

North Yorkshire County Council

Pension Board

3 October 2019

Administration Report

1. Purpose of the Report

To provide Pension Board members with an update on key initiatives undertaken by the administration team of the North Yorkshire Pension Fund.

2. Pension Fund Committee paper

Included for information at **Appendix 1** is the administration paper and appendices provided to the Pension Fund Committee at their September 2019 meeting.

3. Breaches Log

Included at **Appendix 2** is the North Yorkshire Pension Fund's Breaches Log for review. There are no new entries.

4. Annual Benefit Statements

Progress is as reported in the Pension Fund Committee paper. Verbal update will be provided at the meeting.

5. Letter Review Project

We continue to have issues with the software relating to extracting calculation results into the letters. We continue to work with Heywoods regarding a solution. The retirement option letter is signed off and ready to be released for live testing. This will happen in October with a view of putting it fully live if the initial testing is successful.

6. GMP Reconciliation Project

The rectification stage is in progress. ITM are working on linking the administration records with the payroll records to enable rectification to be undertaken. This has highlighted major issues with having two systems handling and processing the same members.

7. Recommendation

7.1. That Pension Board Members note the contents of this report.

7.2. That Pension Board Members note the contents of the Breaches Log.

Phillippa Cockerill
Head of Pensions Administration
County Hall
Northallerton

25 September 2019
Background Papers - Nil

North Yorkshire County Council

Pension Fund Committee

13 September 2019

Administration Report

Report of the Treasurer

1. Purpose of the Report

- 1.1. To provide Members with information relating to the administration of the Fund over the year to date and to provide an update on key issues and initiatives which impact the administration team.

2. Admission Agreements & New Academies

- 2.1. The latest position relating to Admission Agreements and academy conversions are shown in **Appendix 1**. The numbers in progress have increased with a large number effective from 1 September which has had a significant impact on the employer relationship team.

3. Administration

3.1. Membership Statistics

Membership Category	At 31/03/2019	+/- Change (%)	At 30/06/2019
Active	33,462	-2.50	32,627
Deferred	37,207	+0.63	37,440
Pensioner (incl spouse & dependant members)	22,724	+1.81	23,136
Total	93,393		93,203

3.2. Throughput Statistics

- Period from 1 April 2019 to 30 June 2019

Casetype	Cases Outstanding at Start	New Cases	Cases Closed	Cases Outstanding at End
Transfer In quotes	3	45	47	1
Transfer Out quotes	26	168	180	14
Employer estimates	13	184	180	17
Employee estimates	13	278	265	26
Retirement quotes	53	752	714	91
Preserved benefits	175	751	773	153
Death in payment or in service	32	50	65	17
Refunds	78	606	610	74
Actual retirement procedure	106	530	513	123
Interfund transfers	43	127	137	33
Aggregate member records	41	172	200	13
Process GMP	133	1	5	129
Others	113	444	456	101
Total Cases	829	4108	4145	792

- Alongside the above cases the Pensions team also handled 5,477 phone calls (average 114 per day) and 1,717 emails received via the Pensions Inbox (average 36 per day) in the quarter to 30 June 2019.

3.3. Performance Statistics

- The performance figures for the period 1 April 2019 to 30 June 2019 are as follows:

Performance Indicator	Target in period	Achieved
Measured work achieved within target	98%	97%
Customers surveyed ranking service good or excellent	94%	95%
Increase numbers of registered self-service users by 700 per quarter	700	863

- High work volumes and high demand within the team continue to impact our ability to meet the agreed performance indicator for work achieved within target however, we continue to see an improvement in this quarter compared to the last one.

3.4. Commendations and Complaints

- This quarter the following commendations and complaints were received:

Commendations

Date	Number	Summary
Apr 2019	1	Service received was excellent
May 2019	1	Very helpful staff
June 2019	1	Excellent service

Complaints

Date	Number	Summary
Apr 2019	0	
May 2019	4	3 IHER – appeal against benefits being declined 1 Admin – handling of death grant payment
June 2019	2	1 Admin – unable to access online account 1 Admin – handling of refund of contributions when incorrectly enrolled in NYPF

- The complaint categories are:
 - Admin - these can relate to errors in calculations, delays in processing and making payment of benefits.
 - Regs - these relate to a complaint where regulations prevent the member being able to do what they want to.
 - IHER - these are where members have been declined for early retirement on the grounds of ill health and are appealing the decision through the Internal Disputes Resolution Procedure.

Lessons Learned

Having reviewed the complaints received in the period there were no obvious trends or lessons to be learnt.

3.5. Annual Benefit Statements 2019

- Year-end data processing has been completed. All 152 files have been received and posted to member records.
- There are 133 outstanding data queries awaiting responses from employers.
- The deferred (36,797) and active (29,830) annual benefit statements have been produced and uploaded to member self-service. Paper copies have been printed and issued to those members who have requested one. Initial analysis shows:

Deferred statements:
Total Deferred Members: 36,834
Total Statements produced: 36,797
Percentage produced: 99.9%

Remaining 37 were members whose date of leaving was after 8 April 2019 and are therefore not entitled to a benefit statement this year.

Active statements:	
Total Active Members:	31,172 (excluding joiners after 1 April 2019)
Total statements produced:	29,830
Percentage produced:	95.69%

The remaining 1,342 have been identified as either not having worked in the year or a data query exists which is being worked on.

The Breaches Log will be updated when we have established the final position as at 31 August.

3.6 Employer Charging

Analysis of the first quarter chasers and the year-end data has been undertaken resulting in 65 employers being charged for a total of £16,380.00. We are only invoicing those employers whose charges total £50 or more in a single quarter. Where an academy is a member of a multi academy trust (MAT) the individual academy charges are added together to determine whether the MAT is subject to a charge or not. Invoices are being issued through August.

Discussions with employers has resulted in some amendments to our internal processes and tightening up of our management of forms and data being submitted.

4. Issues and Initiatives

4.1. GMP Reconciliation

- The reconciliation stage of the project is continuing to progress.
- HMRC will be providing a final Scheme Reconciliation Service data extract which is expected at the end of 2019.
- ITM will undertake a final GMP comparison to take account of any changes to population and GMP values and to validate the action taken by HMRC during the reconciliation, for example, confirmation that contracted-out liabilities have been discharged.
- The rectification stage is progressing however a significant issue has been identified in trying to match the records on the administration system with those on the payroll system. This is due to the way multiple records are paid through a single record on payroll. This is being worked on in conjunction with ITM to find a resolution but it is likely this will require a significant amount of manual intervention.

4.2. Breaches Policy & Log

- The North Yorkshire Pension Fund's Breaches Log is included at **Appendix 2** for review. There are no new entries.

4.3. Efficiency Initiatives

- The letters project continues to make progress with new letters being created to support changes to processes. Heywood's continue to work on the issue identified but the particular letter that is impacted will be adapted so it can be released for use in the interim.

4.4. Additional Voluntary Contributions

- Prudential provide the additional voluntary contribution (AVC) arrangements for the NYPF.
- NYPF have selected a number of AVC funds including three lifestyling funds. Prudential notified us that the current offering was no longer fit for purpose as it did not result in members being in low risk investments by the time they reached retirement age.
- Having reviewed their offering Prudential have replaced their existing lifestyling funds with four new ones.
- Having taken Aon's advice NYPF have selected the following lifestyle funds:
 - The Prudential Dynamic Growth IV Lifestyle targeting cash
 - The Prudential Dynamic Growth IV Lifestyle targeting annuity
- Affected members have been contacted by Prudential and are being transitioned to the cash targeted lifestyle fund as the default. If members do not wish to invest in this particular fund they can switch their investments.

5. Member Training

- 5.1. The Member Training Record showing the training undertaken over the year to 31 March 2019 is attached as **Appendix 3**.
- 5.2. Members will be asked to complete the CIPFA Skills Matrix in due course (attached as **Appendix 4**). These responses will be collated and used to produce a training plan that will address any gaps. A deadline should be set in order to ensure there is sufficient focus and suggestions are invited from the Committee.
- 5.3. Upcoming courses, seminars and conferences available to Members are set out in the schedule attached as **Appendix 5**. Please contact Ashleigh Burdess (01609 536053 or email Ashleigh.burdess@northyorks.gov.uk) for further information or to reserve a place on an event.

6. Meeting Timetable

- 6.1 The latest timetable for forthcoming meetings of the Committee and Investment Manager meetings is attached as **Appendix 6**. Due to the closure of the Brierley Building, there will be a change of venue for future meetings, Members will be updated once the new venue has been confirmed.

7. Recommendations

- 7.1. Members to note the contents of the report.
- 7.2. Members to note the contents of the Breaches Log.

Gary Fielding
Treasurer of North Yorkshire Pension Fund
NYCC
County Hall
Northallerton

25 September 2019

