

Bath & North East Somerset Council	
MEETING:	LOCAL PENSION BOARD
MEETING DATE:	7 November 2017
TITLE:	PENSION FUND ADMINISTRATION – COMPLIANCE REPORT (1) SUMMARY PERFORMANCE REPORT TO 30 SEPTEMBER 2017 (2) PERFORMANCE INDICATORS TO 30 SEPTEMBER 2017 (3) TPR COMPLIANCE
WARD:	ALL
AN OPEN PUBLIC ITEM	
<p>List of attachments to this report:</p> <p>Appendix 1 – Membership data</p> <p>Appendix 2 – KPIs and Caseloads</p> <p>Appendix 3 – Employer Performance</p> <p>Appendix 4 – TPR Data Improvement Plan</p> <p>Appendix 5 – Late Payers Schedule to 31st August 2017</p> <p>Appendix 6 - Retirement customer service questionnaire results</p> <p>Appendix 6A – Member and employer feedback - proposals</p>	

1 THE ISSUE

- 1.1 The purpose of this report is to inform the Pension Board of performance figures for Fund Administration for the three months to 30 September 2017.
- 1.2 Further to the introduction of The Pension Regulator (TPR) Code of Practice 14 and The Public Service Pensions (Record Keeping & Miscellaneous Amendments) Regulations 2014, this report includes progress on the TPR Data Improvement Plan and levels of employer compliance.

2 RECOMMENDATION

The Board is asked to note:

- 2.1 Membership data, Employer Performance and Avon Pension Fund Performance for the 3 months to 30 September 2017
- 2.2 Progress and reviews of the TPR Data Improvement Plan

3 FINANCIAL IMPLICATIONS

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

4 MEMBERSHIP TRENDS

- 4.1 *Appendix 1* provides a detailed breakdown of employer/member ratio and split between whole time and multiple employment 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.

5 AVON PENSION FUND ADMINISTRATIVE PERFORMANCE

- 5.1 Key Performance Indicators for the 3 months to 30 September 2017.
- 5.2 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.
- 5.3 Full details of performance against target, in tabular and graph format, are shown in *Appendix 2; Annex 1 to 4*.
- 5.4 The suite of report extracts have been extended in the last quarter to include performance in respect of the provision of both member and employer requested estimates and this will continue to be reported on going forward. The implementation of the member estimate policy on the 1st July 2017 has more than halved the number of member estimates the team are having to process with an average of 65 new requests per month, compared to an average of 130 new requests per month before the policy was implemented. Whilst the majority of completed tasks remain outside of the SLA a significant improvement has been made towards compliance with cases being completed within 5 days of target improving overall in the last quarter to just over 70%, a rise of approx. 10% on the last quarter. Going forward the reports will be amended to allow a 1 day tolerance, we feel this is necessary to disregard the day a request is received from being counted as part of the SLA, as the initial request is often not tasked to the team until the afternoon due to restrictions with the post etc.
- 5.5 Admin Case Workload *Annex 5 & 6*
- 5.6 The level of work outstanding from tasks set up in the 3 month period is reported in *Appendix 2; Annex 5 & 6* by showing what percentage of the work is outstanding. As a snapshot, at 30th Sept 2017 there were 7,753 cases outstanding (an increase of 1,170 cases from previous report) of which 52.78% represents actual workable cases and 47.22% represents cases that are part complete, pending a third party response. This increase in outstanding work is

due to an increased amount of annual leave being taken over the summer period as well as the team not being fully resourced due to recruitment campaigns still being ongoing. There is now a strong focus on priority cases being completed within target due to a drop in our performance over this last quarter, the daily 'power hour' continues.

6 EMPLOYER PERFORMANCE

- 6.1 *Appendix 3* highlights employer performance for the 3 months to 30 September 2017
- 6.2 The leaver form checking process continues, immediately flagging 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 from 1 July to 30 September a total of 1839 leaver forms were received with an average error rate of 16.42%.
- 6.4 The new leaver form has been in place since 1 July and as anticipated this has led to an improvement in accuracy levels. As planned a workshop has taken place at the employer forums providing instruction on completing the new form and inviting further feedback from employers on training and support requirements. Training for the new form is now part of ongoing Employer Self Service training sessions.
- 6.5 Excluding notification of member retirements and death in service, a new process is now followed when leaver forms are received. An acknowledgement letter is issued to the member confirming entitlement to a benefit. An option form is issued asking members to confirm if they have re-joined the LGPS with another employer or left completely and want details of their deferred benefits or refund of contributions. The aim is stop duplication of work ie deferring a record and then linking it to a new starter for members who re-join. This process is in response to the movement of employees between employers eg Academies.
- 6.6 All employers transferring monthly data only have to supply leaver forms for retirements. Most of the data needed to defer, refund or link is already sent monthly and final pay calculations will be requested via a spreadsheet. This process has started from August for South Glos and UWE. Once Bristol is back up to date with its extract they will move to the new process, which is hoped to be before the end of the year.

7 TPR DATA IMPROVEMENT PLAN

- 7.1 During the last quarter an overhaul of the TPR reporting has been completed and *Appendix 4* now shows the revised reports. As well as status, reporting is also by types of query and by employers. Employers have been RAG rated so that they can be targeted for improvement.
- 7.2 There is an overall increase to the total number of queries from 5927 at the end of June to 8197 at the end of September. This is due to a number of factors. Reporting now includes all missing pay information (app 750 cases) and queries on cases at 'frozen' status (770) These include historic refunds (479) but also other cases held awaiting a refund. Under the 2014 scheme members have 5

years in which to decide whether to take the refund or transfer benefits. Due to the ABS exercise and there are app 1000 extra missing addresses.

- 7.3 A summary of the RAG rating by employer is shown below. The RAG rating is defined as queries over 10% = Red, between 5.1% & 10% = Amber and below 5% = Green. Data for the Unitary Authorities is listed below but full details of all employers with errors are shown in appendix 4. Employers not listed have no errors.

No. of employers	Queries	RAG rating
35	>10%	Red
25	5.1 to 10%	Amber
69	<5%	Green
239	No queries	

Unitary authorities	Queries	Membership	RAG	
BANES	283	3557	7.96%	Amber
Bristol City	165	8869	1.86%	Green
North Somerset	45	2627	1.71%	Green
South Gloucestershire	63	5561	1.13%	Green

8 LATE PAYERS

- 8.1 The Fund is required to monitor the receipt of contributions and report materially significant late payments to the Pensions Regulator.
- 8.2 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.
- 8.3 *Appendix 5* reports late payers in the period to 31st August 2017. 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.

9 CUSTOMER FEEDBACK

- 9.1 *Appendix 6* highlights the 36 responses to the online survey for retirees. In summary, 69% of respondents indicated that they were very satisfied (58%) or fairly satisfied (11%) with service they received from the Avon Pension Fund.
- 9.2 *Appendix 6* also highlights feedback from an Employer Forum event for Academies and member feedback at a general enquiries clinic held at North Somerset Council.

9.3 The Fund is undertaking a review of the way it gathers feedback and Appendix 6A outlines some proposals for gathering a more rounded picture of feedback. Currently the only reported feedback comes from the online customer questionnaire for retirees, as outlined in Appendix 6. The report outlines additional methods to gather feedback from across the service from members and employers. We will be able to report on these to the Board and Committee over the coming months.

10 YEAR END / BREACHES

10.1 Year end has now been completed.

10.2 A total of 21 employers will be fined £250 each. 3 fines are for late returns and the rest for errors in excess of 10%

10.3 Of the 21 employers to be fined 7 are repeat offenders. 3 are Oasis Academies, 2 have EPM as their payroll providers and 2 are EACT Academies.

10.4 Discussions are in progress with Oasis and EPM to arrange a review meeting with the aim of supplying monthly data via IConnect with starting date of April 2018. There has been no response from EACT so far but engagement will be a priority over the next couple of months.

11 EMPLOYER FORUMS

11.1 A series of Employer Forums have been arranged over the year:

21 July – Unitaries and Admitted Bodies

29 September – Academies

18 October – Town & Parish Councils

15 November – Higher Education (Universities & Colleges)

12 EQUALITIES

12.1 No items in this report give rise to the need to have an equalities impact assessment

13 CONSULTATION

13.1 None appropriate

14 ISSUES TO CONSIDER IN REACHING THE DECISION(S)

14.1 There are no issues to consider not mentioned in this report.

15 ADVICE SOUGHT

15.1 The Council's Monitoring Officer (Divisional Director – Legal & Democratic Services) and Section 151 Officer (Strategic Director of Resources) have had the opportunity to input to this report and have cleared it for publication.

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