

APPENDIX 7 (to Pension Fund Administration Report)

COMMITTEE SUMMARY PERFORMANCE REPORT

This is the fifth report on the performance of Fund employers and the Avon Pension Fund staff following the Pensions Administration Strategy coming into effect on 1st April 2011.

Included in the Report are the following:

1. Graphs for each of the **largest employers* (viz. 4 unitaries) showing performance on processing leavers (*retirements and deferred*)**. (Annexes 1 & 2) for the 7 quarter period from 1 April 2011 to 31st March 2013
2. Report of late payers of **pension contributions** (employers) in the 3 month period 1 April 2011 to 31st March 2013

** Smaller Employers: Performance of the remaining employers is not included in this report this time. This is a difficult area as in many cases there is little or no movement in membership and where for example there is only one leaver in the period their performance will either be 0% or 100% which is not very helpful information. The best way to report their performance is therefore being investigated and the intention is to include information in future reports to Committee.*

Any particular smaller employer's performance against target where there is cause for concern will be specifically reported to the Committee. **None need to be reported** in this period.

1. Performance on processing leavers

Graphs for each of the largest employers *(viz. 4 unitaries) showing their and APF performance on processing leavers (**Retirements and Deferred**). (See Annexes 1 & 2 attached) during the period 1 April 2011 and 31 March 2013.

DEFERREDS GRAPH- ANNEX 2 (IMPORTANT EXPLANATORY NOTE)

The graph showing performance figures for employers needs some explanation to put the information into context.

Some employers' performance shows as very poor. The reason for this is that the standard measure for performance is 20 working days from date of leaving and failure to meet this target adversely affects the figures shown.

Reconciliation of the information sent by employers in their 2011/12 year-end return revealed that some of the employers had not sent leavers forms to APF for leavers during 2011/12 or earlier. By their very nature these late submissions will be late and outside the target period.

Employers have been sending these forms in over the last few periods to remedy their earlier omissions and the figures on the attached statistics **include these late notifications** which will have impacted significantly adversely bringing down the number achieved within target and for some employers badly affected their performance against the standard 20 days target. Now that many of these older "backlog" cases are cleared we can see the employer performance figures starting to improve for deferreds. The final date for clearance of these old cases was the end of February 2013 and these statistics to 31 March 2013 do show an improvement for all employers the most notable being North Somerset increasing from 25% to over 70%. Bristol C. C. increased from 5% to over 40% and South Glos from 47% to 60%. Only B&NES remained poor, increasing from 10% to only 13%.

The introduction of *i-Connect* software which is going live this year with automatic updating of information and the production of monthly employee movement reports by employer payrolls will allow APF to pick up on leavers much more quickly than at present and APF will be able to press employers to send leaver information more expediently avoiding or at least reducing late notifications and improving overall performance and the service APF can give to Scheme members.

Processing of older cases should be seen in context and appreciated for the effect it will have.

The clearance of older non-reported cases will of course significantly improve the quality of member data held on which the forthcoming actuarial valuation will be based. It is a key component of the valuation and will have a significant effect on employers' pension costs. Inclusion of members as active will result in the actuary including the built up of future pension benefits and resulting in unnecessary and incorrect employer costs. The removal of members who have left the scheme is therefore very important and in all employers' interests.

Also clearance of non-reported cases will improve the accuracy of member data and increase the Fund's chances of meeting the Pension Regulator's requirements on minimum 95% data standard for legacy data being introduced in April 2015.

2. Late payers of Pension contributions

Late payment of contributions due in 2 months to 31 March 2013.

This report gives details of all payments (now paid or still outstanding) during the period, that relate to employers whose total aggregate late days during the period exceeded nine and whose value of one month's contributions exceeded £3,000. Late payments are not netted down by early payments. The report does not include new employers making their first payments who may experience delays in setting up their systems.

<u>Employer</u>	<u>Payroll month</u>	<u>Days late</u>	<u>Payment</u>
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There were no late payers during the period

Total number of employers = 188

Total contributions received in period = £21,606,000

Total late contributions = £0 (0.0% of total contributions in period)

All late payers are contacted and reminded of their obligations regarding the timing of payments. Where appropriate they are advised on alternative, more efficient methods of payment.

Where material, interest will be charged on late payments at Base rate plus 1% in accordance with the 2008 regulations.

3. 2012/13 Year end Returns – Update on Employers

Year-end information was required from all employers by the deadline of 30 April 2013. This was earlier than in the previous 2 years as the Triennial Actuarial Valuation of the Scheme by Mercers is due this year and the return of correct member data by 31 July 2013 to the Scheme Actuary means that there is a tight schedule to post and reconcile the information received from employers.

Summary

47 employers out of a total of 200 employers failed to comply = **23.5%** of all employers and this represents 2,263 active members of a total of 34,152 = **6.6%** of the total active membership.

A further period of grace of one week was allowed and the revised figures reduced to **14%** of employers (28) and a mere **1.78%** of the total active membership. Those employers who failed to send their returns in by end of the grace period will be sent a £250 additional charge for non-compliance. All employers were made aware of this potential charge months for non-compliance by the due date. (See *below for the Schedule of employers who failed to comply*).

Conclusion:

1. The number of employers complying with the more stringent deadline is encouraging at 86% and is higher than improvement in previous years.
2. Information was received for 98.28 % of active membership.
3. It would appear that the published imposition of additional charges for non-compliance has succeeded in getting the vast majority of employers to comply by the deadline.

Below is the list of those employers who did not submit full or correct information by the deadline of 30 April 2013 or by the end of the grace period

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Schedule of Non-Compliant Employers

	active members	Employer name
	161	Circadian Trust (No 1)
	71	SLM Community Leisure
	68	Writhlington Academy Trust
under 50 members	36	Agincare BANES Limited
	36	Beechen Cliff Academy
	33	Bannerman Rd Community Academy
	28	Mouchel
	24	Churchill Contract Services
	16	Destination Bristol
	15	SLM Fitness & Health
	15	Colstons Primary School Academy
	14	CT Plus (CIC)
	13	Bath Tourism Plus
	13	Quadron Services Limited
under 10 members	9	ISS Mediclean (Bristol)
	9	Vista SWP Ltd
	8	Circadian Trust (No 2)
	7	EACT (St Ursula's Academy)
	6	Hayesfield School
	6	Churchill (Team Clean)
	5	Southern Brooks CP
	4	ISS Mediclean
	3	Trustees of City of Bath
	2	MBS - Nailsea IT
	2	Mouchel (B&NES Schools IT)
	2	Bristol Free School Trust
	1	Almondsbury Parish Council
	1	Centre For The Deaf

This represented at the deadline:

- a) **28 Employers (14% of 200 employers)**
- b) **608 active members (1.78% of 34,512 actives at 31.03.2013)**

Further developments

- Since the end of the period of grace (7th May) and **up to 4th June 2013** the position has improved with 13 of the 28 having now sent accurate year-end information reducing the outstandings to 15 employers covering a mere 413 members (**1.02% of total active membership**). Put another way 98.8% of all member data required has been received. The remaining 15 outstanding employers are currently being chased for their information.
- Those who have now submitted year end information by 4th June are **greyed out**
- Invoices for additional administration charges of £250 have been sent where there was no valid reason for non-submission by the deadline.