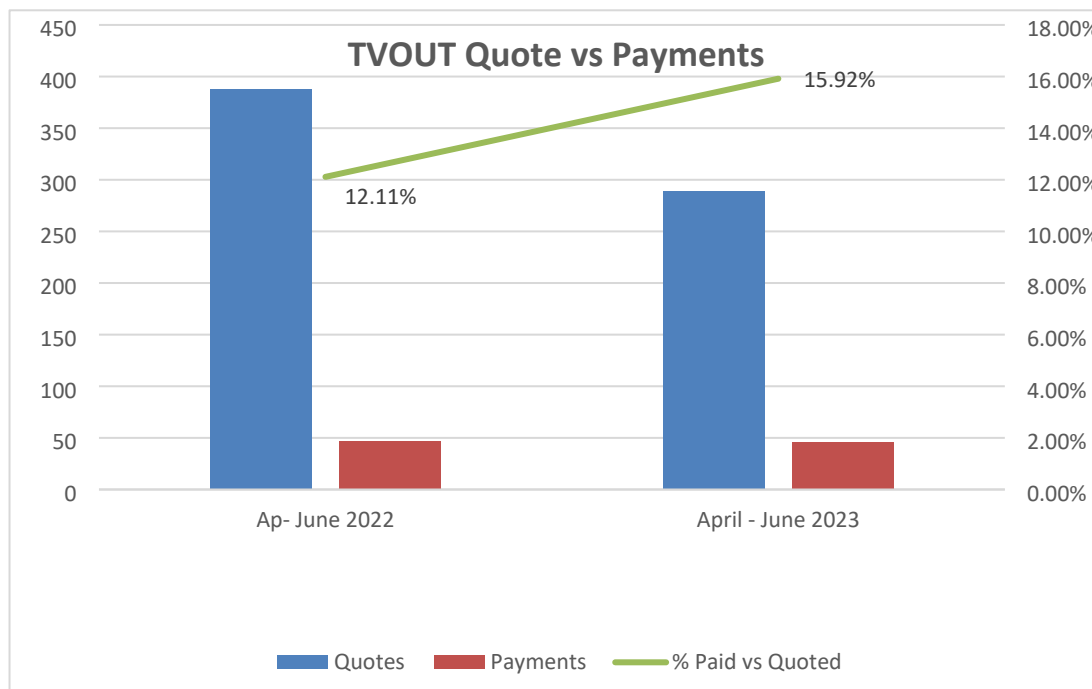
5.2.1 During the period 1 April 2023 to 30 June 2023, 289 transfer value quotations were issued to members considering transferring their benefits out of the scheme (in the prior year 1 April 2022 to 30 June 2022, 388 transfer value quotations were issued to members). The Fund continues to monitor any trends and increases in demands, as part of its programme of work to protect members from potential pension scams.

5.2.2 In total, 46 transfer payments were made during the period 1 April 2023 to 30 June 2023 (30 of these were to non public sector schemes) resulting in a total amount transferred of £ 2,274,706 (in the prior year 1 April 2022 to 30 June 2022 a total of 48 transfer payments were made totalling £ 2.3 million). The payments by value and value break down are as follows:

Value of Transfer Payments	Number of Transfer Payments to Public Sector Schemes	Number of Transfer Payments to Other Schemes
0 to £30,000	10	21
£30,001 to £100,000	4	2
£100,001 to £200,000	1	4
£200,001 to £300,000	0	2
£300,001 to £400,000	0	0
£400,001 to £500,000	1	0
Above £500,001	0	1
Total	16	30

5.2.3 This reporting period the Fund has seen a decrease in the number of requests from members for transfer out quotes, however the number of members electing to progress

with the transfer of their benefits out of the Fund remains stable, seeing an increase in the conversion rate to 15%. This peak in conversion rate for this reporting period is higher compared to the same period the previous year (12.11%). This is shown in the graph below:



5.2.4 Analysis has been undertaken of the Transfer out requests to non-public sector or occupational schemes over the period of April to June 2023 to review the volume and trends. During the period, a total of 26 non-public sector or occupational scheme transfer out reviews were undertaken by the transfer panel, to a total of 12 different receiving schemes. There were 16 transfers under £30,000 in value, meaning members were able to transfer these payments without a requirement to take financial advice. The average age of members transferring out was 52 years with the main reasons for members transferring out was either to consolidate their benefits into one provider or release cash/flexible draw down (members over 55).

6.0 Internal Dispute Resolution Procedure (IDRP) Casework

6.1 For the reporting period, four cases have been referred to Stage One (two partially upheld and two are under investigation). Four employer cases have progressed to Stage Two (one was not upheld and three are under investigation).

7.0 Pensions in Payment

7.1 The gross annual value of pensions in payment to June 2023 was £641m, £15.8m of which (£8.9m for pensions increase and £6.9m for added year's compensation) was recovered from employing authorities and other bodies as the expenditure was incurred.

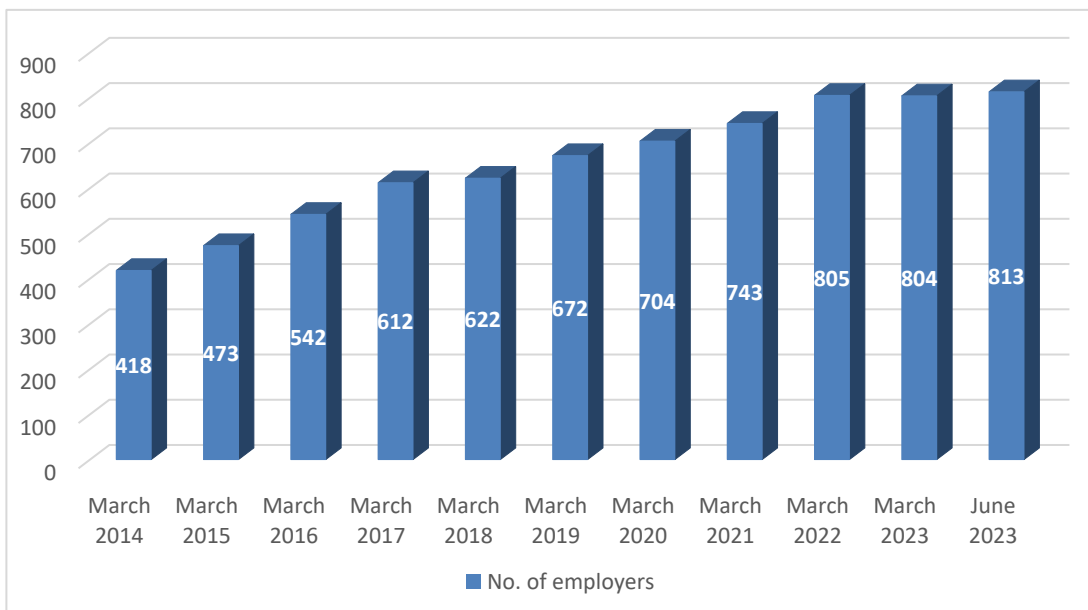
7.2 Monthly payroll details were:

Month	Number	Value (£)
April 2023	93,863	44,838,489
May 2023	94,000	46,036,222
June 2023	105,825	47,284,136

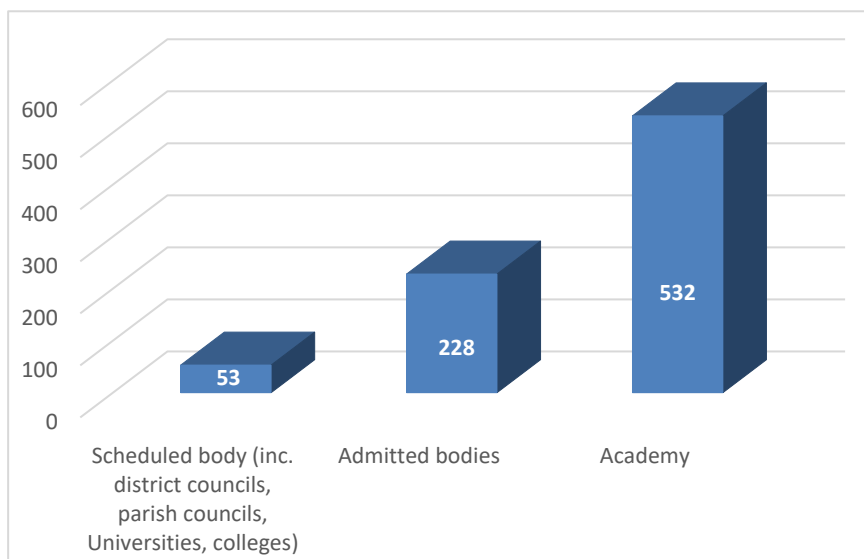
The June figure includes pensioners paid on a quarterly basis.

Employer Membership

8.1 During the period, the Fund has seen an increase in employer numbers, with the overall number of employers registered with the Fund standing at 813 at 30 June 2023. Overall, there has been an 94% increase since March 2014 as shown in the graph below, however, for 2022/23 the rate of increase has slowed relative to previous years, and it is anticipated that a more moderate increase will continue to be observed going forward.



8.2 The employer base at 30 June 2023 is categorised into the following employer types:



8.3 The level of on-going work being processed at the end of the period is as follows:

- 59 admission agreements
- 14 academies
- 95 employer terminations

9.0 Application for Admission Body Status

9.1 Organisations must satisfy one or more of the admission criteria before they can be admitted to the Fund following approval of applications. Where applications need to be progressed outside of the Committee meeting cycle, Pensions Committee has delegated responsibility for approving such applications to the Executive Director of Pensions in consultation with the Chair or Vice Chair of Pensions Committee.

9.2 There are 14 approvals requested from Committee in regard to applications for admission to the West Midlands Pension Fund, these are detailed in Appendix D.

10.0 Financial Implications

10.1 The report contains financial information which should be noted.

10.2 Employees of organisations who become members of the LGPS will contribute the percentage of their pensionable pay as specified in the Regulations.

11.0 Legal Implications

11.1 The Fund, on behalf of the City of Wolverhampton Council will enter into a legally binding contract with organisations applying to join the LGPS under an admission agreement.

12.0 Equalities Implications

12.1 There are no direct equalities implications.

13.0 All Other Implications

13.1 There are no other potential implications.

14.0 Schedule of Background Papers

14.1 None.

15.0 Schedule of Appendices

15.1 Appendix A: Workflow Summary

15.2 Appendix B: Detailed Process Analysis

15.3 Appendix C: Key Performance Indicators (KPIs)

18.5 Appendix D: Admitted Body Applications