

## Bath & North East Somerset Council

MEETING:	<b>LOCAL PENSION BOARD</b>	
MEETING DATE:	<b>16 February 2017</b>	<b>AGENDA ITEM NUMBER</b>
TITLE:	<b>Pension Fund Benchmarking</b>	
WARD:	<b>ALL</b>	
<b>AN OPEN PUBLIC ITEM</b>		
List of attachments to this report: Appendix 1 - 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 2016.

### **2 RECOMMENDATION**

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

### **3.0 CIPFA BENCHMARKING CLUB REPORT 2016 - 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 2015/16 the Benchmarking Club comprised of 37 authorities (out of a total of 89) compared with 44 participating in the 2015 exercise and 49 taking part in 2014. 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 £15.79 against the average fund (£18.37) In 2015/16 the APF member costs decreased by approximately 6.5% by comparison to the previous year £16.55 reflecting both a continued under resourcing during the reporting period in addition to a number of separate undertakings of staff secondment outside of the Fund. 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.16.5% more scheme members per staff member than the group average.
- 4.2 The APF continues to have higher costs than average in areas where resources and investment have been prioritised. In particular Communication costs £1.69 remain higher than the club average (£0.68) 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.

### **5.0 Membership**

- 5.1 The membership profile demonstrates that APF is broadly in line with the benchmarking group average with active membership representing 34.1% (group average 37.2%), pensioner/dependant membership 25.8% (avge 26.9%) deferred members 37.4% (30.17%). The higher than average number of deferred members together with lower average number of unprocessed leavers/in progress 0.8% (2.7%) reflects the ongoing member data cleansing process. Additionally, the number of frozen refunds 2% reflects the current project to clear historic refund cases.
- 5.2 The Funds' portfolio has continued to grow with the increase in numbers of Academies and Admitted bodies.

## **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.

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<b>Background papers</b>	<i>CIPFA REPORT</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	