

North Yorkshire County Council

Pension Fund Committee

25 November 2022

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 in the quarter 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 is shown in **Appendix 1**.

3. Administration

3.1. Membership Statistics

Membership Category	At 30/06/2022	+/- Change (%)	At 30/09/2022
Active	30,572	-0.35%	30,465
Deferred	39,244	+0.23%	39,334
Pensioner (incl spouse & dependant members)	27,687	+1.24%	28,035
Total	97,503		97,834

3.2. Throughput Statistics

- Period from 1 July 2022 to 30 September 2022

Case type	Cases Outstanding at Start	New Cases	Cases Closed	Cases Outstanding at End
Transfer In quotes	10	19	17	12
Transfer Out quotes	61	168	172	57
Employer estimates	4	40	41	3
Employee estimates	19	70	74	15
Retirement quotes	31	574	505	100
Preserved benefits	142	901	949	94
Death in payment or in service	95	341	329	107
Refunds	44	372	361	55
Actual retirement procedure	648	854	1,058	444
Interfund transfers	200	225	250	175
Aggregate member records	200	1,010	935	275
Process GMP	0	0	0	0
Others	199	131	148	182
Total Cases	1,653	4,705	4,839	1,519

- As well as processing the above cases, the Pensions team also handled 2,022 phone calls (average 39 per working day) and 8,382 emails received via the Pensions Inbox (average 129 per working day) in the quarter to 30 September 2022.

3.3. Performance Statistics

- The performance figures for the period 1 July 2022 to 30 September 2022 are as follows:

Performance Indicator	Target in period	Achieved
Measured work completed within target	98%	88%
Customers surveyed ranking service good or excellent	94%	97%
Increase numbers of registered self-service users by 700 per quarter (total registered users 38,886)	700	1314

- Our Measured work completed within target rating has dropped this quarter and we are investigating the root cause in order to ensure this is improved and there are no underlying administration issues that need addressing. Some of the reduction has been caused by staff not fully understanding how cases should be put 'on hold' when queries are raised with employers or other 3rd parties meaning the cases incorrectly show as having breached their SLA. Refresher training has been provided.
- We also always see a spike in demand following the issuing of annual benefit statements and that again impacts on resource availability within the team.
- Our priority continues to be to pay member benefits promptly.

3.4. Commendations and Complaints

- This quarter the following commendations and complaints were received:

Commendations

Date	Number	Summary
Jul	2	Thank you again for your valued and excellent support and guidance
Aug	5	Professional and friendly
Sep	1	Excellent service

Complaints

Date	Number	Summary
Jul	3	Regs - lost right to refund from previous fund on re-joining Local Government Pension Scheme IHER – 2 x IHER being declined
Aug	2	Admin – overquoted benefits at retirement due to the way pay data had been loaded to the system IHER – IHER being declined
Sep	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 patterns identified requiring further attention. We have addressed the issue regarding the way the pay data had been loaded as this relates to the roll out of i-Connect and was a knowledge gap within the team.

3.5. **Annual Benefit Statements 2022**

All Deferred member statements have been produced and member have been notified.

98.45% (29,021/29,477) of active statements have now been produced.

Of the 456 active statements outstanding:

435 are not due a statement:

383 - have an outstanding piece of work within administration

52 – have a data error marker on record which is undergoing investigation and correction

21 – pending further investigations as to why statement has not been produced, we continue to work through these

3.6. **Breaches Policy & Log**

The North Yorkshire Pension Fund's Breaches Log is included at **Appendix 2** for review. There are two new entries relating to the late provision of the 2021 Pension Savings Statements to five recipients and not issuing 100% of annual benefit statements by 31 August 2022.

We have submitted a report to HMRC advising of the late issuing of the Pension Saving Statements. HMRC then reviewed the past 5 years and this resulted in a penalty notice being issued.

To prevent this issue recurring we have undertaken a review of the annual process and made amendments to both the annual and ongoing daily processes to reduce the number requiring investigation at year end and so similar cases can be identified early and further breaches prevented.

3.7. **Business Plan Update**

In the NYPF 2022/23 – 2024/25 Business Plan 16 key actions for the 2022/23 year were identified and approved by Members in the March 2022 Committee meeting. It was agreed that officers would provide a progress report against these key actions, this progress report is attached as **Appendix 3**.

4. **Issues and Initiatives**

4.1. **Administration System**

We continue to make progress with both the i-Connect rollout and the new website:

- We now have 104 employers onboarded, covering circa 20,000 active members.
- CYC has been fully on-boarded to i-Connect and they are submitting their own monthly files now.
- We are still trying to get NYCC up to date so that we can hand over the monthly submissions to the payroll team.
- Website development continues with great progress being made on the employer site.

4.2. **Payroll Enhancements**

We have just started work with our software provider to implement the next phase of the payroll functionality. This functionality will reduce processing time and remove a large amount of manual intervention that is still required currently. This in turn will reduce the risk of errors being made. It is anticipated this functionality will be implemented in January 2023.

4.3. **McCloud**

The third party supplier has formatted and validated the data which has resulted in the identification of a large number of errors. We are working through correcting as many of these as we can before the data is loaded into our test environment.

This test load will identify further errors which will need to be worked through again before we can approve the data for load into the live member records. The manual work on the NYCC & CYC data files continues

5 Broadacres

Broadacres Housing Association (BHA) have paused the redesignation following the recent mini-budget to take stock of the anticipated liabilities arising from their LGPS pension strategy. We await further information and instruction.

6 Governance Documents

The Funding Strategy Statement changes were approved by the Chief Executive under his emergency powers on 21 September 2022 following the cancellation of the September meeting due to the death of her majesty Queen Elizabeth.

This document has now been issued to employers for consultation which ends on 24 November 2022.

7 Member Training

The Member Training Record showing the training undertaken to March 2022 is attached as **Appendix 4**. Please contact Stephen Loach (01609 532216 or email stephen.loach@northyorks.gov.uk) with any details of training undertaken or conferences attended and these will be added to the training record. Consideration has been given to undertaking the Hymans Knowledge Assessment, however, it was determined that it feels too early, at this stage, for this. Members are encouraged to complete the Hymans online modules on offer and then an assessment will be undertaken as to whether there are knowledge gaps to fill.

Upcoming courses, seminars and conferences available to Members are set out in the schedule attached as **Appendix 5**. Please contact Kirsty Howes (01609 533298) or email kirsty.howes@northyorks.gov.uk for further information or to reserve a place on an event. Events are currently limited due to the pandemic.

Given the start of a new Committee, further training has been devised to help with the induction of new Members and the creation of a new team. The views of Members will be sought as we progress through this approach but, given the technical nature of some of the areas of responsibility, there will be a significant number of training events and it will be suggested that on-line training is made mandatory for all Members. It is recognised however that this will need to be done proportionately and over a period of time.

8 Meeting Timetable

The latest timetable for forthcoming meetings of the Committee and Investment Manager meetings is attached as **Appendix 6**.

9 Recommendations

9.1 Members to note the contents of the report.

9.2 Members to determine whether a report should be made to the Pensions Regulator regarding the data breaches reported.

Gary Fielding
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NYCC
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17 November 2022