

Bath & North East Somerset Council

MEETING:	LOCAL PENSION BOARD
MEETING DATE:	2 November 2016
TITLE:	PENSION FUND ADMINISTRATION – COMPLIANCE REPORT (1) SUMMARY PERFORMANCE REPORT to 30 September 2016 (2) PERFORMANCE INDICATORS 30 September 2016 (3) TPR COMPLIANCE
WARD:	ALL
AN OPEN PUBLIC ITEM	
List of attachments to this report:- Appendix 1 Membership data as at September 2016 Appendix 2 Late payers report – to 31 st August 2016 Appendix 3 KPIs - 3 months to 30 September 2016 Appendix 3A Annex 1 & 2 Admin case workload as at 30 September 2016 Appendix 4 TPR – Data Improvement Plan – to 30 September 2016 – Annex 1: Data & Annex 2: Charts	

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 September 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 September 2016.
- 2.2 Progress on the Data Improvement Plan

3. FINANCIAL IMPLICATIONS

- 3.1 There are no direct implications related to this report as it is an information report.

4. REPORT

4.1 Trends in Membership

4.2 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.

4.3 Late Payers Report

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

4.5 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.

4.6 Appendix 2 reports late payers in the period to 31st August 2016. There were a small number of late payments in the reporting period, none of which were of material significance and therefore recorded internally but not reported to TPR. The Fund has taken mitigating action in each case to ensure employers are aware of their responsibilities going forward.

4.7 Avon Pension Fund – Administration Performance

4.8 Balanced Scorecard detailing Key Performance Indicators for the 3 Months to 30th September 2016

4.9 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.

4.10 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 versions will be available from the next reporting period.

4.11 Admin Case Workload

4.12 The level of work outstanding from tasks set up (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 30th September 2016 there were 6559 cases outstanding of which 73% represents actual workable cases and 27% represents cases that are part complete, pending a third party response.

4.13 The increase in workable cases is due to a combination of events:

- The checking of leaver forms was moved from the Data Quality Team to the Benefits Team at the start of September. Although the forms are now being checked the same day, the Team have had less resource available to work on other outstanding cases. 2 team members have now moved from the

Data Quality Team to the Benefits Team to help reduce the outstanding work.

- The volume of incoming work has increased due to the ongoing impact of employers' clearing up outstanding leaver forms at year end.
- App 2000 linking tasks have been set up. A process for dealing with all new linking cases has been rolled out to the Benefits Team and a monthly report will now be run to pick up new cases. The 2000 cases includes the remaining backlog of cases built up between April 2014 and September 2016 which were not cleared as part of the project. Heywood only updated Altair to allow correct processing of these cases in May 2016.
- A project has started to reduce the number of cases held at 'reply due' stage. As at the end of June 2900 cases were at 'reply due'. At the end of September this had reduced to 1767 cases.

4.14 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 Spring 2017. The majority of workflow tasks and processes have now been reviewed and the project is due to end on 4 November. The ongoing maintenance of the workflows and procedures will form part of the new Quality Assurance Team following the re-structure.

TASK WORKFLOW

4.15 A new member leaver form checking process has been introduced from March which immediately flags employer data submission errors and omissions. It also addresses any issues at point of receipt enabling a prompt communication back with employers where necessary.

4.16 During the period from 1 July to 30 September a total of 2147 leaver forms were received with an average error rate of 25.57%. Reporting on types of errors and by employer is now possible. This has enabled the Fund to analyse the data and work with employers to improve the quality of their leaver forms. This improvement is now evident with a reduction from 34.21% error rate for the period April to June to 25.57% error rate for the period July to September.

4.17 For this period the biggest percentage of errors is from incorrect pay calculations and National Insurance / Contribution figures.

4.18 The new leaver form has now been implemented with positive feedback from 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 were piloted with Banes & North Somerset Payroll Departments. An ongoing programme of training courses has now been set up.

4.19 CUSTOMER FEEDBACK – Retirements

4.20 Following the launch of the online questionnaire for recent retirees, we have had a small number of responses, allowing us to report initial levels of customer satisfaction with the APF to 30 September 2016.

83% of respondents indicated that they were very satisfied (67%) or fairly satisfied (16%) with service they received from the Avon Pension Fund. Comments included:

“The service I received was perfect! Everything was explained very clearly. Thank you!” and “The staff at the Keynsham Civic Centre were very helpful”

We are continuing to explore ways to gather more customer feedback and will report back to the Board on progress.

4.21 2016 ABS PROCESS

4.22 The statutory deadline for members (both deferred and active) to be sent their Annual Benefit Statement (ABS) was 31 August. By this date 100% of active ABSs with complete data set (appx 32,000) were sent. 92.43% of deferred members (around 30,500) were sent by 31 July, with the remaining 7.57% (2,500) by 2 September.

4.23 The two day delay in sending the 2,500 deferred members was due to them leaving and deferring their pension in 2015/16 and having to highlight on their statement that, due to negative revaluation, their figures would be subject to a slight amendment. The calculation software is not yet available for this calculation to be made. Affected members will be updated as soon as this calculation is available.

4.24 The fund can only provide an accurate ABS based on the data currently held. The TPR improvement plan identifies areas where data from the employer is missing or incomplete (and therefore an ABS cannot be produced). For the 2015/16 ABS run data was not available for approximately 1,400 members (4.18% of active members). This figure represents a mixture of Year End CARE data and leaver forms still outstanding from the employer and leavers with our admin section, awaiting calculation or a response from the member.

4.25 The table below highlights the % of members where CARE data was not submitted by 31/03/16 by key employers

Employer	BANES	BCC	NSC	SGLOS	Others
% of members where CARE not submitted	7.14%	2.18%	0.87%	1.17%	6.90%

4.26 These queries are being dealt with as part of our ongoing TPR data improvement plan.

4.27 The Pensions Regulator Data Improvement Plan

4.28 Summary of Data Improvement Plan Data as at 30 September 2016 is shown below with a comprehensive breakdown attached in **Appendix 4**

Data type	Cases brought forward	New cases	Completed	Outstanding	Completeness as % of membership
Actives	2,144	296	763	1,677	99.65%
Deferreds	4,777	151	286	4,642	98.88%
Pensioners	170	4	78	96	99.94%
Dependants	66	23	78	11	99.96%
Total	7,157	474	1205	6,426	99.61%

4.29 All the year end queries have now been requested from employers along with any other TPR queries for active members. Therefore it is expected that the active member TPR queries will reduce over the next few months. Work is still continuing to establish

all queries for Banes and North Somerset with a view to working with a dedicated resource at APF and at the employer sites to resolve all queries before the end of the year and before they resume data provision via IConnect.

4.30 Following the year end process contact is being made with all employers who had over 10% errors to arrange further training on responsibilities and data provision.

4.31 The Pension Payroll Team have considerably reduced the queries in respect of out of date addresses. So far searches for missing addresses have been mainly on an individual basis using Tracesmart (Lexis Nexis) and therefore progress has been slow. In order to reduce the missing addresses for deferred members a bulk request of 100 addresses a time will be made using Accurate Data Services Ltd (Heirtrace)

4.32 As at 30 September 95.66% of active members had CARE pay loaded and 94.63% of members had pension remuneration figures posted.

4.33 BREACHES - Year End 2015/16 employer breaches

4.34 The following employers breached the deadline of 30 April set by APF for submission of their Year End data. The employers did eventually supply the required data to enable the Annual Benefit Statements for members to be produced and for the Actuarial Valuation. However this was a number of weeks/months after the deadline date and despite a number of recorded attempts by APF to request the information. Therefore these five employers will be invoiced for the penalty fine amounts indicated below.

Employer	Year	Breach type	Breach description	Penalty
Employer A	2015/16	Year End 2015/16	30/04 data submission deadline missed	£250
Employer B	2015/16	Year End 2015/16	30/04 data submission deadline missed	£250
Employer C	2015/16	Year End 2015/16	30/04 data submission deadline missed	£250
Employer D	2015/16	Year End 2015/16	30/04 data submission deadline missed	£250
Employer E	2015/16	Year End 2015/16	30/04 data submission deadline missed	£250

4.35 A further 30 employers breached the data queries exceeding 10% of membership levels set by the APF. We will communicate with these offering them the option of taking up a bespoke training workshop to improve performance or if they decline this, the penalty fine (£250) will be levied. These letters/emails will be sent in the next few weeks and the breaches control spreadsheet will be updated according to the employer's response. We will update the Board accordingly.

4.36 The above breaches are not considered material breaches. They will be reported to the Pensions Board and Pensions Committee, but are not considered of a significant nature to be reported to the Pensions Regulator.

4.37 The number of breaches for 2015/16 are significantly lower than previous years, indicating that promotion to all employers of their Year End responsibilities, the

breaches policy, potential penalty fines as well as training opportunities and support from APF are proving effective.

5 EQUALITIES

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

6 CONSULTATION

- 6.1 Report and Issues have been subject to consultation with the Strategic Director of Resources.

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