

North Yorkshire County Council

Pension Fund Committee

4 June 2021

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 31/12/2020	+/- Change (%)	At 31/03/2021
Active	34,041	-1.18%	33,640
Deferred	38,880	-0.11%	38,836
Pensioner (incl spouse & dependant members)	25,127	+1.16%	25,419
Total	98,048		97,895

3.2. Throughput Statistics

- Period from 1 January 2021 to 31 March 2021

Case type	Cases Outstanding at Start	New Cases	Cases Closed	Cases Outstanding at End
Transfer In quotes	5	34	30	9
Transfer Out quotes	7	111	90	28
Employer estimates	13	55	50	18
Employee estimates	27	156	146	37
Retirement quotes	41	529	513	57
Preserved benefits	102	236	231	107
Death in payment or in service	30	61	52	39
Refunds	35	279	287	27
Actual retirement procedure	502	878	883	497
Interfund transfers	97	268	158	207
Aggregate member records	249	385	423	211
Process GMP	1	1	0	2
Others	244	262	292	214
Total Cases	1,353	3,255	3,155	1,453

- Alongside the above cases, the Pensions team also handled 2,866 phone calls (average 45 per day) and 5,867 emails received via the Pensions Inbox (average 93 per day) in the quarter to 31 March 2021.

3.3. Performance Statistics

- The performance figures for the period 1 January 2021 to 31 March 2021 are as follows:

Performance Indicator	Target in period	Achieved
Measured work completed within target	98%	91%
Customers surveyed ranking service good or excellent	94%	93%
Increase numbers of registered self-service users by 700 per quarter (total registered users 30,642)	700	1,174

- Both our output and work completed within target continue to be impacted by the requirement for resource to be focussed on our major projects.
- We continue to prioritise the payment of member benefits.

3.4. Commendations and Complaints

- This quarter the following commendations and complaints were received:

Commendations

Date	Number	Summary
Jan	1	I have received exceptional service
Feb	1	First class
Mar	1	I would just like to express my gratitude for your extreme patience

Complaints

Date	Number	Summary
Jan	0	
Feb	1	IHER - Complaint about tier awarded
Mar	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.

3.5. Annual Benefit Statements 2021

Preparations have been made for the 2021 year end and emails providing instructions have been issued to all employers. We issued an initial email in January then followed up with reminders in February and March.

The statement templates have been updated for the new year and the content reviewed and refreshed as required.

4. Issues and Initiatives

4.1. GMP and Pensioner Data Reconciliation

All data files were received from ITM on 30 November however, we were unable to correct the existing data by 21 December which was the day the pensioner data cut was taken for the payroll project. Our project plan was therefore amended and corrections to pensions in payment were made in the April 2021 payment. These were as follows:-

519 pensioners who have been overpaid - pensions have been reduced to the correct amount (where the change is more than £5 per annum). No overpayment arrears have been collected.

Circa 600 pensioners who have been underpaid - pensions have been increased to the correct amount and arrears have been paid.

Final figures will be provided once all the checking and correction work has been completed and a final position is known. There are approximately 2000 cases still to check.

4.2. Breaches Policy & Log

The North Yorkshire Pension Fund's Breaches Log is included at **Appendix 2** for review. There is one new entry relating to the accidental disclosure of personal data for one member to another.

4.3. Administration System Project

The delivery stage of this project and its various work streams is progressing well.

- 76 employers have been on-boarded to date with 16 being larger employers submitting via an upload file and 60 submitting via the online return facility.
- We continue to have discussions with our two largest employers assisting them in preparing for the required file upload.
- Two parallel pensioner payroll runs were successfully completed in January and February. This enabled us to switch completely to the new interim solution for the March pensioner payments.
- All pensioners are now being paid from the new interim solution.
- The interim solution will be merged with our Live database at the start of July when the payroll will become fully integrated with the administration system.
- The data reconciliation work is nearing completion with the first tranche of under and over paid pensioners contacted and adjustments to pensions made. The final tranche will be worked on following the merge in July when there is less pressure on resource.
- Website development is progressing well albeit slowly at this stage as we ensure we have fully captured all the requirements before development starts.

There was a problem identified with the pensioner payment made on 31 March for building society account holders due to the building society roll number being missed when the data was imported from the previous payroll system. This affected 805 pensioners.

We understood the payments would be returned to us so we arranged to have replacement payments credited that day to all the members identified. It has since transpired the majority of the original payments have been credited to account holders and pensioners have now been paid twice.

We are in the process of recovering the overpayment and have offered pensioners the option of paying immediately via card payment or bank transfer or having us deduct it from the May pension payment. A lessons learned log has been completed for future projects to ensure this issue isn't repeated.

4.4. **Other Key Projects**

4.4.1 **McCloud**

When the Government reformed public service pension schemes in 2014 and 2015 they introduced protections for older members. In December 2018, the Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes have been discriminated against because the protections do not apply to them. The Government has confirmed that there will be changes to all main public sector schemes, including the LGPS, to remove this age discrimination. We have held initial discussions with Aquila Heywood to undertake this project for us and are in the process of drawing up a statement of works with them to enable the project to commence.

5. **Outstanding Death Grant Case**

Following the previous Committee meeting both parties were contacted to obtain further information regarding the life insurance policy. That information is still outstanding and therefore there is nothing further to consider at this time.

6. **Member Training**

6.1. The Member Training Record showing the training undertaken to May 2021 is attached as **Appendix 3**.

6.2. Responses to the CIPFA Skills Matrix are being collated and it is anticipated the results of the assessment will be brought to a forthcoming meeting following delays due to competing priorities. It is now proposed that this will be considered alongside the Fund's business plan and budget.

6.3 Following the success of the "Introduction to the LGPS" in-house training session held on 25th January 2021, consideration is being given to the possibility of arranging subsequent sessions for Members on individual issues pertinent to the operation of the Fund. Members will be invited to provide their input in respect of potential subjects for training sessions.

6.4 Upcoming courses, seminars and conferences available to Members are set out in the schedule attached as **Appendix 4**. 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 limited currently due to the pandemic.

7. **Meeting Timetable**

7.1. The latest timetable for forthcoming meetings of the Committee and Investment Manager meetings is attached as **Appendix 5**. Meetings will continue to be undertaken virtually until further notice.

8. **Recommendations**

8.1. Members to note the contents of the report.

8.2. Members to note the contents of the Breaches Log and determine whether the breaches should be reported to the Pensions Regulator.

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30 June 2021