

Bath & North East Somerset Council

MEETING:	LOCAL PENSION BOARD
MEETING DATE:	13 November 2020
TITLE:	PENSION FUND ADMINISTRATION Overview & Summary Performance Report to 30th September 2020
WARD:	ALL
AN OPEN PUBLIC ITEM	
List of attachments to this report: Appendix 1 – Membership data Appendix 2 – Performance against SLA & Workload Appendix 2a – Performance against Statutory Legal Deadlines Appendix 3 – Employer Performance Appendix 4 – TPR Data Improvement Plan Appendix 5 – Late Payers	

1 THE ISSUE

1.1 The purpose of this report is to inform the Pension Board of the performance for Fund Administration for the period up to 30th September 2020 and actions undertaken following the Coronavirus outbreak and UK lockdown on 23rd March 2020.

2 RECOMMENDATION

The Pension Board is asked to Note:-

2.1 Fund and Employer performance for the three months to 30th September 2020.

3 COVID-19 AND FUND BUSINESS CONTINUITY

3.1 With the UK lockdown in place from 23rd March, the initial response from the Fund was focussed on communications, ensuring all staff officers had capability to undertake business operations remotely from home.

3.2 Secure communications were established for scheme members including the implementation of digital online tracing and member identification checking capability, mitigating the requirement for certificates to be sent by post.

3.3 Direct engagement with all key employers was established and is ongoing to review and monitor business as usual capability. All other employers have been surveyed to establish BAU capabilities with no significant issues being reported.

4 GOVERNANCE

4.1 Advice and guidance for scheme administrators has been received from the Pensions Regulator as the COVID-19 pandemic continues to evolve. Whilst the prioritisation of critical administration focussing on the continued payment of pensioner and dependent members and the processing of retirements and death cases remains, funds have been also been reminded of their responsibility to maintain other administrative processes.

5 MEMBERSHIP TRENDS

5.1 **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 number of new smaller employers to the Fund can be attributed mainly to the continued fragmentation of the employer base (newly created Academies/MAT's and Transferee Admitted Bodies) and this has a direct impact on the administration workload with increased movement between employers, especially within the education sector. A further 12 Academy conversions are in the pipeline as at 3rd November 2020.

6 APF PERFORMANCE

6.1 As per TPR guidance the Fund has focussed on critical member processes including the processing of retirement and death benefits. **Appendix 2 (Annex 1 & 2)** and **Appendix 2a** provide details of APF performance up to the end of the last quarter for all KPI's measured against both SLA and statutory legal deadlines.

6.2 KPI performance is monitored and reported to the Pensions Manager for review on a bi-weekly basis. **Appendix 2 (Annex 5)** reflects the situation at the end of September with an overall 3,266 cases outstanding of which 1,945 (59%) are workable. This represents an overall increase in outstanding workable cases over the previous period reflecting an increase in additional workload created by the year end reconciliation process.

7 EMPLOYER PERFORMANCE

7.1 **Appendix 3** highlights employer SLA performance for notification of member retirements for the previous year and separately by case number over the three months to 30th September 2020.

8 TPR DATA IMPROVEMENT PLAN

8.1 APF have maintained an overall data score of 94.54% for the quarter ending September 2020.

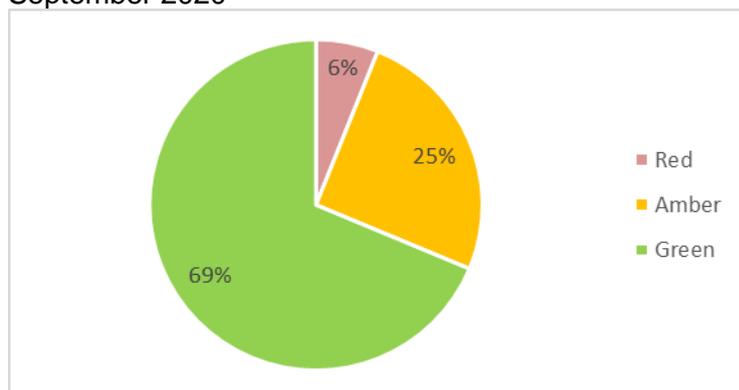
8.2 Although the overall data score has remained constant the split of queries for active members is now across an increased number of smaller employers who may only need one or two data queries to put them in the red category. These employers will continue to be targeted for improvement.

8.3 A summary of the RAG rating by employer is shown below. The RAG rating reflects employers with % outstanding data queries against profiled scheme membership: (over 10% = Red, between 0.1% & 10% = Amber and 0% = Green).

8.4

No of Employers June 2020	No of Employers Sept 2020	Queries	RAG rating
24	25	10% >	Red
99	109	0.1 to 10%	Amber
306	308	0%	Green

September 2020



Data for the Unitary Authorities is listed below.

Unitary authorities	Queries Dec 19	Queries Mar 20	Queries Jun 20	Queries Sept 20	Member ship	RAG	
BANES	50	48	41	74	2710	2.73%	Amber
Bristol City	259	271	224	196	9007	2.17%	Amber
North Somerset	14	8	10	17	1897	0.87%	Amber
South Gloucestershire	92	142	134	166	5859	2.83%	Amber

9 RESOURCE UPDATE

9.1 A cross service administration recruitment project is currently in progress to appoint 11.2 FTE vacant posts across member and employer services teams. A temporary Training Officer role has been created and internally appointed in order to manage training for all new recruited officers whilst staff continue to work remotely from home. The project began in September and recruitment will be staged over 3 phases continuing into 2021.

10 LATE PAYERS

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

10.2 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.

10.3 **Appendix 5** reports late payers in the period to 30th September 2020. 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.

11 RISK MANAGEMENT

11.1 The Avon Pension Fund Committee is the formal decision-making body for the Fund. As such it has responsibility to ensure adequate risk management processes are in place. It discharges this responsibility by ensuring the Fund has an appropriate investment strategy and investment management structure in place that is regularly monitored. In addition, it monitors the benefits administration, the risk register and compliance with relevant investment, finance and administration regulations.

12 EQUALITIES STATEMENT

12.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified

13 CLIMATE CHANGE

13.1 The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council's Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and is addressing this through its strategic asset allocation to Low Carbon Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Committee.

14 OTHER OPTIONS CONSIDERED

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

15 CONSULTATION

15.1 Reports and its contents have been discussed with the Head of Business Finance & Pensions representing the Avon Pension Fund and Service Director – One West representing the administering authority.

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