

Bath & North East Somerset Council		
MEETING:	LOCAL PENSION BOARD	
MEETING DATE:	25 February 2016	AGENDA ITEM NUMBER
TITLE:	Pension Fund Benchmarking	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
CIPFA – PENSIONS ADMINISTRATION BENCHMARKING		

1 THE ISSUE

- 1.1 The purpose of this item is to report to the Pension Board the results of the CIPFA Benchmarking club survey 2015.

2 RECOMMENDATION

- 2.1 That the Pension Board is asked to note the report.

3.0 CIPFA BENCHMARKING CLUB REPORT 2014 - Introduction

3.1 Each year, the Avon Pension Fund (APF) participates in the CIPFA Benchmarking Club exercise for Pension Administration. Following completion of an in-depth questionnaire on its administration processes, it receives a report detailing performance and costs comparisons against the other members of the Benchmarking Club.

3.2 For 2014/15 the Benchmarking Club comprised of 44 authorities (out of a total of 89) compared with 49 taking part in the exercise in 2013/14. The survey is reflective of pension administration only. It must be assumed that all administration authorities will have different structures. The Avon Pension Fund has an overall single team structure incorporating administration (including pensions payroll) accounting and investments. Where necessary data provided has been allocated separately to accurately reflect true administration costs.

4.0 Administration Costs

4.1 The APF cost per member remains competitive at £16.55 against the average fund (£19.17). In 2014/15 the Funds costs decreased by 10.4% by comparison to the previous year £18.27 reflecting both a higher than normal level of staff turnover during the reporting period in addition to three separate undertakings of staff secondment outside of the Fund. The APF continues to have higher costs than average in areas where resources and investment have been prioritised. Particular factors to note are:

- (i) Communication costs £2.21 remain higher than the club average (£0.78) as the Fund continues to develop and implement its communication objectives in accordance with the service plan and published Pensions Administration Strategy promoting greater use of electronic delivery of communication material and data access.
- (ii) Staff costs remain competitive demonstrating that the Fund benefits from economies of scale as membership growth has exceed capacity growth – the benefits administration team handle c.19 % more scheme members per staff member than the comparator group average.

5.0 Membership

5.1 The membership profile demonstrates that APF is broadly in line with the benchmarking group average with pensioner/dependant representing 26.6% (avge 27.8%) deferred members 35% (35.5%) deferred 37% (31.1%). The higher than average number of deferred members together with lower average unprocessed leavers 0.4% (2.1%) reflects the ongoing member data cleansing process set up as part of the annual year end exercise. Additionally, the number of frozen refunds 1.6% reflects the current 3 year project to clear historic refund cases.

5.2 The Funds' portfolio has continued to grow in excess of the comparator funds with the increase in numbers of Academies and Admitted bodies.

6.0 Administration

6.1 APF has the highest recorded proportion of joiners and leavers measured in the group. The two significant figures are reflected in the increase in numbers of new starters automatically enrolled into the scheme and the higher than average number of member deferred leavers as a result of APF's ongoing data cleansing process and the number of members opting out following auto enrolment.

7 EQUALITIES

7.1 An equalities impact assessment is not necessary as the report is primarily for information only.

8 CONSULTATION

8.1 This report is primarily for information and therefore consultation is not necessary.

Contact person	Geoff Cleak – Acting Pensions Manager (Tel: 01225 395277)
Background papers	<i>CIPFA REPORT</i>
Please contact the report author if you need to access this report in an alternative format	