

North Yorkshire County Council

Pension Fund Committee

21 February 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 schools converting to academy status in the year are shown in **Appendix 1**. Whilst the numbers in progress have decreased we have a large volume of academy conversions in the pipeline.

3. Administration**3.1. Membership Statistics**

| Membership Category | At 30/09/2018 | +/- Change (%) | At 31/12/2018 |
|--|---------------|----------------|---------------|
| Active | 32,263 | +2.22 | 32,979 |
| Deferred | 36,545 | +0.63 | 36,774 |
| Pensioner (incl spouse & dependant members) | 22,130 | +1.11 | 22,377 |
| Total | 90,938 | | 92,130 |

3.2. Throughput Statistics

- Period from 1 October to 31 December 2018

| Casetype | Cases Outstanding at Start | New Cases | Cases Closed | Cases Outstanding at End |
|--------------------------------|----------------------------|-------------|--------------|--------------------------|
| Transfer In quotes | 6 | 30 | 27 | 9 |
| Transfer Out quotes | 22 | 112 | 125 | 9 |
| Employer estimates | 9 | 184 | 178 | 15 |
| Employee estimates | 33 | 197 | 230 | 0 |
| Retirement quotes | 61 | 558 | 588 | 31 |
| Preserved benefits | 263 | 725 | 870 | 118 |
| Death in payment or in service | 36 | 59 | 70 | 25 |
| Refunds | 55 | 676 | 702 | 29 |
| Actual retirement procedure | 134 | 429 | 501 | 62 |
| Interfund transfers | 51 | 112 | 120 | 43 |
| Aggregate member records | 86 | 227 | 268 | 45 |
| Process GMP | 135 | 2 | 5 | 132 |
| Others | 90 | 420 | 426 | 84 |
| Total Cases | 981 | 3731 | 4110 | 602 |

- Alongside the above cases the Pensions team also handled 4,811 phone calls (average 100 per day) and 1,273 emails received via the Pensions Inbox (average 21 per day) in the quarter to 31 December 2018.
- The weekly focussed work days continue and continue to be successful in driving down the volume of outstanding work.

3.3. Performance Statistics

- The performance figures for the period 1 October 2018 to 31 December 2018 are as follows:

| Performance Indicator | Target in period | Achieved |
|--|------------------|----------|
| Measured work achieved within target | 98% | 93% |
| Customers surveyed ranking service good or excellent | 94% | 85% |
| Increase numbers of registered self-service users by 700 per quarter | 700 | 627 |

- 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 have seen an improvement in this quarter compared to the last one. The administration team continue to focus on reducing the outstanding work and focusing on ensuring the day to day business as usual work is being processed within agreed timescales. We continue to chase employers on a regular basis for all outstanding queries.

3.4. Commendations and Complaints

- This quarter the following commendations and complaints were received:

Commendations

| Date | Number | Summary |
|----------|--------|---|
| Oct 2018 | 1 | Knowledgeable, approachable and patient |
| Nov 2018 | 5 | Helpful staff & service was exceptional |
| Dec 2018 | 2 | Excellent service |

Complaints

| Date | Number | Summary |
|----------|--------|--|
| Oct 2018 | 1 | Regulatory - Incorrect AVC options provided to member by Prudential |
| | 1 | IHER appeal |
| Nov 2018 | 1 | IHER appeal |
| Dec 2018 | 2 | Administration - Member transferred benefits out in 2014 and it has become apparent it was a scam - Tell Us Once notification not received and pension instalment paid in error |
| | 1 | IHER appeal |

- The complaint categories are:
 - Administration - these can relate to errors in calculations, delays in processing and making payment of benefits.
 - Regulatory - these relate to a complaint where regulations prevent the member being able to do what they want to.
 - Ill Health Early Retirement appeal - 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. It has however, become apparent that we appear to have a problem receiving some notifications via the Tell Us Once system which we are following up with the DWP.

3.5. Annual Benefit Statements 2018

- The final position relating to the 2018 annual benefit statement exercise is as follows:

Actives: 96.25% issued (29,098 statements produced out of 30,233)

The remaining 1,135 are unable to be issued due to the following reasons:

254 – member did not work in post in 17/18

881 – record marked as having an issue, could be data query or ongoing task.

Queries continue to be pursued with the relevant parties.

Deferreds: 100% issued (36,317 statements produced out of 36,317)

- Work is well underway on the 2019 year end and benefit statement process.

4. Issues and Initiatives

4.1. GMP Reconciliation

- The reconciliation stage of the project is continuing to progress. HMRC have now stopped accepting scheme reconciliation queries and responses to outstanding queries which are already in progress will be received until 6th April. ITM are preparing the rectification stage document and this was expected to be received week commencing 14th January.
- Once this is received the rectification stage can be planned and scheduled to correct records.
- Current position:

| Status | Reconciled | Unreconciled |
|---------------|---------------|---------------|
| Active | 24,542 | 2,531 |
| Deferred | 31,204 | 2,082 |
| Pensioner | 17,536 | 2,112 |
| Other admin | 1,026 | 2,515 |
| HMRC | | 4,040 |
| Totals | 74,308 | 13,280 |

4.2. Data Score and Improvement Plan

- In line with the requirement introduced by the Pensions Regulator, to include each fund's data score in the annual return with effect from 2018, NYPF have submitted the following scores:

Common Data: 93.47%

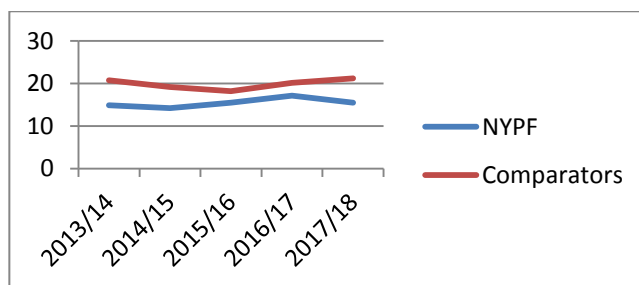
Conditional Data: 85.26%

- Common data is that set of data that is defined as necessary and applicable to all members of all schemes. This data is that required to identify scheme members. For example, surname, date of birth, national insurance number, address, etc. There are 10 data items listed by the Pensions Regulator as being classed as common data.
- Conditional data is that set of data that is defined as additional detailed data required for the administration of a pension scheme. This data is dependent on scheme type, structure and system design. For example, employer, salary history, contributions, transfer in details, etc.
- The valuation data extract was used this year as we are still awaiting clarification from the Regulator regarding which data items should be included. Aon have undertaken a pre valuation data quality check and it was this report we used to measure the data quality against.
- From this a data improvement plan is being created to ensure quality and scores improve from year to year.

- The target set by the Pensions Regulator is 100% for common data created after June 2010 and 95% for common data created after this date. Targets for the standards of conditional data should be set by the Committee in conjunction with the administrators of the scheme. The NYPF proposes a target of 95% as being both reasonable and achievable taking account of the volume and nature of this data.
- Alongside this we are using the Aon report to cleanse the data as much as possible prior to the 2019 valuation.

4.3. CIPFA Benchmarking Return 2017/2018

- The benchmarking results for the year 2017/2018 showed the unit cost for NYPF Pensions Administration was £15.46 compared with an average unit cost across the whole of the CIPFA Benchmarking Club of £21.16.
- NYPF continues to provide an administration service at a lower cost than funds of a similar size.



4.4. Breaches Policy & Log

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

4.5. Efficiency Initiatives

- The letters project continues to make progress with new letters being created to support changes to processes. Progress was impacted by the upgrade of the administration system but issues are now resolved and work can recommence.

5. Member Training

- 5.1. The Member Training Record showing the training undertaken over the year to 31 December 2018 is attached as **Appendix 3**.
- 5.2. Members will be asked to complete the CIPFA Skills Matrix by the end of March as agreed in the 13 September 2018 PFC meeting. These responses will be collated and used to produce a training plan that will address any gaps.
- 5.3. Upcoming courses, seminars and conferences available to Members are set out in the schedule attached as **Appendix 4**. Please contact Adam Tennant (01609 535916 or email adam.tennant@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 5**.

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

13 February 2019

| Name of School | Local Education Authority | Multi Academy Trust (MAT) Name | Conversion Date | Current Position |
|---|---------------------------|-------------------------------------|-----------------|------------------------------------|
| Ainderby Steeple CoE Primary School | NYCC | Dales Academies Trust | 1.1.2019 | Complete |
| George Pindar School | NYCC | Hope Learning Trust | 1.3.2019 | Will be progressed nearer the time |
| Graham School | NYCC | Hope Learning Trust | 1.3.2019 | Will be progressed nearer the time |
| Danesgate Community School | COYC | South York Multi Academy Trust | 1.3.2019 | Will be progressed nearer the time |
| Northallerton School & Sixth Form College | NYCC | Arete Learning Trust | 1.4.2019 | In progress |
| Skelton Primary School | COYC | Hope Learning Trust | 1.4.2019 | Will be progressed nearer the time |
| Starbeck Primary School | NYCC | Northern Star Academies Trust | 1.4.2019 | Will be progressed nearer the time |
| Sherburn High School | NYCC | Star Multi Academy Trust | 1.8.2019 | Will be progressed nearer the time |
| Sacred Heart Roman Catholic Voluntary Aided Primary School, Northallerton | NYCC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| St Francis Xavier RC/CofE | NYCC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| St Benedict's Roman Catholic Primary School, Ampleforth | NYCC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| St George's Roman Catholic Primary School, Scarborough | NYCC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| St Augustine's RC Secondary | NYCC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| St Hedda's Roman Catholic Primary School | NYCC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| St Hilda's Roman Catholic Primary School | NYCC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| St Joseph's Roman Catholic Primary School, Pickering | NYCC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| St Mary's Roman Catholic Primary School, Malton | NYCC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |

| Name of School | Local Education Authority | Multi Academy Trust (MAT) Name | Conversion Date | Current Position |
|---|----------------------------------|---------------------------------------|------------------------|--|
| St Mary's Roman Catholic Primary School, Richmond | NYCC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| St Peter's Roman Catholic Primary School | NYCC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| St George's RC Primary School, York | COYC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| All Saints, York | COYC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| St Wilfrid's RC Primary School | COYC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| St Aelred's York | COYC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| OLQM York | COYC | St Margaret Clitherow Academy Trust | 1.9.2019 | Will be progressed nearer the time |
| Naburn CoE Primary School | COYC | South York Multi Academy Trust | Not known | Delayed from 1.10.2018. Will be progressed nearer the time |
| Lord Deramore's Primary School | COYC | South York Multi Academy Trust | Not known | Delayed from 1.11.2018. Will be progressed nearer the time |
| Fishergate Primary School | COYC | South York Multi Academy Trust | Not known | Delayed from 1.12.2018. Will be progressed nearer the time |
| Escrick CoE VC Primary School | NYCC | South York Multi Academy Trust | Not known | Will be progressed when conversion date known |
| St Oswald's CE Primary School | COYC | South York Multi Academy Trust | Not known | Will be progressed when conversion date known |
| Elvington CoE Primary School | COYC | South York Multi Academy Trust | Not known | Actuarial calculations provided based on conversion date of 1.7.18. Conversion delayed, new date not yet known |
| Langton Primary School | NYCC | Evolution Schools Learning Trust | Not known | Original conversion date was 1.10.2016 but MAT advised it has been delayed. New date not yet known. |
| Thirsk School & Sixth Form College | NYCC | Arete Learning Trust | Not known | Original conversion date was 1.2.2018. MAT has advised no definite agreement in place at present |
| Stillington Primary School | NYCC | Not yet known | 1.2.2019 | Proposed conversion date was 1.2.2019 with Hope Learning Trust. Project now on hold. School no longer converting with Hope Learning Trust and new sponsor being sought |

Admission Bodies –14 ‘in progress’

| Name of Employer | Name of Contractor | Staff Transfer Date | Current Position |
|---|--|----------------------------|--|
| City of York Council – Youth Persons Counselling Services | York Mind | 1.1.2019 | Complete |
| Tockwith CoE Primary Academy | Hutchison Catering Limited | 10.12.2018 | Complete |
| Outwood Primary Academy Greystone (Outwood Grange Academies Trust) | ISS Mediclean | 5.11.2018 | In progress – transfer of catering staff |
| Baldersby St James CoE Primary Academy (Hope Learning Trust) | Absolutely Catering Limited (part of the CH&Co Catering Group) | 5.11.2018 | In progress - transfer of catering staff |
| NYCC – catering contracts at: Bedale CoE Primary School Colburn Community Primary School Masham CE (VC) Primary School | Mellors Limited | 1.9.2018 | Not advised of transfers until October! Now in progress |
| NYCC - catering contracts at: Spofforth CoE Primary School Follifoot CoE Primary School Goldsborough CoE Primary School Sicklinghall Community Primary School | P&A Catering | TBC | Not advised of transfers until October! Now in progress |
| Barlby High School (Hope Learning Trust) | Hutchison Catering Ltd | 4.3.2019 | In progress - transfer of catering staff |
| Skelton School (COYC school joining the Hope Learning Trust 1.4.19) | Absolutely Catering Limited (part of the CH&Co Catering Group) | 1.4.2019 | Will be progressed nearer the time |
| City of York Council libraries | Contract not yet awarded | 1.4.2019 | Future service rate provided, admission agreement will be progressed nearer the time |
| City of York Council (Haxby Hall Care Home) | Yorkare Homes Ltd | June 2019 | Future service rate provided, admission agreement will be progressed nearer the time. Transfer delayed from January 2019 |
| Yorkshire Coast Homes | | | Possible merger with Coast & Country Housing Ltd. Coast & Country Housing Ltd transferred its engagements to YCH on 1.10.2018 and YCH changed its name to Beyond Housing Limited. Waiting to see if a merger goes ahead. |

Exiting Employers – 6

| Name of Employer | Date exited the Fund |
|--|--|
| OCS Group UK Limited | 31.3.2017 |
| Superclean Services Limited | 16.7.2017 |
| Joseph Rowntree Charitable Trust | 31.12.2017 |
| York Arts Education (Community Interest Company) | 31.3.2018 |
| Housing & Care 21 | 31.8.2018 |
| Be Independent | TUPE transferred back to the City of York Council wef 1.8.18. Exit calculation in progress |

UPCOMING TRAINING AVAILABLE TO MEMBERS

| Provider | Course / Conference Title | Date(s) | Location | Themes / Subjects Covered |
|-----------------|-------------------------------------|----------------------------|--------------------------|--|
| CIPFA | LGPS Members Spring Seminar | 25 February 2019 | Barnett Waddingham Leeds | They will provide the latest information updates, training on specific topics and opportunities for discussion and networking with members of other funds' boards. |
| CIPFA | LGPS Spring Officers Spring Seminar | 25 February 2019 | Barnett Waddingham Leeds | They will provide the latest information updates, training on specific topics and opportunities for discussion and networking with members of other funds' boards. |
| LGC | Investment Seminar | 28 February - 1 March 2019 | Carden Park Cheshire | Keeping the LGPS affordable and accessible through austerity and uncertain times. Content tbc. |
| PLSA | Investment Conference | 6-8 March 2019 | EICC Edinburgh | The conference is aimed at trustees, chief investment officers, pension scheme managers, asset managers and investment specialists. The forward looking programme focusses on the major trends and events affecting UK investors and markets. The conference consists of plenary and specialist stream sessions focusing on Defined Benefit, Defined Contribution, Investment & Governance as well as a new stream on Asset Allocation. |

| | | | | |
|-------|-------------------------------------|---------------------|--|--|
| PLSA | Local Authority Conference | 13-15 May 2019 | De Vere Water Park Hotel Gloucestershire | <p>A specialist pension event for Local Authorities, designed to look at the ever-changing Local Authority Pension Scheme.</p> <p>The conference includes keynote speeches, specialist breakout sessions, a Learning Zone, fringe meeting, a welcome drinks reception, conference dinner and exhibitions</p> |
| PLSA | Annual Conference & Exhibition 2019 | 16-18 Oct 2019 | Manchester Central, Windmill Street, Petersfield, Manchester, M2 3GX | <p>Our flagship event, a three day conference attracting over 1,500 attendees – the most important event of the year for anyone involved in pensions (trustees, pension scheme managers, administrators, HR specialists, finance directors and their advisers). The event includes a trade exhibition of approximately 80 exhibition stands.</p> |
| LAPFF | Annual Conference | 4,5,6 December 2019 | TBC | TBC – Save the date |

PENSION FUND COMMITTEE TIMETABLE FOR MEETINGS IN 2019

| Meeting Date | Time & Venue | Event | Fund Managers |
|-------------------|---------------------|------------------------|----------------|
| 21 February 2019 | 10am, Oak Room | Pension Fund Committee | |
| 23 May 2019 | 10am, Brierley Room | Pension Fund Committee | |
| 24 May 2019 | 10am, TBC | Pension Fund Committee | 2 Managers TBC |
| 4 July 2019 | 10am, Brierley Room | Pension Fund Committee | |
| 12 September 2019 | 10am, Brierley Room | Pension Fund Committee | |
| 13 September 2019 | 10am, TBC | Pension Fund Committee | 2 Managers TBC |
| 21 November 2019 | 10am, Brierley Room | Pension Fund Committee | |
| 22 November 2019 | 10am, TBC | Pension Fund Committee | 2 Managers TBC |