

# North Yorkshire County Council

## Pension Fund Committee

10 September 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 31/03/2021 | +/- Change (%) | At 30/06/2021 |
|--|---------------|----------------|---------------|
| Active   | 33,640        | -4.79%         | 32,029        |
| Deferred                                       | 38,836        | -0.27%         | 38,732        |
| Pensioner<br>(incl spouse & dependant members) | 25,419        | +1.27%         | 25,743        |
| <b>Total</b>                                   | <b>97,895</b> |                | <b>96,504</b> |

##### 3.2. Throughput Statistics

- Period from 1 April 2021 to 30 June 2021

| Case type                      | Cases Outstanding at Start | New Cases    | Cases Closed | Cases Outstanding at End |
|--------------------------------|----------------------------|--------------|--------------|--------------------------|
| Transfer In quotes             | 9                          | 46           | 54           | 1                        |
| Transfer Out quotes            | 28                         | 176          | 172          | 32                       |
| Employer estimates             | 18                         | 82           | 98           | 2                        |
| Employee estimates             | 37                         | 177          | 203          | 11                       |
| Retirement quotes              | 57                         | 802          | 793          | 66                       |
| Preserved benefits             | 107                        | 340          | 365          | 82                       |
| Death in payment or in service | 39                         | 84           | 80           | 43                       |
| Refunds                        | 27                         | 407          | 401          | 33                       |
| Actual retirement procedure    | 497                        | 1,219        | 1,074        | 642                      |
| Interfund transfers            | 207                        | 198          | 273          | 132                      |
| Aggregate member records       | 211                        | 680          | 704          | 187                      |
| Process GMP                    | 2                          | 0            | 1            | 1                        |
| Others                         | 214                        | 395          | 358          | 251                      |
| <b>Total Cases</b>             | <b>1,453</b>               | <b>4,606</b> | <b>4,576</b> | <b>1,483</b>             |

- Alongside the above cases, the Pensions team also handled 3,873 phone calls (average 102 per day) and 7,447 emails received via the Pensions Inbox (average 146 per day) in the quarter to 30 June 2021.

## Performance Statistics

- The performance figures for the period 1 April 2021 to 30 June 2021 are as follows:

| Performance Indicator  | Target in period | Achieved |
|--|------------------|----------|
| Measured work completed within target  | 98%              | 94%      |
| Customers surveyed ranking service good or excellent   | 94%              | 87%      |
| Increase numbers of registered self-service users by 700 per quarter (total registered users 30,642) | 700              | 974      |

- Both our output and work completed within target continue to be impacted by the requirement for resource to be focussed on our major projects particularly as they near completion.
- Our satisfaction rating has been impacted by issues we have experienced with the service Prudential has been providing in recent months. We also had issues with missed calls due to high volumes and a small number of staff taking calls. This has been managed by introducing voicemail and call back functionality.
- Our priority continues to be to pay member benefits as promptly as we can.

### 3.3. Commendations and Complaints

- This quarter the following commendations and complaints were received:

#### Commendations

| Date | Number | Summary  |
|------|--------|--|
| Apr  | 0      |  |
| May  | 1      | Excellent manner and helpfulness were second to none     |
| Jun  | 1      | Thank you for taking the time in dealing with the matter |

#### Complaints

| Date | Number | Summary   |
|------|--------|---|
| Apr  | 2      | IHER – Complaint about tier of benefit awarded<br>Admin – Complaint about reduction to pension following reconciliation project |
| May  | 1      | Admin - Complaint about delay in receiving benefits due to Prudential. Subsequently withdrew complaint against NYPF             |
| Jun  | 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.

### 3.4. Annual Benefit Statements 2021

Deferred member statements have been produced for 99.78% of the deferred membership on 19 May 2021 (38,671 / 38,758 meaning 87 members have not received a statement yet and these are being investigated).

Active member statement templates have been updated and signed off. Year End processing is well underway and we are preparing to run the actual calculations in mid August.

Files received - 197 (73 i-Connect (employer portal) & 124 year end submissions)

168 files/submissions were received on time, with 25 received in May (21,371 members, both NYCC & CYC were received in May), 3 in June (23 members) and 1 in July (3 members). Of the 181 posted to date, 119 have been error free. This demonstrates a significant improvement in the timeliness and quality of the data we are now receiving.

#### **4. Issues and Initiatives**

##### **4.1. GMP and Pensioner Data Reconciliation**

All work on this project has been paused to enable focus on the payroll project. Analysis and reporting of the final position remains outstanding and this will be brought to a subsequent meeting.

##### **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. Employer Charging**

The vast majority of employers in the Fund are able to meet deadlines for contribution payments and sending in the supporting documentations every month. In the past year however, there have been a few incidences of "repeat offenders" who are persistent with either late or missing payments and paperwork. The Fund has not been applying its charging policy for such infractions since the start of the pandemic; however in August 2021 we wrote to all employers in the Fund to remind them of the contribution due dates and to notify them that the charging policy will be enforced from September 2021.

##### **4.4. Administration System Project**

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

- On-boarding of employers to our online portal i-Connect has been paused to allow the team to focus on Year End and benefit statements.
- This will be restarted in September with focus on our two largest employers, NYCC & CYC as priority.
- Preparatory work was undertaken prior to year-end so we are hopeful the on-boarding for these will be less time consuming or labour intensive when we get to that point.
- A revised completion date of 31 March 2022 has been agreed.
- Pensioners have been successfully paid from our interim payroll for March through to July.
- The system was merged into the Live database on 30 July and we have successfully paid the first weekly payments from the new merged system.
- New processes have been developed and training provided to both administration and payroll teams.
- Pensioners have been invited to register online to enable them to view payslips and P60s and keep their data up to date. Those who do not wish to do this can opt out and continue to receive paper documents.
- A small project is now underway to update all the records for those pensioners who have opted out.
- The first payroll run is due on 31 August. Once this has been successfully completed this workstream will be complete.
- The data reconciliation work will now be finalised.
- Website development is progressing slowly due to ensuring all requirements are captured and all aspects of cyber security are included.

## 4.5. Other Key Projects

### 4.5.1 McCloud

Work has commenced on the data gathering phase of this project with Aquila Heywood already contacting our employers with the data request. They have received 20 data files to date.

Aquila Heywood will collect, check, validate and load the corrected data into the system. They are also currently developing the tools to enable all Funds to be able to recalculate benefits and establish who is impacted and by how much. That part of the project will fall to the team to complete.

## 5. Outstanding Death Grant Case

There has been no further progress or information received for the outstanding death grant case and therefore there is nothing further to consider at this time.

## 6. Governance Documents

6.1 The Funding Strategy Statement and the Admissions and Terminations Funding Policy have been amended. A description of the documents is included in the following paragraphs, together with comments on the changes that have been made since they were last approved and any actions that are required by the PFC. The changes that have been made to previously approved versions can be seen in tracked changes in the appropriate appendix.

6.2 The **Funding Strategy Statement**, attached as **Appendix 3** describes how employers' pension liabilities are to be met going forward, how employer contributions will be kept as stable as possible, and a prudent long-term view of those liabilities. The policy has been reviewed by the Fund's actuary following MHCLG guidance on how to use new employer flexibilities. A general review and update has also been carried out ahead of the 31 March 2022 triennial valuation of the Fund. Members are asked to approve this document and, following consultation with employers, delegate authority to the Treasurer of the Fund to respond to any comments and feedback from employers.

6.3 The **Admissions and Terminations Funding Policy**, attached as **Appendix 4** outlines the Fund's policy on admissions into the Fund and the methodology for assessing an exit payment when an employer leaves the Fund. The policy has been reviewed by both the Fund's actuary and legal advisor following MHCLG guidance on how to use new employer flexibilities. A general review and update has also been carried out including the position regarding entry and exit of academies. Members are asked to approve this document and, following consultation with employers, delegate authority to the Treasurer of the Fund to respond to any comments and feedback from employers.

6.4 The **Pensions Administration Strategy**, attached as **Appendix 5** sets out the administration protocols between employers and the Fund. The policy has been updated to add a 'Notifiable Events' section for employers.

6.5 Each September a **Business Plan Update** is produced to enable the PFC to monitor and measure progress against the 3 year NYPF business plan. This update will be brought to the November meeting in future to enable a full 6 months of activity to be recorded each year.

## 7 Member Training

7.1 The Member Training Record showing the training undertaken to May 2021 is attached as **Appendix 6**.

7.2 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.

7.3 Following the success of the “Introduction to the LGPS” in-house training session held on 25<sup>th</sup> 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.

7.4 Upcoming courses, seminars and conferences available to Members are set out in the schedule attached as **Appendix 7**. Please contact Kirsty Howes (01609 533298 or email [kirsty.howes@northyorks.gov.uk](mailto:kirsty.howes@northyorks.gov.uk)) for further information or to reserve a place on an event. Events are limited currently due to the pandemic.

## 8 **Meeting Timetable**

8.1 The latest timetable for forthcoming meetings of the Committee and Investment Manager meetings is attached as **Appendix 8**. Meetings will continue to be undertaken virtually until further notice.

## 9 **Recommendations**

9.1 Members to note the contents of the report.

9.2 Members are asked to approve changes made to the Funding Strategy Statement and, following consultation with employers, delegate authority to the Treasurer of NYPF to respond to any comments and feedback from employers.

9.3 Members are asked to approve changes made to the Admissions and Terminations Funding Policy and, following consultation with employers, delegate authority to the Treasurer of NYPF to respond to any comments and feedback from employers.

9.4 Members are asked to approve changes made to the Pensions Administration Strategy and, following consultation with employers, delegate authority to the Treasurer of NYPF to respond to any comments and feedback from employers

Gary Fielding  
Treasurer of North Yorkshire Pension Fund  
NYCC  
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02 September 2021