

## Bath & North East Somerset Council

MEETING:	<b>LOCAL PENSION BOARD</b>
MEETING DATE:	<b>27 July 2016</b>
TITLE:	<b>COMPLIANCE REPORT - PENSION FUND ADMINISTRATION</b> <b>(1) SUMMARY PERFORMANCE REPORT to 30 June 2016</b> <b>(2) PERFORMANCE INDICATORS 30 June 2016</b> <b>(3) TPR COMPLIANCE</b>
WARD:	<b>ALL</b>
<b>AN OPEN PUBLIC ITEM</b>	
<b>List of attachments to this report:-</b> Appendix 1 Active members demographic as at July 2016 Appendix 1a Employer/Member Ratio Appendix 2 Late payers report – up to 30 April 2016 Appendix 3 Balanced Scorecard : KPI's - 3 months to 30 June 2016 Appendix 3A Annex 1 & 2 Admin case workload status as at 30 June 2016 Appendix 4 TPR – Data Improvement Plan – to 30 June 2016	

### **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 June 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:**

The Report, specifically Performance Indicators & Customer Satisfaction feedback for 3 months to 30 June 2016 and 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 30<sup>th</sup> April 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> June 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 Autumn 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> June 2016 there were 4753 cases outstanding of which 39% represents actual workable cases and 61% represents cases that are part complete, pending a third party response.
- 6.2 Of the 39% workable cases (1854 cases) approximately 71% (1318) of this total is attributed to case work delayed in action due to late release of GAD guidance or legislation (ie linking/aggregation of membership & member benefit transfer investigation). As previously reported, these cases are now being progressed.

6.3 The number of cases outstanding reflect a reduction in total of 467 in overall cases outstanding compared with the previous reporting period. 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 Autumn 2016.

## **TASK WORKFLOW**

- 6.4 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.
- 6.5 During the period from 1 May to 30 June a total of 1643 leaver forms have been received with an average error rate of 34.21%. 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.
- 6.6 For this period the biggest percentage of errors is from incorrect pay calculations and National Insurance / Contribution figures.
- 6.7 The leaver form has now been reviewed to improve the layout and provide more guidance notes for employers. A training course has been put together to guide employers through the leaver form in more detail and includes comprehensive training on pay calculations. The new form and the training session is due to be piloted with Banes & North Somerset Payroll Departments in July / August and based on feedback received we plan to launch the new form and the training course later in August /September.
- 6.8 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 FEEDBACK – Retirements**

7.1 In March the APF re-launched its member website, with an online customer service questionnaire for recent retirees. This replaced the “paper” questionnaires, which have now ceased. However the online returns have been lower than expected and at this point could not be used to provide a statistically accurate overview. We are looking at incentivising the survey, in the form of a voucher draw every quarter, to prompt a greater response and will report back at the next meeting with an update.

## **8. 2016 YEAR END AND ABS 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 All employers, from our 240+ employer base, have now submitted their data. Since the initial 30 April deadline for submission a period of data reconciliation and cleansing took place.
- 8.3 The YE data was submitted to the Fund's Actuary, Mercers for the Triennial Valuation on 4 July. The Annual Benefit Statements (ABS) process for active and deferred members is underway. This year APF is also providing statements for the Avon Fire Service.
- 8.4 We are on track for the distribution of the majority of ABSs. The Deferred member statements are due to go out by the end of July and active members by the end of August (the statutory deadline). However we are still awaiting software updates to allow us to run the statement for those members who deferred in 2015/16 (due to negative revaluation calculations required). We have made members aware through our website. The Fire ABS, due to the complexity of the schemes and the data required, may mean that distribution of these falls outside the 31 August deadline, by a week or so. We are keeping the Fire Service updated on this and as administering authority we will notify The Pension Regulator if we breach this deadline.

## **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

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

- 9.1 Summary of Data Improvement Plan Data as at 30<sup>th</sup> June 2016 is shown below with a comprehensive breakdown attached in **Appendix 4**

### **Summary of Data Improvement Plan Data as at 30 June 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>1584</b>	<b>1027</b>	<b>467</b>	<b>2144</b>	<b>99.56%</b>
Deferreds	<b>4762</b>	<b>196</b>	<b>181</b>	<b>4777</b>	<b>98.83%</b>
Pensioners	<b>176</b>	<b>1</b>	<b>7</b>	<b>170</b>	<b>99.91%</b>
Dependants	<b>68</b>	<b>9</b>	<b>11</b>	<b>66</b>	<b>99.78%</b>
<b>Total</b>	<b>6590</b>	<b>1233</b>	<b>666</b>	<b>7157</b>	<b>99.52%</b>

- 9.2 Over the last couple of months there has been an increase in errors due to the results of the year end exercise. So far 526 missing leavers and 399 missing starters have been identified despite the work that was done in January / February time to get employers to start looking at their data.
- 9.3 However the missing data is in the process of being requested from employers and we hope to work with employers over the coming months to reduce these errors.
- 9.4 Due to the year end and in preparation for the Valuation resource to work on TPR queries has been reduced and re-directed to checking of leaver forms and processing of member deferred and refund cases. However this will be reverted once the valuation extract has been finalised.
- 9.5 As at 23 June 94.76% of active members had CARE pay loaded and 91.99% of members had pension remuneration figures posted.

## **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>	