

Bath & North East Somerset Council

MEETING: AVON PENSION FUND COMMITTEE

MEETING DATE: 26 March 2021

TITLE: PENSION FUND ADMINISTRATION
Overview & Summary Performance Report

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
- Appendix 6 – IDRP Current Cases

1 THE ISSUE

- 1.1 The purpose of this report is to inform the Pensions Committee of the performance for Fund Administration for the period up to 31st December 2020 and actions undertaken following the Coronavirus outbreak and UK lockdown on 23rd March 2020.

2 RECOMMENDATION

The Committee is asked to Note:-

- 2.1 Fund and Employer performance for the three months to 31st December 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 have been 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 remains in place to review and monitor business as usual capability. All other employers have been surveyed to establish BAU capabilities with no significant issues being reported to date.

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.

6 APF PERFORMANCE

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

6.2 KPI's continue to be monitored and reported to the Pensions Manager for review on a bi-weekly basis. **Appendix 2 (Annex 3)** reflects the position at the end of December with an overall total of 3,294 cases outstanding of which 1,828 (55%) are workable. This represents a minor decrease in outstanding workable cases over the previous period.

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 31st December 2020.

7.2 Further data analysis reports are currently being finalised to reflect employer monthly i-Connect data returns and these will be introduced from the next quarter.

8 TPR DATA IMPROVEMENT PLAN

8.1 There has been a reduction in recorded common data errors across most membership categories (**Appendix 4**), with an improved overall data score of 95.38% for the quarter ending December 2020.

8.2 Improvements in the data score can be partly attributed to the missing CARE project that has been underway for the last 6 months which is now seeing positive results from employers and progress continues to be made with the address tracing project.

8.3 The project undertaken to trace and correct missing member addresses is continuing. Of the 6,700 cases originally identified 4,740 positive matches have been confirmed by the tracing agency of which 32% have individually been verified as correct. Further work is ongoing to complete the project members and to address those cases as yet

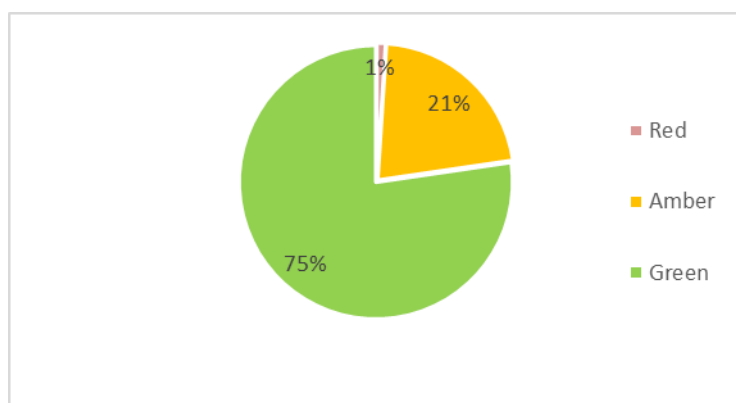
unprocessed. A detailed report on progress will be presented at the next committee meeting.

8.4 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).

8.5 The chart below shows positive improvement of employers with zero data queries, this has risen from 68% to 75% across fund employers.

No of Employers Sept 2020	No of Employers Dec 2020	Queries	RAG rating
25	20	10% >	Red
109	96	0.1 to 10%	Amber
308	336	0%	Green

December 2020



8.5 Data for the Unitary Authorities is listed below.

Unitary authorities	Queries Mar 20	Queries Jun 20	Queries Sept 20	Queries Dec 20	Member ship	RAG	RATING
BANES	48	41	74	44	3244	1.35%	Amber
Bristol City	271	224	196	173	9888	1.75%	Amber
North Somerset	8	10	17	10	2268	0.44%	Amber
South Gloucestershire	142	134	166	106	6979	1.51%	Amber

9 RESOURCE UPDATE

9.1 The administration recruitment project is still ongoing and currently in phase 2 of 3. The induction and training of newly appointed members of staff via the new training officer program is in place and working well.

9.2 A project lead has now been appointed for the McCloud data collection project, this was an internal appointment and backfilling is currently underway.

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 material significance.
- 10.3 **Appendix 5** reports late payers in the period to 31st December 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 IDRP

- 11.1 Under the LGPS Regulations there is the provision that Scheme Members can exercise a right of appeal for any disagreement that cannot be resolved. This is done under an IDRP. The table at **Appendix 6** shows the cases going through at the present time.

12 RISK MANAGEMENT

- 12.1 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.

13 EQUALITIES STATEMENT

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

14 CLIMATE CHANGE

- 14.1 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.

15 OTHER OPTIONS CONSIDERED

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

16 CONSULTATION

- 16.1 The Council's Monitoring Officer and Section 151 Officer have had the opportunity to input to this report and have cleared it for publication.

Contact person	<i>Geoff Cleak, Pensions Manager; Tel 01225 395277</i>
Background	<i>Various statistical documents.</i>

papers	
Please contact the report author if you need to access this report in an alternative format	