

North Yorkshire County Council

Pension Board

16 January 2020

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 provided to the Pension Fund Committee at their November 2019 meeting.

3. Breaches Log

Included at **Appendix 2** is the North Yorkshire Pension Fund's Breaches Log for review. This was discussed by the Committee at their November meeting and they have There are no new entries.

4. Annual Benefit Statements

The final position for the 2019 annual benefit statements is:

Deferred statements not issued:	0
Active statements not issued:	329
Reasons for non-issue:	
Member not worked in 18/19	44
Outstanding task on member record	84
Record is no longer active status	190
Was not an active member at 31/03	11

Analysis was undertaken of the outstanding statements and this highlighted two particular employers who have a high percentage of their active members not receiving a statement. We are working with these employers to ensure the issues are not repeated in 2020.

5. Letter Review Project

We continue to have issues relating to extracting calculation results into the letters and are continuing to work with Aquila Heywood regarding a solution. The retirement option letter is now live and requires staff to manually input the figures. We are now working on the estimate letter and combining the multiple transfer letters into one template.

6. GMP Reconciliation Project

The rectification stage continues to progress. Output from the dry run by ITM is included in the Committee papers. Due to a delay obtaining a final data cut from HMRC the rectification of records will not be completed before the 2020 pension increases exercise.

Alongside this project a full pensioner reconciliation project is taking place which will ensure all data items for all pensioners is aligned. This is critical in light of the migration of data that will be required when the integrated payroll module goes live.

7. Annual Pensions Regulator Survey

The Public Service Governance and Administration Survey 2019 was completed on 28 November with input from the Chair of the Pension Board and the Fund Treasurer.

8. LGPC Bulletins

The LGPC regularly issues bulletins which can include actions for administering authorities. The NYPF reviews every bulletin and logs any actions highlighted. A log of the actions from each bulletin will be included in this report in future to enable Pension Board Members to ensure appropriate activities are being undertaken.

Bulletin Number	Action	Response
191	Pensions Made Simple - member videos Please let your employers know about the videos so that they can publicise them to their employees.	On our 'To Do' list
191	CEPs – all payments must cease Please review your processes and update them where necessary to ensure that you do not send any further CEP payments or notifications to HMRC.	These were stopped some time ago
191	Guidance on transfers and conversions updated You should continue to check the Register for firm details. However, you will then need to contact firms directly to confirm that the relevant individual works for that firm or check an appropriate third-party directory.	Staff have been advised of the correct action to take.
191	LGPC subscriptions 2019/20 Please arrange for your invoice to be paid promptly.	Paid 26/11/2019
191	Teachers' pension employer contribution grant Please pass information about the grant on to your schools, including any academies to which you provide services.	On our 'To Do' list
191	FCA publish video to help consumers understand pension transfer advice Please review your transfer communications to make sure that your members are aware of this video before making an election to transfer benefits out of the scheme.	On our 'To Do' list

9. Recommendation

- 9.1. That Pension Board Members note the contents of this report.
- 9.2. That Pension Board Members note the contents of the Breaches Log.

Phillippa Cockerill
 Head of Pensions Administration
 County Hall
 Northallerton
 08 January 2020
 Background Papers - Nil

North Yorkshire County Council

Pension Fund Committee

22 November 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**.

3. Administration**3.1. Membership Statistics**

Membership Category	At 30/06/2019	+/- Change (%)	At 30/09/2019
Active	32,627	+2.56%	33,462
Deferred	37,440	+1.07%	37,842
Pensioner (incl spouse & dependant members)	23,136	+1.85%	23,563
Total	93,203		94,867

3.2. Throughput Statistics

- Period from 1 July 2019 to 30 September 2019

Casetype	Cases Outstanding at Start	New Cases	Cases Closed	Cases Outstanding at End
Transfer In quotes	1	44	39	6
Transfer Out quotes	14	175	172	17
Employer estimates	17	89	97	9
Employee estimates	26	283	261	48
Retirement quotes	91	707	661	137
Preserved benefits	153	778	701	230
Death in payment or in service	17	86	73	30
Refunds	74	529	550	53
Actual retirement procedure	123	530	549	104
Interfund transfers	33	212	195	50
Aggregate member records	13	204	167	50
Process GMP	129	1	7	123
Others	101	399	295	205
Total Cases	792	4037	3767	1062

- Alongside the above cases the Pensions team also handled 5,619 phone calls (average 106 per day) and 2,260 emails received via the Pensions Inbox (average 34 per day) in the quarter to 30 September 2019.

3.3. Performance Statistics

- The performance figures for the period 1 July 2019 to 30 September 2019 are as follows:

Performance Indicator	Target in period	Achieved
Measured work achieved within target	98%	95%
Customers surveyed ranking service good or excellent	94%	93%
Increase numbers of registered self-service users by 700 per quarter	700	1,677

- 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. We continue to focus on clearing the oldest dated work and reduce throughput time. The significant increase in self-service users was triggered by the issuing of annual benefit statements and better communication about them.

3.4. Commendations and Complaints

- This quarter the following commendations and complaints were received:

Commendations

Date	Number	Summary
July 2019	2	Excellent service, staff approachable and patient
Aug 2019	0	
Sept 2019	1	Very helpful staff

Complaints

Date	Number	Summary
July 2019	0	
Aug 2019	3	2 IHER – appeal against benefits being declined 1 Admin – overstated benefits due to overstated pay figure
Sept 2019	0	

- 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

The latest position regarding annual benefit statements as at 30 September 2019 is:

- Deferreds: issued 36,797 out of 36,797 - 100%
- Actives: issued 30,843 out of 31,172 – 98.94% (95.69% at 31 August)
- 329 unissued statements – these members not actually entitled to a statement for the following reasons
 - Not worked in post in the year
 - Outstanding work on record
 - Record is no longer active
 - Not actually an active member at statement date

4. Issues and Initiatives

4.1. GMP Reconciliation

- ITM have undertaken a dry run of the rectification calculation for pensioner and dependant members resulting in 476 requiring correction.
- The results of the dry run are included at **Appendix 2 & 3**, to summarise:
 - 94 members are being underpaid by a total of £4,311.52 pa
 - 381 members are being overpaid by a total of £65,422.69 pa
 - 105 have an historical underpayment to a total of £36,055.60
 - 370 have an historical overpayment to a total of £447,820.42
 - 182 members require manual review and recalculation by the administration team
- The net position means we will save £61,111.17 in overpayments each year, which would continue to increase annually with pension increases.
- We will correct every difference, but only contact those members whose pension has changed by more than £5 otherwise it is not cost-effective.

4.2. Breaches Policy & Log

- The North Yorkshire Pension Fund's Breaches Log is included at **Appendix 4** for review. There is one new entry relating to annual benefit statements.

4.3. Efficiency Initiatives

- The major retirement options letter that has been in development has finally been released into live testing. This entails parallel running the new letter alongside the existing letter to ensure the correct options and information is being provided. The letter still does not pull calculation results so figures are being manually input at the moment. This issue continues to be discussed with Heywoods.

4.4. Administration System Review

- The licence for the current system, Altair, expires on 31 December 2019 with the option to extend for a further two years. We will be extending for the full two years to allow time for a full review and procurement process to be undertaken.
- An outline business case has been presented to the Project Board and approval has been given to proceed to procure:
 - Employer online portal
 - Member online portal
 - Administration system
 - Integrated payroll
- The employer portal enables us to move to monthly online returns enabling us to regularly capture validated data along with leavers and joiners instead of catching up at year end.
- It removes the need for the large year end process enabling more time for the production of annual benefit statements.
- Integrated payroll provides pensioner payroll as part of the administration system removing the need to input data manually onto a separate payroll system and the overhead of maintaining and managing two separate sets of data. It also enables us to provide a better customer journey by providing one online portal throughout a member's lifetime in the Fund.

5. Member Training

- 5.1. The Member Training Record showing the training undertaken over the year to 31 March 2019 is attached as **Appendix x**.
- 5.2. Responses to the CIPFA Skills Matrix are being collated and it is anticipated the results of the assessment will be brought to the next meeting. The outcome of this will be considered alongside the Fund's business plan and budget which will also be brought to the February meeting.
- 5.3. Upcoming courses, seminars and conferences available to Members are set out in the schedule attached as **Appendix x**. 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 x**. 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 and determine whether a breach should be reported to the Pensions Regulator or not.

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

08 January 2020

