

## Bath & North East Somerset Council

MEETING:	<b>LOCAL PENSION BOARD</b>
MEETING DATE:	<b>19<sup>th</sup> May 2016</b>
TITLE:	<b>COMPLIANCE REPORT - PENSION FUND ADMINISTRATION</b> <b>(1) SUMMARY PERFORMANCE REPORT to 30 April 2016</b> <b>(2) PERFORMANCE INDICATORS 3 MONTHS TO 30 April 2016</b> <b>(3) TPR COMPLIANCE</b>
WARD:	<b>ALL</b>
<b>AN OPEN PUBLIC ITEM</b>	
<p><b>List of attachments to this report:-</b></p> <p>Appendix 1      Active members demographic as at 30 April 2016</p> <p>Appendix 1a     Employer/Member Ratio</p> <p>Appendix 2      Late payers report – up to 31 December 2015</p> <p>Appendix 3      Balanced Scorecard : KPI's - 3 months to 30 April 2016</p> <p>Appendix 3A     Annex 1 &amp; 2 Admin case workload status as at 30 April 2016</p> <p>Appendix 4      Customer satisfaction – Feedback in the 3 months to 30 April 2016</p> <p>Appendix 5      TPR – Data Improvement Plan – to 30 April 2016</p>	

### 1 THE ISSUE

- 1.1 The purpose of this report is to inform the Pension Board of Performance Indicators and Customer Satisfaction feedback for 3 months to 30 April 2016.
- 1.2 Further to the introduction of The Pension Regulator (TPR) Code of Practise 14 and The Public Service Pensions (Record Keeping & Miscellaneous Amendments) Regulations 2014 this report also includes progress on the Data Improvement Plan plus level of employer compliance.

### 2 RECOMMENDATION

#### **That the Pension Board notes:**

- 2.1 Performance Indicators & Customer Satisfaction feedback for 3 months to 30 April 2016.
- 2.2 Progress on the Data Improvement Plan

### 3. Trends in Membership

3.1 **Appendix 1& 1a** provides a detailed breakdown of employer/member ratio and split between whole time and part-time membership as well as a snapshot of individual employer and member make up. The increasing number of new smaller employers to the Fund as part of the fragmentation of the employer base (newly created Academies and Transferee Admitted Bodies) has a direct impact on the administration workload with increased movement between employers, especially within the education sector. Continued development of data reporting going forward will enable further understanding of the demographic nature of employer type and associated member make up as employers continue to evolve.

### 4. Late Payers Report

4.1 The Fund is required to monitor the receipt of contributions and report materially significant late payments to the Pensions Regulator.

4.2 The Fund maintains a record of all late payments, showing the days late, the amount of payment and reason for delay and whether the amount is of significance.

4.3 **Appendix 2** reports late payers in the period to 29<sup>th</sup> February 2016. There were a small number of late payments in the reporting period, none of which were of material significance. The Fund has taken mitigating action in each case to ensure employers are aware of their responsibilities going forward.

### 5. Avon Pension Fund – Administration Performance

#### Balanced Scorecard detailing Key Performance Indicators for the 3 Months to 30<sup>th</sup> April 2016

5.1 The information provided in this report is based on the Avon Pension Fund's Service Level Agreement which falls in line with the industry standards set out by the LGPC & used in CIPFA benchmarking. All standards fall within the regulatory guidelines set out in The Occupational & Personal Pension Schemes (Disclosure of Information) Regulations 2015 which require provision of information to members.

5.2 Full details of *performance against target*, in tabular and graph format, are shown in **Appendix 3**. Reports are currently being reviewed as part of the Task Workflow Project and it is expected that new and updated versions will be available for approval by the Committee in September 2016.

### 6. Admin Case Workload

6.1 The level of work outstanding from tasks set up in the period (Item C4 and associated annex 1 & 2) in the 3 month period is reported in **Appendix 3A** by showing what *percentage* of the work is outstanding. As a snapshot, at 30<sup>th</sup> April 2016 there were 5220 cases outstanding of which 44.06% represents actual workable cases and 55.94% represents cases that are part complete, pending a third party response. All reports are being reviewed as part of the Task Workflow Project and it is expected that new and updated versions will be available for approval by the Committee in September 2016.

## **TASK WORKFLOW**

- 6.2 A new member leaver form checking process has been introduced from March which will immediately flag employer data submission errors and omissions. It also addresses any issues at point of receipt enabling a prompt communication back with employers where necessary.
- 6.3 During the period to 30<sup>th</sup> April a total of 1623 leaver forms have been received with an average error rate of 35.6%. Reporting on types of errors and by employer is now possible. This will enable the Fund to analyse the data and work with employers to improve the quality of their leaver forms.
- 6.4 So far the biggest percentage of errors is from incorrect pay calculations and submitting blank leaver forms via Employer Self Service.
- 6.5 From feedback received from employers so far, the leaver form is being reviewed to improve the layout and provide more guidance notes for employers. Although a training course is already in place to teach employers how to submit leaver forms via ESS, the course is being reviewed to take employers through the leaver form in more detail and will include intensive training on pay calculations. Where necessary training at employer sites will also be offered.
- 6.6 From the data it has also been identified that some employers who have been trained to use ESS are still sending leaver forms via paper and this will be addressed with employers.

## **7. CUSTOMER SATISFACTION FEEDBACK IN 3 MONTHS TO 30<sup>th</sup> April 2016 – Retirements**

- 7.1 **Appendix 4** reports on the customer satisfaction based on 21 questionnaires returned from members retiring from both active and deferred status (out of a total of 212 questionnaires issued in respect of the reporting period). 100% of deferred members rated the service as good or excellent, with 82% of actives rating the service as good or excellent.
- 7.2 In March the APF re-launched its member website, with an online customer service questionnaire for recent retirees. Therefore the next reporting period will begin to reflect the online survey results as the 'paper' format' is phased out.

## **8. 2016 YEAR END PROCESS**

- 8.1 The Year End (YE) process is a statutory requirement for employers to provide the Fund with membership data. The data is used to provide members with their Annual Benefit Statement by the statutory deadline of 31<sup>st</sup> August and used by the Fund Actuary as part of the Tri-annual valuation process, which determines individual employer contribution rates.
- 8.2 The process began in November with initial communication to all employers reminding them about the process and their responsibilities. Four YE training sessions were held in January, February and March – these were well attended. These were supplemented by information factsheets, FAQs and website content. To assist employers APF produced specific data spreadsheets of their membership data that is held on our system. This was sent to employers in January. They were then asked to review and update if required. On 1 April a final updated spreadsheet was sent to employers, with a deadline of 30 April to return it with completed payroll

information. As of 30 April deadline 24 employers, from our 240+ employer base had not submitted their data.

- 8.3 A period of data cleansing is now underway. Significant dates are 30 June, for the YE data to be submitted to the Fund's Actuary, Mercers for the Triennial Valuation and 31 August for all active and deferred members to receive their Annual Benefit Statement. This year APF is also providing statements for the Avon Fire Service. Currently we are on track to fulfil these requirements.

## **BREACHES**

- 8.4 As required under TPR Code of Practice No. 14 the Fund has implemented an approved Breaches Policy. Employers who have failed to meet set deadlines for the submission of data or for incomplete/incorrect data will be subject to further action under the policy. A detailed report will be included in the next paper to LPB and Pensions Committee

## **DATA PROTECTION**

- 8.5 During the YE process there was a breach of data protection by the Fund administration resulting in membership data from one scheme employer being made available to another scheme employer. Details of the breach have been reported in accordance with council guidance and a full report on the breach and any subsequent outcome is currently pending with the Councils Information Officer and will be tabled at this meeting.

## **9 The Pensions Regulator Data Improvement Plan**

- 9.1 Summary of Data Improvement Plan Data as at 30<sup>th</sup> April 2016 is shown below with a comprehensive breakdown attached in **Appendix 5**

### **Summary of Data Improvement Plan Data as at 30 April 2016**

<b>Data type</b>	<b>Cases brought forward</b>	<b>New cases in period</b>	<b>Completed in period</b>	<b>Outstanding</b>	<b>Completeness of date as % of membership</b>
Actives	<b>2365</b>	<b>233</b>	<b>1014</b>	<b>1584</b>	<b>99.51%</b>
Deferred	<b>4673</b>	<b>365</b>	<b>276</b>	<b>4762</b>	<b>98.86%</b>
Pensioners	<b>292</b>	<b>4</b>	<b>120</b>	<b>176</b>	<b>99.83%</b>
Dependants	<b>67</b>	<b>9</b>	<b>8</b>	<b>68</b>	<b>99.74%</b>
<b>Total</b>	<b>7397</b>	<b>611</b>	<b>1418</b>	<b>6590</b>	<b>99.49%</b>

- 9.2 Initial testing as at 1 August 2015 of core data, against TPR's requirement of 100% completeness of data, identified 8887 queries, equating to 99.13% completeness of data. There has been a net reduction of 807 queries over the last quarter.
- 9.3 Over a 1000 errors have been corrected for active members over the period after a good response from employers resolving queries as part of their year end preparation, particularly in respect of starters and leavers from the year end exercise 2015. Work has also continued to trace deferred and pensioner members with missing addresses.
- 9.4 Data improvement reports will be updated on a monthly basis and reported to Committee quarterly. Reports will be developed to demonstrate work undertaken on the correction of historic cases already identified and new cases identified during each reporting period.

## **10 EQUALITIES**

- 10.1 No items in this Report give rise to the need to have an equalities impact assessment.

## **11 CONSULTATION**

- 11.1 None appropriate.

## **12 ISSUES TO CONSIDER IN REACHING THE DECISION**

- 12.1 There are no other issues to consider not mentioned in this Report.

## **13 ADVICE SOUGHT**

- 13.1 The Council's Monitoring Officer (Divisional Director – Legal & Democratic Services) and Section 151 Officer (Divisional Director - Business Support) have had the opportunity to input to this report and have cleared it for publication.

<b>Contact person</b>	Geoff Cleak, Acting Pensions Manager Tel: 01225 395277
<b>Background papers</b>	Various Statistical Records
<b>Please contact the report author if you need to access this report in an alternative format</b>	