

Improving People's Lives

Pension Board

Date: Tuesday 3rd June 2025

Time: 10.00am

Venue: Kaposvar Room - Guildhall, Bath

Board Members: Nick Weaver, Helen Ball (Member Representative), Steve Harman (Employer Representative), Alison Wyatt (Member Representative) and Jon Evans (Employer Representative)

Chief Executive and other appropriate officers Press and public



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NOTES:

1. **Inspection of Papers:** Papers are available for inspection as follows:

Paper copies are available for inspection at the Guildhall - Bath.

2. **Details of decisions taken at this meeting** can be found in the minutes which will be circulated with the agenda for the next meeting. In the meantime, details can be obtained by contacting as above.

3. Recording at Meetings:-

The Openness of Local Government Bodies Regulations 2014 now allows filming and recording by anyone attending a meeting. This is not within the Council's control. Some of our meetings are webcast. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed. If you would prefer not to be filmed for the webcast, please make yourself known to the camera operators. We request that those filming/recording meetings avoid filming public seating areas, children, vulnerable people etc; however, the Council cannot guarantee this will happen.

The Council will broadcast the images and sounds live via the internet www.bathnes.gov.uk/webcast. The Council may also use the images/sound recordings on its social media site or share with other organisations, such as broadcasters.

4. Public Speaking at Meetings

The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition or a deputation on behalf of a group.

Advance notice is required not less than two full working days before the meeting. This means that for meetings held on Thursdays notice must be received in Democratic Services by 5.00pm the previous Monday.

Further details of the scheme can be found at:

https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=12942

5. Emergency Evacuation Procedure

When the continuous alarm sounds, you must evacuate the building by one of the designated exits and proceed to the named assembly point. The designated exits are signposted. Arrangements are in place for the safe evacuation of disabled people.

6. Supplementary information for meetings

Additional information and Protocols and procedures relating to meetings

https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13505

Pension Board - Tuesday 3rd June 2025

at 10.00am in the Kaposvar Room - Guildhall, Bath

AGENDA

EMERGENCY EVACUATION PROCEDURE

The Chair will draw attention to the emergency evacuation procedure as set out under Note 5.

- APOLOGIES FOR ABSENCE
- 3. DECLARATIONS OF INTEREST
- 4. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR
- 5. ITEMS FROM THE PUBLIC
- 6. ITEMS FROM MEMBERS
- 7. MINUTES OF PREVIOUS MEETING: 4TH MARCH 2025 (PUBLIC & EXEMPT) (Pages 5 18)
- 8. PENSION FUND ADMINISTRATION PERFORMANCE REPORT (Pages 19 60)

The purpose of this report is to present the Fund's administration performance for the period up to and including 30th April 2025 vs key performance indicators (KPI's).

9. UPDATE ON LEGISLATION (Pages 61 - 68)

The purpose of this report is to update the Pension Board on the latest position concerning the Local Government Pension Scheme [LGPS] and any proposed regulatory matters that could affect scheme administration.

10. RISK MANAGEMENT UPDATE - RISK REGISTER (Pages 69 - 76)

The purpose of this report is to update the Pension Board with the quarterly review of the risk register.

11. GOVERNANCE UPDATE (Pages 77 - 84)

The purpose of this report is to receive regular governance updates as well as Training and Work Plan issues from the Board and request high level training needs from Board Members.

The Committee Administrator for this meeting is Mark Durnford who can be contacted on 01225 394458.



BATH AND NORTH EAST SOMERSET

PENSION BOARD

Tuesday, 4th March, 2025

Present:- Nick Weaver (Chair), Helen Ball (Member Representative), Alison Wyatt (Member Representative) and Jon Evans (Employer Representative)

Also in attendance: Nick Dixon (Head of Pensions), Liz Woodyard (Group Manager for Funding, Investment & Risk), Claire Newbery (Pensions Operations Manager), Carolyn Morgan (Governance and Risk Advisor), Rebecca Clark (Member Services Manager), Anne Black (Business Change Manager) and Claire Moon (Digital Services Manager)

40 EMERGENCY EVACUATION PROCEDURE

The Chair welcomed everyone to the meeting and asked the Democratic Services Officer to read out the Emergency Evacuation Procedure.

41 APOLOGIES FOR ABSENCE

The Democratic Services Officer informed the Board that apologies had been received from Steve Harman (Employer Representative) and Stuart Anstead (Employer Representative).

42 DECLARATIONS OF INTEREST

There were none.

43 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

44 ITEMS FROM THE PUBLIC

There were none.

45 ITEMS FROM MEMBERS

There were none.

46 MINUTES OF PREVIOUS MEETING: 5TH DECEMBER 2024

The Board approved the minutes of the previous meeting and they were duly signed by the Chair.

47 INVESTMENTS UPDATE

The Group Manager for Funding, Investment & Risk addressed the Board. The following points were raised in her update to them.

Consultation on LGPS reform

• The Fund issued its response to the consultation by the 16th January deadline. Pools had to issue their response to the proposals by 1st March. No further response has yet been received from the Government / Treasury department.

Pooling – reforming the pools

- AAs to fully delegate implementation of investment strategy to, and take principal investment advice from, the pool.
- All pools to be regulated by FCA Brunel already are.
- All legacy assets to be transferred to the pools.

UK Investment – in localities and regions

- Set target allocation to local investment with input from other local authorities/bodies to agree priorities and identify opportunities.
- Record of local investments to be included in annual reports and ISS.

Governance – strengthening governance of LGPS funds and pools

- Builds on many of the recommendations of SAB's Good Governance review.
- Further requirements around transparency and reporting, and board membership of pools.

Proposals and impact on APF

- Strategic asset allocation: APF sets high level investment objectives & allocate in line with defined set of asset 'buckets'. Brunel allocates to their portfolios to meet the objectives set by the APF. Risk Management strategy is more complex and need to discuss with Brunel how this will be managed.
- Primary advice: Brunel is primary strategic advisor. APF can take independent strategic advice to set high level objectives.
- Cash: Brunel to manage investment balances. APF to manage Treasury cash (used for day-to-day banking). Possible area of tension due to liquidity needs.
- Governance: With change in responsibilities, pool governance will be adapted; may have implications for APF governance arrangements.

Current activity

Brunel & Clients

- Identifying potential changes and workstreams
- Identifying impact on governance arrangements
- Need Pensions Bill to be laid before commit to extra budget/spend

APF

- Closely involved in Client group discussions
- Take issues for consideration to Panel (changes to strategy implementation) or Committee (strategic / governance changes) as necessary.

Alison Wyatt asked about Brunel's capacity to undertake these new proposals.

The Group Manager for Funding, Investment & Risk replied that they would likely have to buy in the advisory role and build out that capacity. She added that they will also have to increase their Investment and Operational teams.

She stated that it was also important that they maintain the investment stream with regard to the Local Impact portfolio.

Jon Evans asked if there would be any duplication of roles between Brunel and the APF.

The Group Manager for Funding, Investment & Risk replied that officers would still be required to hold Brunel to account and were likely to become more involved in the 'local' work. She added that they would also act as conduit to other parties.

She said that Brunel will need to resource impact reporting and that she expected a closer partnership in terms of strategies.

Jon Evans asked if a project manager was required to oversee theses forthcoming changes.

The Group Manager for Funding, Investment & Risk replied that Brunel have already appointed a project manager.

The Board **RESOLVED** to note the update that had been provided.

48 PENSION FUND ADMINISTRATION - PERFORMANCE REPORT

The Pensions Operations Manager introduced the report to the Board and highlighted the following points.

- Recruitment final stages in progress.
- Pensions Ombudsman 2 cases raised (1 found in favour of APF and 1 against)

The Chair asked if the events of the case found against the Fund could happen again.

The Pensions Operations Manager replied that this should not be possible now as a bank account validation process was now in place.

Jon Evans asked how long it usually takes for a Pensions Officer to be fully trained following recruitment.

The Pensions Operations Manager replied that she felt it takes around 18 months for them to become fully operational and to understand the regulations and systems that they have to work within. She added that an attention to detail was paramount for the role, ideally with some element of a finance background.

SLA monthly performance average Jan 2024 to January 2025

- Averaging between 87% 90%
- Increase in some areas of activity over the Christmas period

KPI's case by age %

Attempting to keep below 10%

Service performance – plan v's actual – 2nd Feb 2025

The Fund remains ahead of the plan as of Q3 2024.

Helen Ball asked if it was known why there had been a notable drop in the figures recorded for Retirement (Active) – Quote (46% in Jan 25 down from 86% in Dec 24).

The Pensions Operations Manager replied that this was likely due to the number of enquiries that had been received at this time of year as members look to potentially change their circumstances as they enter a New Year.

The Chair asked if the Fund were aware of any impending large redundancy numbers that would affect employers within the fund.

The Pensions Operations Manager replied that they were not and to attempt a degree of mitigation, quarterly meetings are held with other Local Authorities.

Jon Evans asked how often they receive bulk enquiries.

The Pensions Operations Manager replied that they have noticed a trend of enquiries around January / February from people considering retirement. She added that they will aim to have further resources in place for the coming year for such enquiries.

Non KPI workload

• Leavers: 3,994 – Need to reduce this figure. Project for data cleansing to enable clarification of addresses.

Jon Evans asked if customer satisfaction could be measured through the Fund website.

The Pensions Operations Manager replied that this functionality was not currently available to them.

The Board, having been satisfied that the public interest would be better served by not disclosing relevant information, **RESOLVED**, in accordance with the provisions of the Section 100(A)(4) of the Local Government Act 1972 that the public should be excluded from the meeting for this item of business, because of the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act as amended.

The Board **RESOLVED** to note the service performance for the period ending 31st January 2025.

49 SERVICE PLAN, PROJECTS AND CHANGE PROGRAMME

The Pensions Operations Manager introduced the report to the Board and highlighted the following points.

Strategic Roadmap & Business Change 2025-26

2024 / 2025 - Highlights and Achievements

- People:
 - o Restructure done
 - 16 New starters
 - o 24 Promotions within existing team
 - Creation of Business Change function
- Performance:
 - Backlog reduction of KPIs
 - o 39 new employers onboarded to the fund
 - Webinar based training introduced for scheme employers
- Process:
 - All employers now on i-Connect
 - Policy approvals for GMP / Unders and overs

- Digitalisation
 - New Employer website live
 - New employer webforms introduced to improve data submissions
 - o Bank Account Validation implemented

2025 and beyond, Priorities & Objectives

- People:
 - Fully resourced
 - Fully trained
 - Ongoing development and opportunities
- Performance:
 - Within SLA for all KPIs
 - Meet needs of Pensions Dashboards
 - o Compliance with regulatory changes i.e. McCloud
- Process:
 - Effective controls, proportionate to risk
 - All process mapped
 - o Clear and concise user guides & training
- Digital Transformation:
 - Automation of key processes
 - Member portal upgrade to unlock the digitalisation of processes
 - Transition to hosting solution

Note: In bold denotes priorities.

Helen Ball asked if there was a driver behind the new employers into the Fund.

The Pensions Operations Manager replied that this was mainly due to Academies and then their outsourcing of certain contracts for cleaning, catering etc.

Jon Evans asked what measures will be taken to measure customer satisfaction.

The Pensions Operations Manager replied that work will begin to be undertaken in 2025/26 to find out more from members about what they think of the Fund and the information they want to receive.

Business Change

The Business Change Manager explained that the team was established in late 2024 and is dedicated to managing change effectively by delivering projects or providing project best practice guidance. She added that the team works alongside other APF teams balancing resources to fulfil regulatory requirements and to manage BAU alongside change.

• Key Focus Areas for the teams in 2025/26 are Member engagement, McCloud & Dashboard compliance and Procurement. We will progress Transformation and Digitalisation where resource allows.

Prioritisation process

 We continually review our projects, evaluating them to ensure they continue to deliver the right benefits to our members and administration teams. By carefully managing our resources, we can maximise the impact of our efforts and achieve our objectives efficiently.

Jon Evans commented that he felt that the Change Programme was interesting and that the Board should maintain their awareness of it.

Helen Ball agreed and said that she would welcome hearing about its progress and suggested the Board meet informally via Teams.

The Pensions Operations Manager replied that she would seek to find a potential date in April to be able to update the Board.

The Chair commented that it was good to have the priorities identified and agreed that the Board should be updated on their progress. He thanked the Pensions Operations Manager and Business Change Manager for their presentation on behalf of the Board.

50 THE PENSION REGULATOR'S GENERAL CODE OF PRACTICE (TPR GCOP)

The Governance & Risk Advisor introduced the report to the Board and highlighted the following points.

- In March 2024 The Pensions Regulator combined various codes of practice into a single General Code of Practice which is applicable to most public and private occupational pension schemes, including the LGPS.
- Conducting an assessment against the requirements has allowed the Fund to create an action plan detailing owners and timescales with the aim of reaching compliance with the code over the next year.
- In summary the Fund was compliant with approximately 70% of the requirements. The other 30% are partially compliant. Most actions are minor or are areas where significant work is already being undertaken. Eg – implementation of changes to internal controls, review and testing of the Business Continuity Plan. Some of the key areas of the work will be in the following areas:
 - Knowledge & Skills of Committee & Pension Board members.
 - o Communications & disclosure of information to members.
 - o Review of record keeping and data improvement plan.
 - Monitoring Advisors & contracts

• Progress against the action plan will be shared with Committee and Pension Board on a quarterly basis.

Jon Evans asked how much of the work was dependant on the Business Change programme.

The Governance & Risk Advisor replied that there was not much of a dependency between the two work elements.

The Chair commented that Board and Committee members have a role to play in making sure their training records are up to date / complete.

Helen Ball asked if there was either an internal or external timescale to become fully compliant.

The Governance & Risk Advisor replied that TPR had not set a deadline but there was an expectation that the Fund should be working towards compliance. The Fund has set its own deadline of 31 March 2025. She added that The Pension Regulator could inform the Fund of a planned visit and that officers would need to show that a plan is in place.

The Board **RESOLVED** to note the assessment and action plan.

51 RISK MANAGEMENT UPDATE - RISK REGISTER

The Governance & Risk Advisor introduced the report to the Board and highlighted the following points.

- The quarterly review of the risk register has taken place and no changes have been made to scores for this quarter.
- The Fund has just completed its review and testing of its Business Continuity Plan. As part of this work risks identified in the plan have been checked for consistency against the risk register. As a result of this risk NR06 has been reworded to better reflect the risk of losing IT, which could be due to a cyber attack, but also due to other factors such as loss of power.
- The top three risks remain:
 - NR06 the loss of IT including cyber attack and loss of power. The fund is planning to move its admin system to a Heywood hosted solution and appropriate data protection and cyber assessments are being carried out.
 - NR01 Poor service levels below agreed standards. The current factors impacting this risk are set out in the Pension Fund Administration report. As part of the Business Continuity Plan review a service level plan and crisis communication plan have also been agreed.

NR05 – Failure to manage personal data per regulations. The volume of personal data the Fund manages in day-to-day processing keeps this risk high on the register. The Operations Teams plan to introduce process changes to remove duplication of checking and bulk processing. Additional data protection assessments will be carried out as part of the implementation.

Jon Evans commented that he felt that the levels of mitigation were quite high and asked how likely it was that any Ambers could be moved to Green.

The Governance & Risk Advisor replied that she would be cautious over that prospect as some elements remain out of direct control of the Fund.

The Board **RESOLVED** to note the report.

52 GOVERNANCE UPDATE

The Governance & Risk Advisor introduced the report to the Board and highlighted the following points.

- The training plan sets out the timeframes for studying the Hymans training modules as set out in Appendix 2. The plan will be refreshed in April 2025.
- Board member recruitment remains ongoing, specifically to seek a further Member Representative and Employer Representative.

The Board **RESOLVED** to:

- i) Note the workplan & training plan for 2025
- ii) Note the dates for future meetings.

The Head of Pensions addressed the Board. He explained that the Avon Pension Fund Committee were due to discuss the issue of Aerospace & Defence Investments at their meeting on March 28th following a number of statements from members of the public at their December 2024 meeting.

Prepared by Democratic Services	
Date Confirmed and Signed	
Chair(person)	
The meeting ended at 12.12 pm	

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted



Bath & North East Somerset Council					
MEETING:	Avon Pension Fund – Local Pension Board				
MEETING DATE:	3 rd June 2025				
TITLE:	PENSION FUND ADMINISTRATION Performance Report				
WARD:	ALL				
AN OPEN PUBLIC ITEM					

List of attachments to this report:

Appendix 1 – Administration Update

Appendix 2 – TPR Data Improvement Plan

1 THE ISSUE

The purpose of this report is to present the Fund's administration performance for the period up to and including 30th April 2025 vs key performance indicators (KPI's).

2 RECOMMENDATION

The Board:

Notes the service performance for the period ending 30th April 2025.

3 PERFORMANCE

Appendix 1 summarises service performance vs SLAs¹ to 30th April 2025.

4 Recruitment

The fund has successfully recruited 11 new officers joining the Operations and Business Change teams in the last month, 10 of which were in Administration. This leaves a further 4.5 vacant posts including 1 within Business Change team, recruitment is ongoing.

¹ service level agreements

5 McCloud

Whilst there is still a lot of work to do for McCloud, the team are on track to complete the known McCloud cases before the 31st August. We have remediated more than 2/3rds of the 360 pensioner cases identified and have also completed the death cases, trivial commutations and certain types of transfers out (Non club and interfund's).

There are still some complex cases to work through including club transfers and divorce cases.

We still need to review and link members with multiple records to ensure that all potential qualifying records are considered for McCloud. This piece of work has been delayed due to problems with the Heywood solution, for which a potential fix was in the recent May 2025 release. A project will also need to be undertaken to confirm dates of LGPS membership from other Funds to ensure we are compliant with statutory guidance in identifying all qualifying McCloud service. This work will identify more members with an underpin that will then need to be worked through, but based on numbers to date, it is not believed that these will be of significance.

6 GMP

The reconciliation project identified 4,740 specific cases where the scheme member was under state pension age (SPA) and where HMRC had identified a GMP figure, but APF member record indicated zero amount. Further data interrogation identified 1,329 members with more than one employment and where the GMP figure was already present on another record. These cases have been excluded from the exercise.

Of the remaining 3,411 cases; 1,262 relate to pension members in payment and 2,149 relate to current active or deferred members.

Officers are currently working to upload the data following completion of the annual year end pensions increase and CARE revaluation exercise.

The next stage of the project will focus on a review of members where a potential underpayment of pension has occurred due to an incorrect GMP figure being held on record. This stage is currently in the planning stage with other APF priority projects.

7 Procurement & Pensions Dashboard ISP

APF have awarded a 7-year contract via Softcat with Heywood's for the Pensions Administration Software and ISP provider. This includes moving to a hosted arrangement from July 2025. A further update will be given at the meeting.

8 Pensions Dashboard & ISP (Integrated Service Provider)

With the procurement now complete, APF have begun planning the implementation and connection to the dashboard including access to data reports and setting of matching criteria. User Acceptance testing has commenced. Engagement with AVC providers to ensure alignment to APF matching rules is underway. A further update will be given at the meeting.

9 Data Improvement plan

Appendix 2 is a summary of the Fund's data position and shows a slight improvement in the overall score at 95.4%.

A member tracing project to trace c6000 "gone away" members is underway prior to connection to the Pension Dashboard. Early results indicate a 50% hit for new member addresses, these members will be written to for confirmation of new address.

10 RISK MANAGEMENT

The Avon Pension Fund Committee is the formal decision-making body for the Fund, including responsibility for adequate risk management. It discharges this responsibility by ensuring the Fund has an appropriate investment strategy and investment management structure in place which is regularly monitored. It also monitors benefits administration, the risk register and compliance with relevant investment, finance and administration regulations.

11 EQUALITIES STATEMENT

A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

12 CLIMATE

The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council's Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and addresses this through its strategic asset allocation to Paris Aligned Global Equities, Sustainable Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Committee.

13 OTHER OPTIONS CONSIDERED

None.

14 CONSULTATION

The report and its contents have been discussed with the Head of Pensions representing the Avon Pension Fund and the Director of Financial Services, Assurance & Pensions, representing the administering authority.

Claire Newbery
Pensions Operations Manager
01225 395247
Various statistical documents

Please contact the report author if you need to access this report in an alternative format.

Administration Update June 2025

Claire Newbery

Pensions Operations Manager





Agenda

- KPI & Performance
- Non KPI update and workplan (status 2's)
- Procurement & Hosting update
- Administration Roadmap 2025/26
- Pensions Dashboard

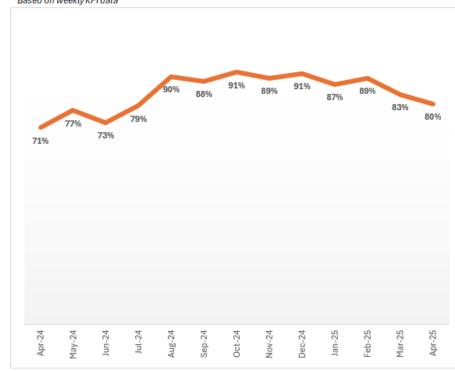
KPI's & Performance

SLA monthly performance average April 2024 to April 2025



Average SLA Perfomance

*Based on weekly KPI data

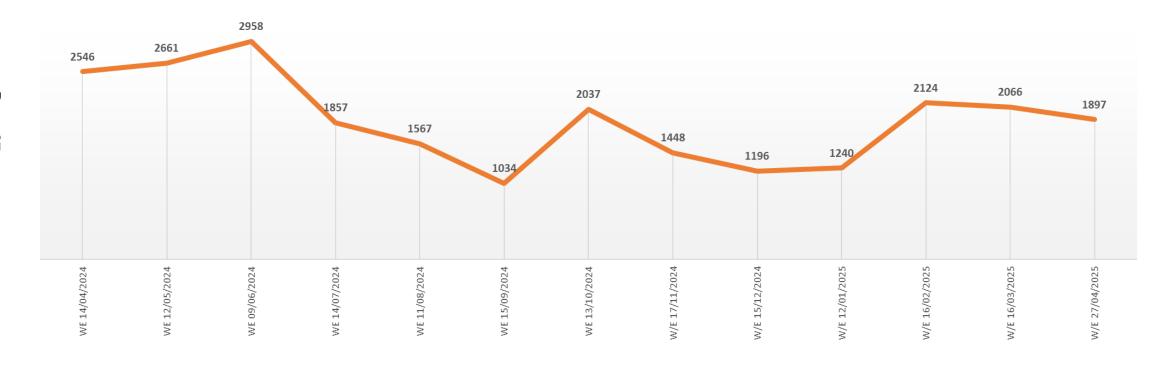


KPI Category	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
Death Notification	46%	31%	65%	65%	84%	79%	94%	94%	88%	100%	94%	64%	71%
Death - Act/Def/Pen - Payment	100%	69%	88%	93%	100%	73%	68%	94%	68%	82%	65%	60%	49%
Retirement (Active) - Quote	31%	30%	35%	52%	81%	85%	84%	60%	86%	46%	84%	78%	80%
Retirement (Active) - Actual	95%	77%	47%	78%	91%	94%	99%	97%	97%	94%	90%	83%	69%
Retirement (Deferred) - Quote	36%	57%	60%	91%	83%	89%	88%	98%	96%	74%	71%	57%	25%
Retirement (Deferred) - Actual	75%	66%	40%	68%	98%	96%	91%	99%	99%	99%	99%	77%	85%
Divorce - Quote	59%	66%	66%	83%	100%	100%	92%	100%	100%	100%	100%	100%	86%
Divorce - Actual	N/A	N/A	N/A	100%	100%	100%	100%	33%	0%	N/A	N/A	N/A	N/A
Refund - Quotes	22%	77%	69%	34%	88%	88%	75%	88%	66%	73%	93%	73%	53%
Refund - Actual	84%	85%	65%	78%	88%	91%	95%	85%	82%	67%	69%	61%	78%
Deferred Benefits	62%	67%	62%	80%	79%	61%	96%	77%	95%	93%	88%	86%	84%
Transfer In (Active) - Quote	3%	6%	13%	17%	74%	85%	92%	59%	57%	97%	94%	77%	60%
Transfer In (Active) - Actual	100%	33%	56%	27%	56%	67%	48%	51%	79%	0%	56%	50%	100%
Transfer Out (Active/Deferred) - Quote	16%	14%	4%	30%	26%	17%	42%	12%	47%	36%	3%	10%	30%
Transfer Out (Active/Deferred) - Actual	73%	100%	100%	94%	100%	100%	100%	100%	100%	100%	83%	100%	33%
Employer Estimate - Quote	65%	100%	36%	94%	78%	95%	94%	92%	81%	95%	100%	98%	92%
Member Estimate - Quote	66%	94%	50%	85%	93%	90%	87%	99%	100%	92%	98%	94%	96%
Joiner	100%	100%	100%	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Weighted Average	71%	77%	73%	79%	90%	88%	91%	89%	91%	87%	89%	83%	80%

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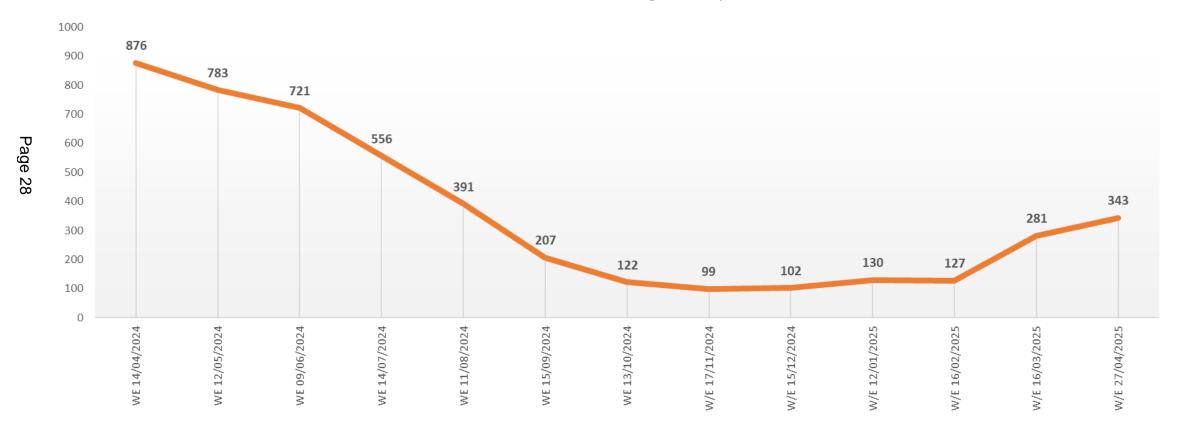
Total KPI's outstanding – Apr 2024 to Apr 2025





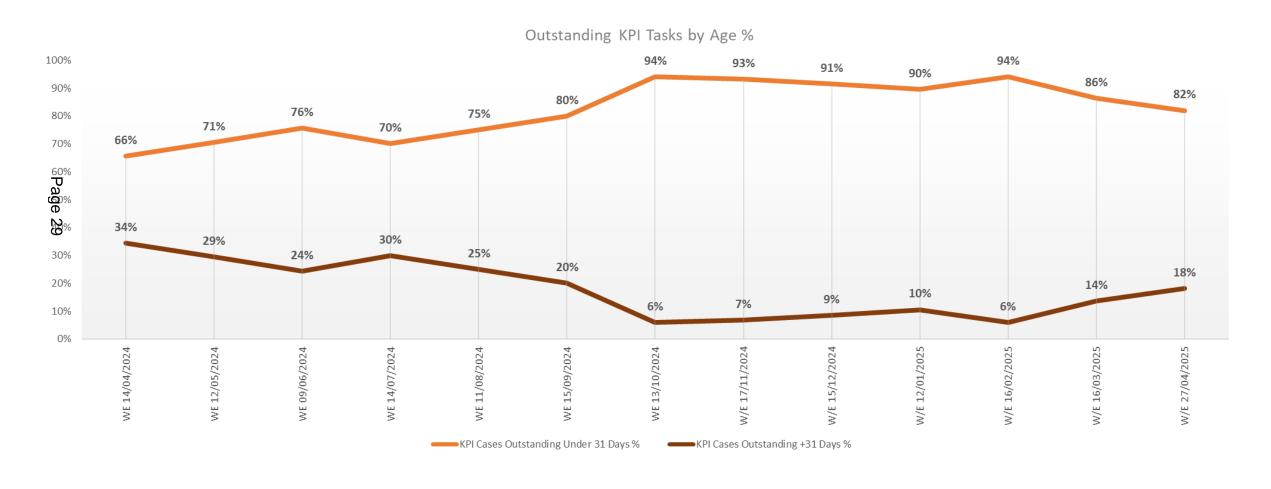
KPI's outstanding over 31 days – Apr 2024 to Apr 2025



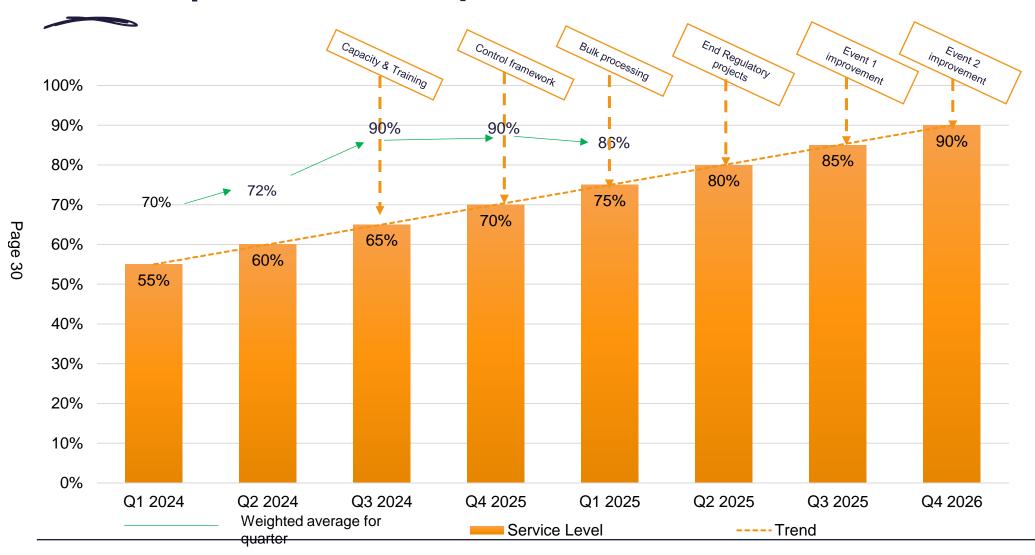


KPI's case by age % - Apr 2024 to Apr 2025



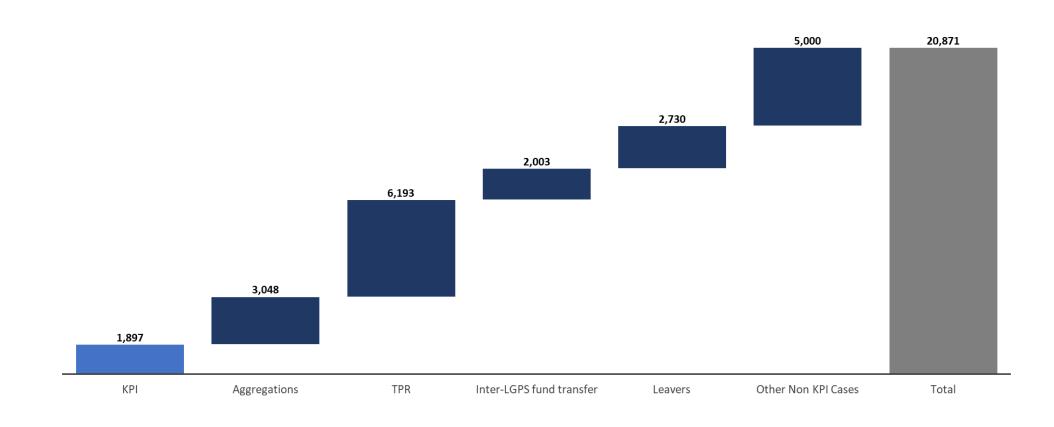


Service performance – plan v's actual – 2nd Feb 2025



All outstanding cases – April 2025 (all operations teams)





Status 2 Backlog

Status 2's – What are they?

- Status 2 = Undecided leaver
- We have been told by an employer via their monthly data return that a post has ended, but it could be the member has:
 - started a new post, same employer (promotion or change)
 - left and could join with a new employer in the scheme
 - left employment with less than 2 years service
 - left employment with more than 2 years service
 - They have retired and want to take their pension
 - Other posts with us and should be aggregated
 - We are waiting for more data from the employer or member

Why do they sit as Status 2

We are waiting for:

- A member decision
- Information from another fund or scheme
- More information from the employer or member

Actions and decisions

We must review a record and decide:

- Link or Aggregate with other records
- Write to member and offer a refund & transfer out quote
- Send them their retirement options
- Defer the pension and send the member a statement

Why

- Good Record Keeping & Best practice
- Complies with the Pension Regulator code of practice
- Members can view their complete pension record
- Data available via Pensions Dashboard
- Annual benefit statement
- Valuation

Status 2 Records



During the last year, the number of status 2 records we held on our system peaked at 8,307 during September 2024. Compared with 5,790 status 2 records as at the end of April 2025, this is a 30% reduction. This coincides with the peak number of outstanding leaver cases, which is broken down in future slides.





Cases Outstanding on Status 2 Records



A status 2 record will have one or more outstanding cases attached to it, indicating the APF need to action a process marked on the member's record. As expected, the graph below shows September 2024 as the highest point with regards to outstanding cases to process on status 2 records. Compared with the end of April 2025 outstanding cases have been reduced to 6,312, a 28.6% reduction from September's peak.





Type of Cases Outstanding on Status 2 Records

As at the end of April 2025, the total outstanding cases of 6,312 are made up of 58 different types of cases. However, 5 cases made up 84% of the 6,312 total outstanding.

5 Most Outstanding Cases	No. O/S	% of Total
iConnect Leavers	2,540	40%
Aggregation Type A	1,342	21%
Retirement (Active)	658	10%
Interfunds In	419	6%
Aggregation Type B	375	6%
Total	5,334	83%

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Actions so far

- Target oldest cases first (using MI)
- Simplified processes and removed duplication
- Reduced checking of low value refunds
- Recruitment and training
- Improved internal escalation process

Next steps & plan

- Automate reminders to members to reply
- Automatically defer a pension if a member doesn't reply after a chaser (not at SPA)
- Process improvement for aggregation (Approx saving 10 mins per case)
- Bulk processing of cases
- Change retirement pack age from 55 to 60
- Adopt system improvements

Timelines in planning

Procurement & Hosting

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Administration Software Procurement

- New 7- year contract signed with Heywood via the COTS agreement with Softcat 17 April 2025
- New contract covers existing Altair & i-Connect plus new Products & Services Hosting,
 Dashboard ISP, Data Cleanse, Engage (with SMS & EIDV), Enhanced Admin to Pay
- Reinforced and improved our relationship with Heywood
- Sets foundation for Digital improvement
- Supports regulatory needs for Pensions Dashboard

	Product & Service	What is it?
EXISTING	• Altair	Pension records & calcs, Workflow, Image, Pension Payroll, Immediate Payments, HMRC RTI Gateway, Finance interface, McCloud regulatory changes, Bank Account Validation, Mortality screening, Member self-service portal, Insights – MI reporting tool & Dashboard data quality reporting
	• i-Connect	Employer portal
NEW	 Hosting Dashboard ISP Data Cleanse Engage (SMS & EIDV)	 Heywood cloud hosting Links APF to Pensions Dashboard eco-system LexisNexis service integrated into Altair Upgrade to Member self-serve portal with SMS Multi-Factor Authentication & Electronic Identity Verification
	Enhanced Admin to Pay	Enhancements to front end processing & interface to payroll

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Migrating from 'On-premises' to 'Hosted'

WHY?

 To support B&NES Cloud First programme moving the application software and databases from a B&NES on-premises server to a cloud hosted solution.

WHO?

 Heywood, our software provider for Altair and associated modules, will provide hosting services via their supplier, Service Express.

WHEN?

- In progress now. BANES IT & Financial Systems are supporting us with the move.
- Aiming to complete move by end July 2025.

"Moving the file cabinet"







Database & Application (Software)

Used by over 50 Heywood client LGPS funds

Administration Roadmap 2025-26

2025 and beyond, Priorities & Objectives



Avon Pension Fund's 2025 vision is driven by people, performance, process, and digital transformation. Supporting and developing teams ensures talent growth, high standards, and alignment with Pensions Dashboards and employer needs.

Streamlined processes will enhance consistency, with clear workflows, proportionate controls, and regulatory compliance (McCloud). Data cleansing will improve efficiency and resilience.

Digital upgrades will modernise services, improving member portal accuracy, security, and transfers. A stronger employer portal and hosting transition will ensure long-term sustainability.

This roadmap enables Avon Pension Fund to stay adaptable, compliant, and innovative while serving members and employers effectively.

People

- · Fully resourced
- · Fully trained
- Ongoing development and opportunities
- Identify future rising stars and key people of the future

Performance

- Within SLA for all KPIs
- Meet needs of Pensions Dashboards
- Employers understand responsibility
- Data turnaround 30 days
- Compliance with regulatory changes i.e. McCloud
- Data cleansing to support Triennial valuation

Processes

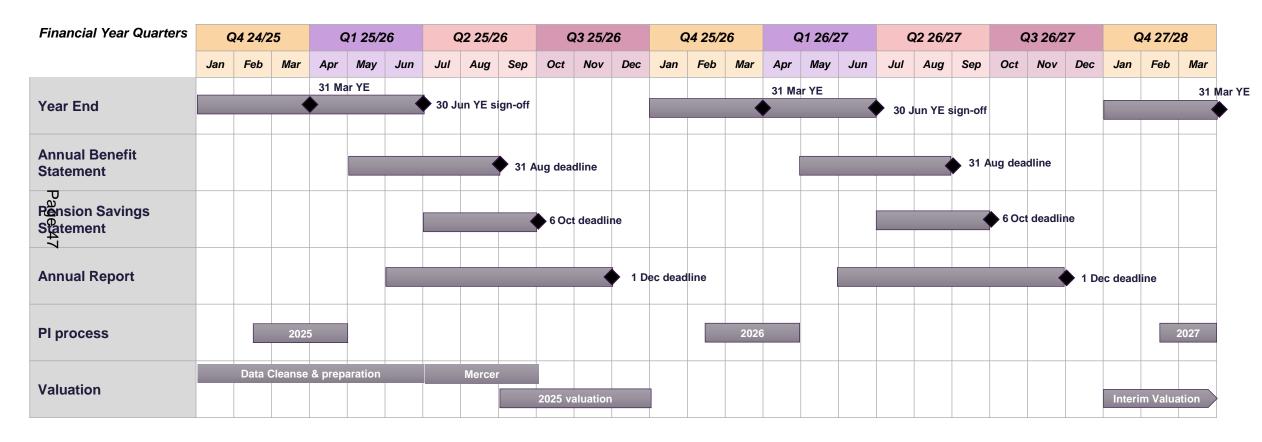
- Effective controls, proportionate to risk
- All process mapped
- Consistent processes
- Clear and concise user guides & training

Digital transformation

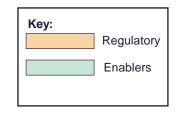
- Automation of key processes
- Member portal upgrade to unlock the digitalisation of processes:
 - facilitating accurate estimates & transfer outs and
 - improving member security
- Increased member engagement via portal
- Develop employer portal
- Transition to hosting solution

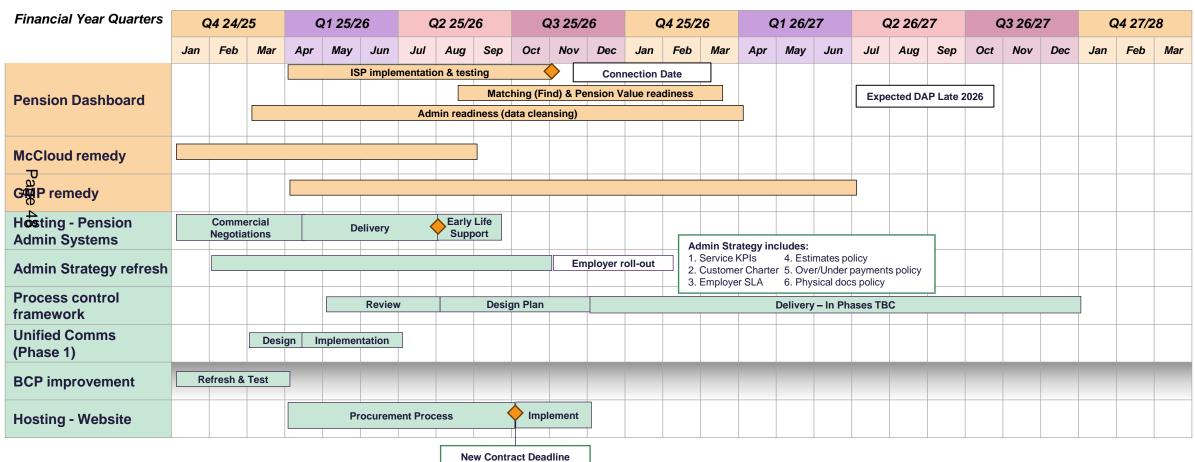
Annual Projects





Regulatory & key enablers





Complete

Transformation



Financial Year Quarters	C	24/2	?5	(Q1 25/2	?6	C	22 25/2	6	C	Q3 25/2	6	C	Q4 25/2	6	C	Q1 26/2	?7	C	Q2 26/2	?7	C	26/2	7	C	4 27/2	8
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Engage (My Pension							Review																				
Online – upgrade)										Imp	lementa	tion															
Bulk processing, e.g. refunds				Sco	pe oppo Design		s –	-	Phase 1 ess Sco				Phase 2 cess De					– Proce entation									
New member omographical of the control of the contr								Initi	al Plani Phase	_				ivery Ph est enga													
Enbanced Admin to Pay							Sco	oing				lm	plemen	tation (p	ropose	ed)											
I-Connect Multi-factor authentication			Sco	pe & D	eliver																						
I-Connect document integration																											
Hybrid Mail Transition							Scope	& Deliv	er																		

Pension Dashboards update

Pensions Dashboard

Avon Pension Fund: Connecting to Pensions Dashboards

The Avon Pension Fund is preparing to link with the Pensions Dashboard, making it easier for our members to access their pension information. This will be in three phases and to be live and connected by 31/10/2025

Preparation phase - Getting the data ready: Checking records to make sure everything is correct and up to date, fixing any errors and making improvements where needed

Connecting to the dashboard: Setting up a secure system so members can view their pension details online whenever they need to. To do this the fund will complete this in two phases.

- Implementation, Phase 1 & 2. This includes setting the matching requirements, creating the processes to support member enquiries when engaging with the central dashboard
- Connection Further testing will be required once connected to the live environment.

Page

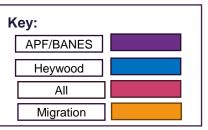
Preparing for Pensions Dashboards

Work is underway to ensure members have easy access to up-to-date pension information while reducing administrative pressures on our teams, a review of our readiness against the Pensions Administration Standards (PASA), can also be found in the appendix.

Area	Actions Taken	Outcome				
Data Accuracy	Auditing records, correcting errors, and updating details	Ensuring reliable, accurate pension information				
Tracing Members	Working with Lexis Nexis to update records for "Gone Away" members	Keeping contact details current				
Process Automation	Introducing automated systems integrated with Altair	Streamlining tasks and reducing workload				
Reducing Backlogs	Resolving outstanding leaver and linking cases	Smoother processing and less pressure when we go live				
Annual Benefit Statements	Making sure the latest figures are available for the pensions dashboard	Ensuring members have access to up-to- date pension values				
Ongoing Monitoring	Identifying and resolving missing ABS cases throughout the year	Improving reporting and pension dashboard readiness				

Appendix

Altair hosting migration – Plan on a Page





Notes:

• Length of Altair live migration down-time to be determined.

Pension Administration Standards – Pillar Review

Pillar	Current Status / Actions to undertake			
Governance Readiness	Ensuring Contract Agreements are in place, actions and decisions are recorded, processes are put in place for complaints, breaches and system downtime etc.			
Matching Data Readiness. Improve & Maintain	Continuous improvement and data quality maintenance is required.			
Pensions Values Readiness. Improve & Maintain	Achieving and maintaining low backlogs and ensuring all eligible members have access to their figures, either immediately or within 10 days, is required going forwards.			
AVC Matching Readiness	Ensuring our AVC providers send our member data correctly to the Dashboa in line with the Pension Dashboard Regulations & Standards.			
AVC Pensions Values Readiness				
Administration Readiness	Understanding the impact of Pensions Dashboards and adjusting our processes and resources accordingly. Ensure resources are trained and in place to cover daily ISP work, data maintenance and the increase in member enquiries.			
Administration/Governance Readiness Communications	Creating communications for Members, Employers, the Board and Committee at the appropriate times.			
Administration/Governance Readiness - Website	Keeping members on an online journey: Creating specific FAQs and signposting for Users who have been directed from the Dashboard. Emphasis given to Member Self Service options i.e. Changing personal details and running estimates.			

Thank you

If you have any questions please contact:

Claire Newbery, Pension Operations Manager Richard Hopkins, Project Manager Anne Black, Business Change Manager

Avon Pension Fund

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Annex 1 – TPR Errors by Member Numbers

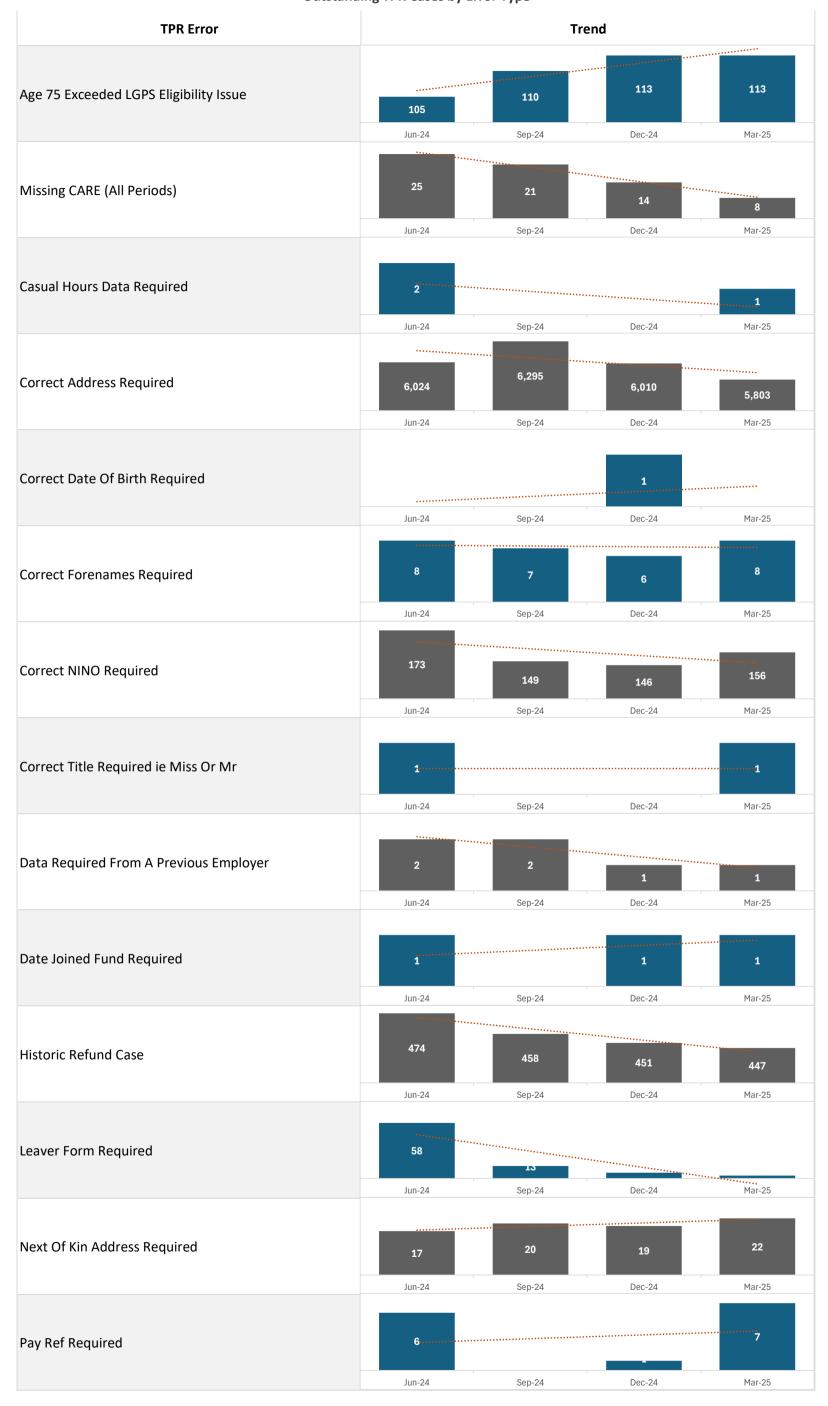
		Dec-2		*Trend					
	Member Records	TPR Errors	% Errors	Data Score	Member Records	TPR Errors	% Errors	Data Score	
ACTIVE	40,745	132	0.32%	99.68	40,883	74	0.18%	99.82	- 58
UNDECIDED	7,988	96	1.20%	98.80	6,090	60	0.99%	99.01	- 36
DEFERRED	44,700	4,136	9.25%	90.75	45,210	3,960	8.76%	91.24	- 176
PENSIONERS	37,358	397	1.06%	98.94	37,412	370	0.99%	99.01	- 27
DEPENDANTS	5,142	131	2.55%	97.45	5,158	138	2.68%	97.32	+ 7
FROZEN	7,857	1,877	23.89%	76.11	8,575	1,969	22.96%	77.04	+ 92
TOTALS	143,790	6,769	4.71%	95.29	143,328	6,571	4.58%	95.42	- 198

Annex 2 – Outstanding Queries by Type (there may be multiple queries per member)

	Dec	c-24	Маі	*Trend	
	TPR Errors	%	TPR Errors	%	
Age 75 Exceeded Lgps Eligibility Issue	113	1.67%	113	1.72%	0
CARE pay for 2014-2015 required	0	0.00%	1	0.02%	+1
Care Pay For 2019-2020 Required	1	0.01%	0	0.00%	- 1
Care Pay For 2020-2021 Required	0	0.00%	0	0.00%	0
CARE pay for 2021-2022 required	1	0.01%	0	0.00%	- 1
CARE pay for 2022-2023 required	1	0.01%	0	0.00%	- 1
CARE pay for 2023-2024 required	11	0.16%	7	0.11%	- 4
Casual Hours Data Required	0	0.00%	1	0.02%	+1
Correct Address Required	6,010	88.79%	5,803	88.31%	- 207
Correct Forenames Required	6	0.09%	8	0.12%	+ 2
Next of kin address Required	19	0.28%	22	0.33%	+3
Correct Hours Format Required	0	0.00%	0	0.00%	0
Correct Nino Required	146	2.16%	156	2.37%	+ 10
Correct Title Required le Miss Or Mr	0	0.00%	1	0.02%	+1
Data Required From A Previous Employer	1	0.01%	1	0.02%	0
Date Joined Fund Required	1	0.01%	1	0.02%	0
Historic Refund Case	451	6.66%	447	6.80%	- 4
Leaver Form Required	6	0.09%	3	0.05%	- 3
Pay Ref Required	1	0.01%	7	0.11%	+ 6
Correct Surname Required	0	0.00%	0	0.00%	0
Correct Date Of Birth Required	1	0.01%	0	0.00%	- 1
Grand total	6,769	100%	6,571	100%	

^{*}Trend is influenced by number of errors

Outstanding TPR Cases by Error Type



Bath & North East Somerset Council									
MEETING	MEETING LOCAL PENSION BOARD - AVON PENSION FUND								
MEETING	3 June 2025	Agenda Item Number							
		2							
TITLE:	Update on Legislation								
WARD:	All								
	AN OPEN PUBLIC ITEM								
List of attachments to this report:									
Appendix 1	Appendix 1 – Latest position of regulatory changes								

1 THE ISSUES

1.1 The purpose of this report is to update the Pension Board on the latest position concerning the Local Government Pension Scheme [LGPS] and any proposed regulatory matters that could affect scheme administration.

2 RECOMMENDATION

The Pension Board is asked to:

2.1 Note the current position regarding the developments that could affect the administration of the fund.

3 FINANCIAL IMPLICATIONS

3.1 There are no financial considerations as this report is for information only.

4 THE REPORT

4.1 The table below provides a summary of the main regulatory updates since the last meeting, including brief comment on what the implications are for the Fund and what the next steps will be.

5 RISK MANAGEMENT

5.1 An effective governance structure, defining clear responsibilities, and ensuring that the decision-making body has an adequate level of knowledge and access to expert advice, is a key aspect of the risk management process.

6 EQUALITIES STATEMENT

6.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

7 CLIMATE CHANGE

7.1 The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council's Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and addresses this through its strategic asset allocation to Paris Aligned Global Equities, Sustainable Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Committee.

8 OTHER OPTIONS CONSIDERED

8.1 None

9 CONSULTATION

9.1 The report and its contents have been discussed with the Head of Pensions representing the Avon Pension Fund and the Director of Financial Services, Assurance & Pensions, representing the administering authority.

Contact person	Nicky Russell – Technical and Compliance Manager; Tel 01225 395389					
Background	LGA Bulletins					
papers	SAB Meeting Minutes					
	National Technical Group Meeting Minutes					
Please contact the report author if you need to access this report in an alternative format						

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	APPENDIX 1 – REGULATORY UPDATE									
Item	Latest Position	Relevant Links	Action by Fund / Next Steps							
Pensions Review	Pooling / Brunel The Fund received a letter from the Government in April 2025 that stated that the Brunel pool's proposals did "not meet the Government's vision for the future of the LGPS" and issued an "invite" to the Fund to consider and identify a new pool to work with going forward.	https://lgpsboard.org/images/MinisterialLetters/May%202025%20letter%20on%20pooling.pdf https://lgpsboard.org/images/MinisterialLetters/07032025 Welcome letter Cllr Phillips to MfP.pdf	The pooling proposals in the consultation, and the impact on the Fund, will be considered further by the Head of Pensions and Investment Manager, alongside advisors and the Brunel pool. These will be reported separately.							
	On 12 May 2025, following on from the statement issued in April 2025 in response to the letter issued by the Government regarding the Brunel (and Access) pools and an urgent meeting convened by the Board on 9 May, the Scheme Advisory Board issued a letter to both the Pensions Minister and the Local Government Minister requesting an extension to the pooling deadlines already in place given the "perfect storm" administering authorities are currently facing with McCloud, Pensions Dashboard, General Code, Local Government Reorganisation and also changes emerging from the local elections. A meeting between LGPS Committee Chairs, SAB and the Local Government Minister took place on 13 May 2025 to discuss the issues raised in the letter.	https://lgpsboard.org/images/Responses/1001202 5 LGPS Fit for the Future SAB response .pdf https://lgpslibrary.org/assets/cons/lgpsew/202501 16_Fit%20for%20the%20future%20response.pdf	The recommendations and requirements relating to governance will be considered further by the governance team (when a response to the consultation is published) alongside ongoing work associated with ensuring compliance with the TPR General Code.							
Page 65	Consultation Response On 16 January 2025, a response to the "Fit for the Future" consultation was issued by the Scheme Advisory Board. The LGPC also issued a response as did the Fund. Over 200 responses to the consultation were provided in total. A response from the Government is now awaited to the proposals outlined (separate to the proposals submitted by the individual pools as referred to above).									
	Phase 2 On 14 March 2025, the SAB Chair wrote to the new Pensions' Minister Torsten Bell MP to welcome him to his role and to also make three recommendations. The first was around the Virgin Media Case, the second on limits on death benefit payments and the third was to request that the Government set out a timetable for Phase 2 of the Pensions Review.									
McCloud Judgment	Developments continue across a number of areas as Funds work towards implementing the remedy. In recent months these have included: Guidance issued to support administering authorities looking to identify members in scope of McCloud protection. Provision of Club and Non-Club transfer calculators to support carrying out basic calculations (manual calculations still required for complex cases). Potential delays in the calculation of pension debits due to possible changes to Regulations.		The Fund are continuing to work towards implementing the McCloud Remedy in line with the various guidance documents that have been published to date. There is still alot of work for the team to undertake to implement the remedy in full, both in terms of calculations and Annual Benefit statements (that must include the McCloud underpin for 2025).							
			In line with statutory implementation guidance, the fund will need to undertake a further exercise to obtain data from other LGPS funds on their membership. This is to ensure all members are							

			considered for qualification if they have previously worked for another authority. The Fund Actuary also requires data extracts for the McCloud data to be used in the 2025 actuarial valuation.
Pensions Dashboard Page 66	Administering authorities can now register themselves with the MaPS' governance register once they receive their registration code in May. Instructions on how to register will be provided and further information can be found in TPR's hot topic article. Various publications/updates relating to forthcoming Pension Dashboards including updated support for LGPS Funds to comply with the necessary requirements have been released and are summarised below. TPR - Hot topic articles around working with AVC providers and registration codes Updated dashboards guidance on various subjects Short videos from savers as part of a campaign to get the pension industry dashboard ready. PDP - 6 month progress report to December 2024 Blogs around reporting standards, ecosystem connections and third parties along with associated guidance. LGA - Updated guidance to reflect changes to data accuracy and provision, ecosystem connection and data provision timescales, MaPS registration and compliance and enforcement.	https://www.pensionsdashboardsprogramme.org.uk/standards https://www.pensionsdashboardsprogramme.org.uk/progress-update-report https://www.pensionsdashboardsprogramme.org.uk/publications/blogs https://www.thepensionsregulator.gov.uk/en/pensions-dashboards-short-films https://lgpslibrary.org/assets/bulletins/2025/263%20TPR%20hot%20topics%20-%20Registration%20codes%20and%20how%20to%20use%20them%20-%20April%202025.pdf https://lgpslibrary.org/assets/bulletins/2025/TPR%20Hot%20Topics%20December%202024.pdf	A separate update will be provided in the Administration report on progress on the Pensions Dashboard and connection to the ISP provider.
Pension Taxation	McCloud On 3 April 2025, HMT laid the Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2025. These came into force on 24 April 2025 and modify the existing rules to prevent adverse tax consequences when implementing the McCloud remedy. Although most of the changes do not apply to the LGPS and instead apply to "Chapter 1 schemes". Changes that do impact the LGPS, revolve around the extension of deadlines around protection applications and tax refunds. LTA Further dialogue has also taken place between the LGA and HMRC to clarify what information in relation to prior Benefit Crystalisation Events needs to be quoted on annual statements. Inheritance Tax On 22 January 2025, a joint response from the LGA and the LGPC to the inheritance tax consultation released in October 2024, was published. The response poses a number of questions to HMRC in relation to the proposals	https://www.legislation.gov.uk/uksi/2025/419/contents/made https://www.legislation.gov.uk/ukdsi/2024/978034 8263930/contents https://lgpslibrary.org/assets/cons/nonscheme/202 50122 IHTandpensions.pdf	Whilst the removal of the LTA has been beneficial to members, the team are still being impacted by changes and updates to regulations and guidance and in particular the requirement to annually provide pensioner members with information on their benefit crystallisation event (BCE). This is being considered on how best to communicate and implement this for future years. A response to the proposed changes to Inheritance Tax is still awaited from Government and depending on the outcomes.

Annual Report and Accounts	and requests clarification in a number of areas about how any changes, should they emerge, may be achieved in practice, given the implications they will have on administration teams and the increased complexity that will arise. The publication of the Government's English Devolution White Paper that was released in December 2024 also initiated an open consultation titled "Local Audit Reform: A Strategy for Overhauling the Local Audit System in England," which closed on 29 January 2025 and aimed to enhance the local audit system. Notably, the consultation included (paragraph 77) a proposal suggesting the separation of the pension fund accounts from the main accounts of the administering authority, SABs response was issued in January 2025. The Government responded in April 2025 and confirmed its commitment to separating pension fund accounts from administering authority accounts in England. The SAB published the Scheme Annual Report 2024 on 14 May 2025	https://www.gov.uk/government/consultations/loca l-audit-reform-a-strategy-for-overhauling-the-local- audit-system-in-england https://lgpsboard.org/images/Responses/250127 MHCLG Local Audit Reform separation SABre sponse.pdf https://lgpsboard.org/index.php/schemedata/sche me-annual-report	A working group has now been established by the scheme Advisory Board (SAB) to consider the implications of this and what additional guidance funds need. The Fund will need to consider the new guidance issued in 2024 on the required content and how annual reports should be structured whilst preparing the 2024/25 report.
New Fair Deal / Survivor -Benefits a C C C C C C C C C C C C C C C C C C	MHCLG have confirmed that there will be a focus from the new Minister on "fairness" in pensions. This will include progress on catching up survivor benefit rules with existing court judgments e.g. Goodwin etc., and a further consultation on pension protection on outsourcing, thereby revisiting how New Fair Deal operates and the 2019 consultation. The consultation was launched on 15 May and closes in August 2025.	https://www.gov.uk/government/consultations/loca l-government-pension-scheme-in-england-and- wales-access-and-fairness	Further changes to regulations on Survivor Benefits equalisation and how new employers are treated on entering the fund will have an impact on the Fund. Until the consultation is completed and further details are confirmed by Government, the Fund will not know the exact impact these changes will have, but it is thought that this will be significant in terms of time and resource.
Responsible Investment / Fiduciary Duty	As part of submitting their own response to the "Fit for the Future" consultation (which can be found here), the Board requested an updated KC opinion from Nigel Giffin KC on fiduciary duty, thereby reviewing and updating the opinion previously provided in 2014. The updated opinion was published on 13 January 2025. Key areas of focus in the opinion related to how administering authorities must act in relation to fiduciary duty, the Palestine Solidarity Campaign, ESG considerations and member/employer engagement. On 16 April 2025, the Board published a summary note setting out their views based on their current understanding of the law and policy only (the note was not endorsed by Nigel Giffin KC).	https://lgpsboard.org/images/LegalAdviceandSummaries/Jan2025_Updated_opinion_on_fiduciary_d_uty_in_the_LGPS.pdf https://lgpsboard.org/images/LegalAdviceandSummaries/20250325_SAB_Summary_of_Advice.pdf	These updates and the impact on the Fund will be considered further by the Investments Team as the position develops and any recommendations emerge

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Bath & North East Somerset Council					
MEETING:	IEETING: LOCAL PENSION BOARD - AVON PENSION FUND				
MEETING DATE:	3 June 2025	AGENDA ITEM NUMBER			
TITLE:	Risk Management Update – Risk Register				
WARD:	ALL				
AN OPEN P	AN OPEN PUBLIC ITEM				
List of attach	List of attachments to this report:				
Appendix 1 – Risk Register					
Appendix 2 – Risk Register – Framework & High level summary					

1. THE ISSUE

1.1. The purpose of this report is to update the Pension Board with the quarterly review of the risk register.

2. RECOMMENDATION

2.1. That the Board notes the report.

3. FINANCIAL IMPLICATIONS

3.1. There are no direct implications related to the Pension Board in connection with this report.

4. REPORT - RISK MANAGEMENT PROCESS & RISK REGISTER

- 4.1. The Fund has in place a documented risk management policy setting out the Fund's approach to risk, process for review, and update of the risk register. It also sets out the roles and responsibilities of those involved in management of risk including the role of the Pension Board and Pension Committee.
- 4.2. The risk framework introduced to assist risk owners to assess the risk and score. This is attached as appendix 2.
- 4.3. Following feedback from Pensions Committee and Pension Board members, pre mitigation scores have also been added to the risk register.
- 4.4. A high level matrix showing the distribution of risks by score is attached as appendix 2.
- 4.5. The complete risk register is attached as appendix 1.
 - The risk register identifies risks which could have material impact on the APF in terms of service, value, reputation, or compliance. It sets out mitigating actions.

- The risk register is reviewed quarterly by APF management and reported to the Pension Committee and Pension Board every quarter.
- All risks are also reviewed quarterly or when there has been a material change.
- Risks fall into the following categories, owned by the relevant member of the APF management team:

Category of Risk	Risk Owner
Administration	Pensions Manager
Regulatory	Technical & Compliance Advisor
Governance	Governance & Risk Advisor
Employers (Funding)	Funding & Valuation Manager
Employers (Data)	Employer Services Manager
Investments	Investments Manager
Finance	Finance & Systems Manager

5. QUARTERLY REVIEW OF RISK REGISTER

- 5.1. The quarterly review of the risk register has taken place and a couple of changes have been made to scores for this quarter. Some amendments have also been made to current impacting factors.
- 5.2. Risk NR19 structural reform to LGPS / Pooling has been amended to 'Move to new asset pool'. The score has been updated to reflect the likelihood increasing from likely to almost certain.
 - 5.3. The outcome for the Fund is currently uncertain as negotiations continue. The preference is to move as a pool/sub group of pool to minimise costs and cause less disruption to BAU /Brunel. As a single Fund there will be more risk transition, cost and less leverage.
 - 5.4. The Government have set out a challenging timeline with a decision required by September 2025. This will cause significant increase in workload for officers involved in project.
 - 5.5. Risk NR07 Employers Data. Following the successful roll out of IConnect to all employers and more employer training taking place the likelihood has been reduced from likely to possible.
- 5.6. Our top 3 risks have been updated to reflect the change of score to the pooling risk:
 - NR06 the loss of IT including cyber attack and loss of power. The fund is
 planning to move its admin system to a Heywood hosted solution and
 appropriate data protection and cyber assessments are being carried out.
 - NR01 Poor service levels below agreed standards. The current factors
 impacting this risk are set out in the Pension Fund Administration report. As
 part of the Business Continuity Plan review a service level plan and crisis
 communication plan have also been agreed.
 - NR19 Move to new asset pool. Work and discussions are ongoing with pool and advisors. See full report within June Committee report.

6. EQUALITIES

6.1. A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

7. CLIMATE CHANGE

7.1. The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council's Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and is addressing this through its strategic asset allocation to Paris Aligned Global Equities, Sustainable Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Pensions Committee.

8. CONSULTATION

8.1. The Report and its contents have been discussed with the Head of Pensions representing the Avon Pension Fund and the Director of Financial Services, Assurance & Pensions representing the administering authority.

Contact person	Carolyn Morgan - Governance & Risk Advisor – 01225 395240				
Background papers					
Please contact the report author if you need to access this report in an alternative format					

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Appendix 1 - Risk Register

Appendix 1 - Risk Re	egistei				Pre Mitigant	S				Post	Mitigants	
Number	Function	Risk	Impact	Impact	Likelihood	Score	Mitigating Actions / Control Framework	Current Impacting Factors	Impact	Likelihood	Score	Trend
NR06	Governance	Loss of IT, including cyber attack & loss of power	Fund is unable to operate Members do not receive pension payment on time	Critical	Almost Certain	25	Business continuity plan reviewed and tested BaNES cyber security policy and system defence Implementation of internal cyber audit findings Heywood Business Continuity plan reviewed	Move to hosted server with Heywood Implementation of General Code of Practice Requirements	Critical	Likely	20	\rightarrow
NR01	Admin	Poor service levels below agreed standards	Service standards not met Poor member outcomes Breach of regulations	Critical	Almost Certain	25	- KPIs and complaints monitored and acted on - Plan to digitise will improve self-serve and operations efficiency - Actions to improve staff recruitment and retention - Process improvements being identified and implemented - Review of Top 10 Process Controls - Plan to minimise effects of key people'resources - Business Continuity and Crisis Communications Plan in place	Digital transformation project Recruitment, skills and experience of staff Current backlogs of work New legislation (McCloud) Implementation of controls following review Pensions Dashboard	High	Likely	16	\rightarrow
NR19	Investments	Move to new asset pool	Uncertain outcome Challenging timeline Significant increase in workload Risk to staff retention in pool Potential impact to investment strategy Government driven change removes control for the Fund Increased costs due to transition of assets plus possible wind down of Brunel Ltd	High	Almost Certain	20	- Work with pool to assess options to move as pool/sub group of pool - Advisors to assess options as pool and for APF individually so have analysis for decision - Prioritise work until Sept, when initial decision should be made by APF - Disruption within pool minimised as external managers in each portfolio manage the assets	Full Government response not received so other requirements are unclear Project team set up in Brunet to lead strategy/discussions on pool basis Seeking strategic and legal advice regarding implications of dismantling Br	Medium	Almost certain	15	↓
NR05	Governance	Failure to manage personal data per regulations	Personal data corrupted or illegally shared Member detriment Fines and reputational damage	Critical	Almost Certain	25	One West is Data Protection Officer for Fund and advises on data protection matters Record of processing and privacy notice set out how data is managed Processes reviewed and updated following minor breaches Regular officer training Data sharing/transfer agreements and DPIAs implemented for all relevant projects	Skills and experience of staff Electronically submitted data Process review & bulk processing New telephone System	High	Possible	12	\rightarrow
NR12	Investments	Failure to achieve decarbonisation targets	Government climate policies not moving fast enough or sufficiently enforced Significant reputational and financial risks to value of investments	Critical	Almost Certain	25	- Climate exposure assessed annually - climate risk analysis embedded into strategic decisions - Net Zero target of 2045 - by 2030 will divest from high emission companies that are not aligning to NZ - targets to reduce emissions by 2025 and 2030 - programme to enage with companies and policymakers	Limited ability to control systemic risk Public policy is not driving agenda	Medium	Likely	12	\rightarrow
NR10	Investments	Failure to earn investment returns as per Funding Strategy	Employer contributions need to rise	Critical	Likely	20	Diversified asset allocation Professional and independent investment advice Risk management strategy supports funding strategy FRMG & Investment Panel monitor performance and risk Periodic strategic investment review	Heightened geo political risk Lower global growth and higher inflation/interest rates	High	Possible	12	\rightarrow
NR11	Investments	Brunel fails to deliver client objectives regarding service delivery	Affects Fund's ability to achieve investment objectives	Critical	Possible	15	Brunel governance framework for strategic and operational decision making Robust performance reporting Avon-Brunel working group (internal)	Future of pooling is strategic challenge for pool as views differ	High	Possible	12	\rightarrow
NR07	Employers Data	Employers do not comply with regulatory responsibilites, LGPS regulations or the Funding Strategy Statement	Poor member data Fines and greather scrutiny by TPR Employer liabilities incorrect if data is incorrect Non-compliance with the FSS and funding policies Reputational risk of litigation	Critical	Likely	20	- Management of employers set out in admin strategy/MOU - Employer KPIs recorded and monitored vs TPR standards - Employer training - Reconciliation of Iconnect and Accounts in regards to contributions and data provided - Specialist legal and actuarial advice needed to resolve employer issues - Clear policies in FSS set out process and employer obligations	TPR General Code of Practice Currently draftling new administration strategy and data improvement plan	Medium	Possible	9	1
NR04	Governance	Governance of Fund not in accordance with APF policies Controls not adequate	Member detriment Additional costs for Fund Fines for non-compliance Disciplinary issues and reputational risk	High	Almost Certain	20	- Internal Audit plan in place - Fund policies regularly reviewed - Media enquiries dealt with per B&NES policy - Media enquiries dealt with per B&NES policy - Contracts in place with legal advisors and PR professionals - Media monitoring undertaken - Review of TPR GCOP and SAB Good Governance requirements	SAB Good Governance Review TPR General Code of Practice Review of internal controls	Medium	Possible	9	\rightarrow

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NR02	Regs	Regulatory changes	Breach of regulations Poor member outcomes Increased workloads for officers	High	Likely	16	Regulatory changes monitored via LGA and professional advisors Officers attend SWAPOG/Tech Group Regulatory projects included in service plans Officers respond to consultations Software providers are more responsive to regulatory change	McCloud judgement Pensions Dashboard Exit payment cap Access and fairness consultation Future of pooling consultation	Medium	Possible	9	\rightarrow
NR08	Employers Funding	Employers unable to meet financial obligations to Fund	Financial cost to other employers in the Fund	High	Likely	16	Policies on employer financial stability set out in FSS and ISS Strong covenant management and information gathering processes Quarterly review and mitigating action	Challenging economic circumstances Valuation in progress	Medium	Possible	9	\rightarrow
NR09	Investments	Operational risks of investment managers, custodian and other investment suppliers	Loss of assets Inability to trade is assets inaccessible	High	Possible	12	Due diligence and audits of service providers, managers Controls embedded in investment management agreements Diversification across different asset managers Quarterly service & risk review with Brunel and suppliers	Data management and cyber risk	Medium	Possible	9	\rightarrow
NR16	Finance	Cashflow profile is maturing	Not enough cash in bank to meet pension payments	Critical	Almost Certain	25	Monthly monitoring & forecast of cashflow Prudent cash buffer Tradeable assets can be swiftly sold	Increased the cash balance that can be held in money market funds	High	Unlikely	8	\rightarrow
NR14	Investments	An increase in leverage materially reduces capital value leading to an unplanned and significant deviation in strategic asset allocation	LDI strategy may have to be unwound if insufficient collateral Inability to raise hedge ratio	High	Likely	16	Maintain collateral at prudent level with materia buffer vs risks Set hedge ratio at level that can be adeqautely collateralised Auto pause when LDI hedge ratio hits 40% Offsettling nature of synthetic equity and equity protection strategies dampens leverage requirements	UK gilt market environment. Currently have high collateral buffer	High	Unlikely	8	\rightarrow
NR03	Governance	Pension Committee cannot operate effectively	Delays in decision making for the Fund Failure to meet MIFID & TPR regulations	Medium	Almost Certain	15	Representation of PC set out in Fund's representation policy Knowledge requirements in Training policy Compliance vs regulations defined in Compliance Statement Decisions responsibilities set out in decision matrix	Low engagement with training modules	Medium	Unlikely	6	\rightarrow
NR13	Investments	Treasury investments	Loss of capital or income on cash Delayed return of principle or investment income	Medium	Possible	9	Adopt B&NES Treasury management policy Due diligence on banks Diversification across multiple suppliers Consultation with treasury management advisors	Increased number of money market funds to invest in	Medium	Unlikely	6	\rightarrow
NR17	Finance	Late / incorrect contributions from employers	Cashflow shortfalls Employer funding Deficits / Default TPR breach	Medium	Possible	9	Monthly reconciliations of contributions Management reviews and action Mercer funding monitor tool Larger employers pre pay contributions	Employer budgets stretched by insufficent funding	Low	Possible	6	\rightarrow

CURRENT RISKS - SUMMARY

LIKELIHOOD

	Rare	Unlikely	Possible	Likely	Almost Certain
Critical	0	0	0	1	0
High	0	2	3	1	0
Medium	0	2	5	1	1
Low	0	0	1	0	0
Negligible	0	0	0	0	0

RISK FRAMEWORK

	Rare	Unlikely	Possible	Likely	Almost Certain
Critical	5	10	15	20	25
High	4	8	12	16	20
Medium	3	6	9	12	15
Low	2	4	6	8	10
Negligible	1	2	3	4	5

ASSESSMENT OF LIKELIHOOD

1	Rare	0 – 5% probability
2	Unlikely	6 – 20% probability
3	Possible	21 – 50% probability
4	Likely	51 – 80% probalility
5	Almost Certain	81 – 100% probability

ASSESSMENT OF IMPACT

		Service/ Operational	Assets	Legal Obligations	Project	Duty of Care – Clients & Staff
1	Negligible	Minimal disruption not impacting on an important service which can be resolved	Capital loss potential up to 1% of assets	Litigation, claims or fines Services up to £10k Corporate £25k	Minimal impact on APF delay < 1 month	Minimal or no impact on Services Duty of Care requirements.
2	Low	Brief disruption of important service /service area	Capital loss potential up to 5% of assets	Litigation, claims or fines Services up to £25k Corporate £50k	Some impact on APF delay < 3 months	Consideration required re. Duty of Care unlikely to have adverse impact meeting overall requirements.
3	Medium	Major effect to an important service area	Capital loss potential up to 15% of assets	Litigation, claims or finesx Services up to £50k Corporate £100k	Adverse impact on APF significant slippage > 3 months	Duty of Care issues may have impact meeting requirements.
4	High	Complete loss of an important service area	Capital loss potential up to 25% of assets	Litigation, claims or fines Services up to £125k Corporate £250k	Significant impact on APF major delay of 6+ months	Significant impact on meeting Duty of Care responsibilities.
5	Critical	Major loss of whole service	Capital loss potential > 25% of assets	Litigation, claims or fines Services up to £250k Corporate £500k	Complete failure of project extreme delay > 12 months	Not meeting legal responsibilities placing individuals at risk.

Bath & North East Somerset Council						
MEETING:	MEETING: LOCAL PENSION BOARD - AVON PENSION FUND					
MEETING DATE:	3 June 2025	AGENDA ITEM NUMBER				
TITLE:	Governance Update					
WARD:	ALL					
AN OPEN PUBLIC ITEM						
List of attachments to this report:						
Appendix 1 – Pension Board Workplan 2025						

1 THE ISSUE

1.1 The purpose of this report is to receive regular governance updates as well as Training and Work Plan issues from the Board and request high level training needs from Board Members.

2 RECOMMENDATION

That the Board

2.1 Notes the workplan & training plan for 2025

Appendix 2 – Pension Board Training Plan 2025

2.2 Notes the dates for future meetings

3 FINANCIAL IMPLICATIONS

3.1 There are direct implications related to the Pension Board in connection with this report, however these are all currently within the planned budget for the operation of the Board.

4 REPORT

4.1 Work Plan

- a) In developing a work plan the Board should reflect the need to maintain a balance between building the knowledge and understanding of Board Members along with delivery of the statutory obligations of the Board.
- b) The views of the Board are vital in informing the nature, frequency and cyclical nature of items as well as the timing of certain time-critical issues for consideration such as Project Brunel.
- c) An outline of the Work Plan is attached at Appendix 1 which is based on the discussion and agreement reached previously. It will continue to be re-presented at each meeting as the year progresses using the comments and feedback of

the Board, Officers and other stakeholders such as the Pension Fund Committee to inform its contents.

4.2 Modern Gov

- a) All Pension Board members have been asked to access meeting papers via Modern Gov.
- b) If any member requires assistance with access to Modern Gov, the Governance Team (APF Governance@bathnes.gov.uk) is able to provide support & training.

4.3 Future Meeting Dates

a) Meeting dates for 2025/26 are as follows:

2025
4 th March
3 rd June
9 th September
3 rd December

2026		
11 th March		
10 th June		
9 th September		
2 nd December		

b) Any suggestions from members regarding the style and format of meetings is welcomed.

4.4 **Training**

- a) In developing a training plan Board Members should reflect on their own statutory requirements as set out in previous reports. In summary Board Members should have a breadth of knowledge and understanding that is sufficient to allow them to understand fully any professional advice the Board is given. They should also be able to challenge any information or advice they are given and understand how that information or advice impacts on any decision relating to the Board's duty to assist the Avon Pension Fund.
- b) As agreed at previous Board meetings individual board members should retain their own training log to evidence how they are fulfilling their responsibilities and update these on a quarterly basis to the Governance Team to aid future training needs analysis.
- c) Appendix 2 contains the proposed training programme for the year ahead. The workshops will be held jointly with the APF Pension Committee.
- d) Members are asked to consider any other training needs through the rest of 2025 to fit into the working cycle of the Board.

4.5 Hyman's LGPS Online Learning Academy (LOLA)

a) The SAB's Good Governance Review & TPR's General Code of Practice include additional knowledge and skills requirements for Committee, Pension Board and Officers. Hymans Robertson have been working with the SAB to develop these requirements and have produced an LGPS Online Learning Academy (LOLA).

- b) The training is split into a number of modules covering the CIPFA Knowledge & Skills Framework.
- c) The modules are set out below:
 - 1. Committee Role & Pensions Legislation
 - 2. Pensions Governance
 - 3. Pensions Administration
 - 4. Pensions Accounting and Audit Standards
 - 5. Procurement & relationship Management
 - 6. Investment Performance & Risk Management
 - 7. Financial Markets & Products
 - 8. Actuarial Methods, Standards & Practices
 - 9. Current Issues
- d) The full timetable for completion of all modules is contained in Appendix 2.

4.6 AUDIT PLAN

The Audit Plan for 2025-26 will focus on a few critical areas.

	Timing	Days' work
System Access Control	Q1	15
Payroll – year-end processes	Q2	30
Contributions & Member Information	Q3	20
Business Continuity Preparedness	Q3/4	20
Transfers Out from Deferred Pensions	Q3/4	30
Follow ups, risk management & governance	All Qs	15
Total		130

5 RISK MANAGEMENT

5.1 The Avon Pension Fund Committee is the formal decision-making body for the Fund. As such it has responsibility to ensure adequate risk management processes are in place. It discharges this responsibility by ensuring the Fund has an appropriate investment strategy and investment management structure in place that is regularly monitored. In addition, it monitors the benefits administration, the risk register and compliance with relevant investment, finance and administration regulations.

6 EQUALITIES

6.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

7 CLIMATE CHANGE

7.1 The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council's Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and is addressing this through its strategic asset

allocation to Paris Aligned Global Equities, Sustainable Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Committee.

8 CONSULTATION

8.1 The Report and its contents have been discussed with the Head of Pensions representing the Avon Pension Fund and the Director of Financial Services, Assurance & Pensions, representing the administering authority.

Contact person	Carolyn Morgan – Governance & Risk Advisor – 01225 395240			
Please contact the report author if you need to access this report in an alternative format				

Appendix 1

Pension Board Workplan	March	June	September	December
Investment Strategy Statement				
Administration & service plan update (include KPIs)				
Workplan & training plan				
Investment update				
Regulatory Update				
Risk Register review				
Annual review of committee & PB governance arrangements				
Pension Board's annual report				
Benchmarking				
Breaches Log - review of regulatory & data Breaches				
Statutory annual requirements (year end/ABS/PSS)				
Review of Audit reports				
Audit Plan				
Pension Fund annual report & statement of accounts				
Review of TPR's General Code of Practice compliance				
Update on Service Plan - Projects/Change Programme				

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Date	Cor	ntent	
03-Jun-25	Valuation & Fu	unding Strategy	
TBC	Cyber Security		
TBC	Admin Strategy		
TBC	Future of LGPS/Good Governance Review		
Title of Module	Date to be completed	Time Commitment	
An Introduction to LGPS Online Learning Academy	Apr-25	2 minutes	
An Introduction to Pensions Legislation	A== 25	07	
An introduction to Pensions Legislation - The Role of a	Apr-25	27 minutes	
LGPS Oversight Bodies – DLUHC & GAD			
LGPS Oversight Bodies – TPR	New OF	FO minutes	
Business Planning	N0V-25	50 minutes	
• LGPS Governance			
Introduction to Administration			
Additional Voluntary Contributions	Sep-25	51 minutes	
	·		
Pensions Accounting and Audit Standards	Jan-26	11 minutes	
Public Procurement	Feb-26	11 minutes	
	100 20		
		48 minutes	
	Jun-25		
Investment – MiFiD II	Mar-26	33 minutes	
LGPS Actuarial Valuations – Process	M 05	53 minutes	
LGPS Valuation – Technical	May-25		
Pensions Dashboards			
Understanding Goodwin			
• GAD Section 13			
McCloud Consultation			
	Title of Module An Introduction to LGPS Online Learning Academy An Introduction to Pensions Legislation An introduction to Pensions Legislation - The Role of a LGPS Oversight Bodies – DLUHC & GAD LGPS Oversight Bodies – TPR Business Planning LGPS Governance Introduction to Administration Additional Voluntary Contributions Policies and Procedures Pensions Accounting and Audit Standards Public Procurement Introduction to Investment Strategy LGPS Investment Pooling Performance Monitoring Responsible Investment Introduction to Financial Markets and Product Knowled Investment – MiFiD II Introduction to Funding Strategy LGPS Actuarial Valuations – Process LGPS Valuation – Technical Employers Understanding McCloud Pensions Dashboards Understanding Goodwin Introduction to Cyber Risk GAD Section 13 Climate Change and TCFD	TBC Cyber TBC Admin TBC Future of LGPS/Goo Title of Module Date to be completed • An Introduction to LGPS Online Learning Academy • An Introduction to Pensions Legislation - The Role of a • LGPS Oversight Bodies - DLUHC & GAD • LGPS Oversight Bodies - DLUHC & GAD • LGPS Oversight Bodies - DLUHC & GAD • LGPS Oversight Bodies - TPR • Business Planning • LGPS Governance • Introduction to Administration • Additional Voluntary Contributions • Policies and Procedures • Pensions Accounting and Audit Standards • Pensions Accounting and Audit Standards • Public Procurement • Introduction to Investment Strategy • LGPS Investment Pooling • Performance Monitoring • Responsible Investment • Introduction to Financial Markets and Product Knowlee • Investment - MIFID II • Introduction to Financial Markets and Product Knowlee • Investment - MIFID II • Introduction to Funding Strategy • LGPS Actuarial Valuations - Process • LGPS Valuation - Technical • Employers • Understanding Goodwin • Introduction to Cyber Risk • GAD Section 13 • Climate Change and TCPD • McCloud Consultation • SAB and HM Treasury Cost Cap Mechanisms • Next Steps on Investment (England & Wales) Consults • Next Steps on Investment (England & Wales) Consults • Next Steps on Investment (England & Wales) Consults	

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