

Report Title	Employer Roadmap/Performance Update	
Originating service	Pension Services	
Accountable employee(s)	Simon Taylor	Head of Pensions
	Tel	01902 554276
	Email	Simon.taylor2@wolverhampton.gov.uk
Report to be/has been considered by	Rachel Brothwood	Director of Pensions
	Tel	01902 551715
	Email	Rachel.brothwood@wolverhampton.gov.uk

Recommendation for noting:

The Committee is asked to note:

1. The update on employer performance covered in this report.

1.0 Purpose

- 1.1 To provide Committee with an update of the Fund's engagement activity with respect to increasing employer performance from 1st July 2018 to 30th September 2018, in line with the Pension Administration Strategy.

2.0 Background

- 2.1 One of the Fund's key objectives is to partner for success. In line with this objective, the Fund has published, and keeps under review, a Pensions Administration Strategy, to review delivery of administration service and help drive improvements to its pension services and employer performance.

3.0 Review of monthly data submissions and production of Annual Benefit Statements

- 3.1 The introduction of monthly data collection (MDC) from 1st April 2017 was an opportunity for the Fund to work with employers to improve data quality and ultimately strengthen the customer journey for Fund members. Following the implementation of MDC, the Fund provided numerous support mechanisms for employers to aid compliance and to increase levels of performance. The on-boarding of employers was split broadly 50/50 pre and post September 2017 and only 4 from January 2018 to March 2018. Whilst a go-live date was assigned for all on-boarded employers, in some cases there was variation in terms of the actual commencement date.
- 3.2 As has been previously reported to Committee, the inflow of monthly files to the Fund was slower than expected as many employers had their own system developments to complete before they could produce, and issue returns to the Fund. On receipt of the monthly files there are further processes which the Fund must perform in order to produce Annual Benefit Statements (ABS). This includes the reconciliation and cleansing of data, annual conversion routines, and the calculation and updating of CARE pension records. The delay in receipt, together with further development and testing required to the new process, built in partnership with the Fund's administration software provider, to enable the annual conversion process, has caused delay in the Fund's ability to process monthly return files received for 2017/18 and 2018/19 to date.
- 3.3 Communication and dialogue with Fund employers has been ongoing during the year, with a number of employers attending an update meeting at the Fund offices on 5th September 2018. The invitees represented the Fund's largest employers and those who have representation at the quarterly Employer Peer Group.
- 3.4 At the meeting and in a subsequent communication to all employers it was confirmed that:
- a rolling programme for benefit statements was being implemented in order to maximise the number of statements produced, providing an extended opportunity for employer data cleansing

This report is PUBLIC
[NOT PROTECTIVELY MARKED]

- Vigorous testing of the annual conversion process (the conversion of data received via MDC to enable ABS calculations to be carried out) had taken place with our software provider to ensure the ABS produced are accurate and complete for members.
- A list of NILABS members by employer (those for whom the Fund was unable to produce a statement and had therefore produced a letter to the member confirming this) would be issued to all employers at the end of the rolling programme

4.0 Progress update

4.1 Monthly Data Collection: Year one (2017/18)

- 4.1.1 All files received have been processed by the Fund and work continues towards providing all employers with full feedback on 2017/18 data, where not issued already, together with details of any historic issues which may remain outstanding for the employer to resolve. During the 2017/18 year, 633 employers (including those terminating within the year) were on-boarded to the new method of submitting data with a further 32 submitting an annual style return (full or partial) due to non-submission of some or all monthly files. To date, 5 employers have yet to submit data for 2017/18 either via MDC or annual return – work continues to engage with these employers. All employers submitting during the 17/18 year have now received feedback on any data queries from the Fund.
- 4.1.2 For 37 employers, a broader Data Improvement Plan (DIP) has been provided. An example template for a DIP is detailed in appendix A. The DIP provides these employers with a comprehensive list of outstanding data and queries together with a complete data set on the following areas:
- Outstanding Annual Return errors
 - Outstanding monthly data collection issues for 2017/18
 - Possible Leaver lists
 - Nil contribution queries
 - Missing hours for casuals
 - Contribution queries
 - Errors from the application of CARE revaluation
 - Missing addresses
- 4.1.3 The resolution of data queries from the DIP's issued can have a direct impact on reducing the number of members receiving a NILABS. Employers have been requested to provide responses where possible by 16th November 2018 in order to increase ABS availability by the end of this year. This deadline has been set in order to enable the Fund time to complete the processes and conversions required on receipt of the feedback responses.

4.2 Monthly Data Collection: Year two (2018/19)

- 4.2.1 Significant progress is now being made with respect to the processing of data files received for the 2018/19 year, and significantly earlier than for 2017/18 (noting 90% of files for the year to date have been received by 31 October compared to 38% one year ago during rollout of the programme).
- 4.2.2 To date 80% of our total employer base has submitted all monthly files required for the 2018/19 year, 15% have submitted most files but are a little behind with less than 5% having not submitted any files for the year. The Employer Services team is working closely with these employers to support, guide and enforce the requirements set down by the Fund's Pensions Administration Strategy (PAS) to assist with compliance and increase performance standards.
- 4.2.3 The Fund has focused efforts on the processing of 2017/18 files and the production of the 2018 ABS - as a result the processing of, and subsequent feedback on, 2018/19 files has been delayed in some instances. To date 11 employers have received feedback and plans are in place for the feedback of queries to be on schedule ahead of year-end processing. It is intended that feedback will be provided significantly earlier than during the first year of MDC implementation.

5.0 Looking Forward

5.1 ABS production and Web Portal Activity

- 5.1.1 Since the rolling programme commenced the Fund has now made statements available to over 70% of its active membership. Additional support is being extended to employers by the Fund's Member Services team to help with the promotion of the web portal facility to members. The Fund has seen a doubling in the number of members registered to use the web portal over the last 12 months – there are now over 72,000 LGPS members who have access to a WMPF web portal account, of which 4,388 have accessed their account since 31st August 2018.
- 5.1.2 It was envisaged that the embedding of MDC would be a 2-year programme; steps are being taken to review and reflect on the first 12 months of this programme. Changes and improvements are being investigated and implemented to build employer knowledge and improve the Fund process and systems where necessary and appropriate.

5.2 Pension Administration Strategy

- 5.2.1 As part of the Fund's continual strive to improve efficiency and ensure the appropriate levels/balance of support versus levy of charges to cover additional costs incurred as a result of poor performance, a review and refresh of the current PAS was undertaken in 2018 to set the standards expected under the new submission method.

- 5.2.2 The Fund continues to develop and build monitoring tools to enable effective reporting with respect to employer compliance. It is not proposed at this stage to pass on charges to employers for 2018/19 performance though for those employers where performance has been consistently poor this will remain an option.
- 5.2.3 A number of areas of support are developing ahead of 2019/20 when the Fund expects to be in a stronger position to embed automated monitoring into BAU to support the provision of employer dashboards. Whilst it should be noted that there is a potential risk of the LGA/SAB template for monthly submissions resulting in a need to review the WMPF process, the Fund is also recognised as being well ahead on this area of ongoing development.
- 5.2.4 Additional analysis is also being carried out to ensure the roles and responsibilities for employers within the PAS are aligned correctly to the LGPS regulations. Any amendments will be drafted for inclusion in the 2019 version if applicable.
- 5.2.5 An Employer Manual is currently in production as a further supplement to the PAS. The manual is intended to be an interactive 'go to' guide for employers and will be designed to facilitate increased employer self-service.

5.3 Timetable for intended future employer engagement

- 5.3.1 A number of meetings have taken place throughout the last year with employers regarding performance, particularly where critical issues were identified. As the Fund has now entered the second year of the MDC implementation programme plans have been made to engage further with the major employers.
- 5.3.2 Invites will be issued to each of the employer contacts requesting attendance at a meeting to discuss how the Fund can help further support the increased resolution of employer data queries, the reduction in initial error rates and improve the timeliness of submissions and/or feedback responses from employers.
- 5.3.3 As part of the discussions the Fund will make clear the expectations on employers with reference to the PAS, in particular the importance of complying with general administration duties, submission of monthly data and timely payment of contributions.

6.0 Financial implications

- 6.1 There may be financial implications for participating employers where persistent poor performance results in charges being levied in line with the Pensions Administration Strategy.

7.0 Legal implications

- 7.1 The report contains no direct legal implications.

8.0 Equalities implications

8.1 The report contains no direct equalities implications.

9.0 Environmental implications

10.1 The report contains no direct environmental implications.

11.0 Human resources implications

11.1 This report contains no direct human resources implications.

12.0 Corporate landlord implications

12.1 The report contains no direct corporate landlord implications.

13.0 Schedule of background papers

13.1 None.

14.0 Schedule of appendices

14.1 Appendix A: Data Improvement Plan template