

Bath & North East Somerset Council

MEETING: LOCAL PENSION BOARD

MEETING DATE: 18 May 2021

TITLE: PENSION FUND ADMINISTRATION
Overview & Summary Performance Report to 31st March 2021

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 31st March 2021 and ongoing 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 31st March 2021.

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 from the Pensions Regulator remains in place whilst the COVID-19 pandemic continues to evolve. Whilst the prioritisation of critical administration remains focussed on the payment of pensioner and dependent members and the processing of retirements and death cases, 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 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 regularly to the Pensions Manager for review. **Appendix 2 (Annex 3)** reflects the situation at the end of March with an overall 4,942, cases outstanding of which 3,360 (68%) are workable. This represents an overall increase in outstanding workable cases over the previous period and is partly due to an increase in additional workload created by the year end reconciliation process and a three month delay in the receipt of leaver information from a key fund employer which experienced issues in submitting its monthly i-Connect data extract following a change in payroll provider. In addition, the downturn in the performance is as a result of ongoing recruitment and training of new staff members including the internal movement of a number of the existing team to new roles.

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 March 2021. Further reports are currently being developed to include the timely receipt of i-Connect data and it is anticipated that these will be made available from the next quarterly report.

8 TPR DATA IMPROVEMENT PLAN

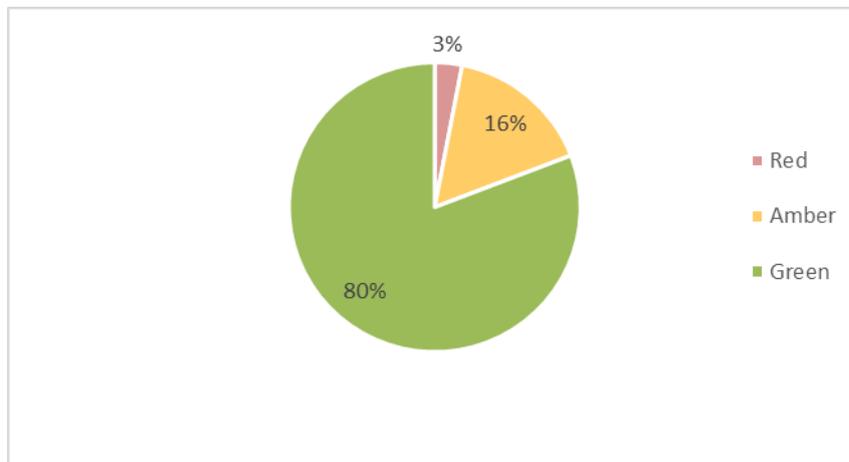
8.1 There has been a reduction in recorded common data errors across most membership categories, with an improved overall data score of 95.64% for the quarter ending March 2021.

8.2 Due to work being undertaken on the Interim Valuation this year, data cleansing has been a main focus for the quarter.

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).

No of Employers Dec 2020	No of Employers March 2021	Queries	RAG rating
20	14	10% >	Red
96	73	0.1 to 10%	Amber
336	360	0%	Green

March 2021



Data for the Unitary Authorities is listed below.

Unitary authorities	Queries Jun 20	Queries Sept 20	Queries Dec 20	Queries Marc 21	Member ship	RAG	
BANES	41	74	44	21	3342	0.62%	Amber
Bristol City	224	196	173	122	10603	1.15%	Amber
North Somerset	10	17	10	10	2167	0.46%	Amber
South Gloucestershire	134	166	106	104	6871	1.51%	Amber

9 RESOURCE UPDATE

9.1 The administration recruitment project is still ongoing and currently in Phase 3. The induction and training of newly appointed members of staff is ongoing.

9.2 Recruitment for McCloud remedy project team is progressing with the appointment of two temporary posts required for the data collection element of the project with 1 position remaining vacant at this time. Employer Services have 3 FTE vacant positions with a further 4 FTE vacancies outstanding on Member Services.

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 31st March 2021. 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	