

Bath & North East Somerset Council

MEETING: LOCAL PENSION BOARD

MEETING DATE: 21 September 2021

TITLE: PENSION FUND ADMINISTRATION
Overview & Summary Performance Report

WARD: ALL

AN OPEN PUBLIC ITEM

List of attachments to this report:

Appendix 1 – Performance against SLA & Workload

Appendix 2 – TPR Data Improvement Plan

Appendix 3 – Progress on Key Projects

1 THE ISSUE

- 1.1 The purpose of this report is to present the Fund's performance for the three months to 30th June 2021 against its key performance indicators (KPI's) in relation to the administration of pension benefits.
- 1.2 The report also addresses the Fund's business operational position from an overall risk perspective

2 RECOMMENDATION

The Pension Board is asked to Note:-

- 2.1 Fund performance for the three months to 30th June 2021.

3 COVID-19 AND FUND BUSINESS CONTINUITY

- 3.1 With multiple lockdowns occurring since 23rd March 2020, the Fund focussed on communications, across all relevant stakeholders to monitor and manage business operations remotely.
- 3.2 As the situation continues to evolve it has become clear that there will not be a return to the previous 'normal' office working arrangements with the expectation of a more blended working approach being introduced by the employing authority going forward.

4 WORKLOAD

- 4.1 **Appendix 1** provides details of APF performance up to the end of the last quarter for KPI's measured against the current SLA. Generally, the Fund is operating below its desired target for most case types.
- 4.2 Operationally, on the Member Services team there has been an increase in new monthly tasks over the previous 18 months from circa 1,800 to 2,200 tasks per month with the current outstanding cases totalling 4,841 (an increase of 58% since March 2020). The main volume of work is with member refunds, active member retirements and retirements from deferred status. Member estimate requests have increased by 35% over the same period. General enquiries also remain high in volume and a number of these identified as duplicate chasers.
- 4.3 The move to monthly data receipt across employers is also a contributory factor across Employer Services. With the creation of additional tasks to be assessed for processing (mainly non retirement leavers and potential aggregation cases). There are currently 2,500 to be manually triaged and submitted to Member Services for processing.
- 4.4 During the previous 12 months admin resource has been focussed on managing all critical process as outlined by TPR directive. In addition, during the last 5 months significant time and key officer resource has been focussed on specific projects including (1) Year End data reconciliation & ABS delivery (2) Firefighters Pension Scheme – Immediate Detriment cases (3) Clearance of pre 31st March leaver backlog cases – prior to year end.

5 RESOURCE RECRUITMENT & TRAINING

- 5.1 A contributory factor in the downturn in performance has been the shortfall in resource across both Member & Employer Service teams.
- 5.2 As previously agreed by the Pensions Committee a managed phased recruitment process across pensions admin has been in operation since July 2020. During this time twenty-two officers have either been recruited new to post or have moved internally within APF. This process has been managed remotely by senior officers with training and support provided by the new officer training program.
- 5.3 It is expected that overall performance will improve as officers continue to bed in.
- 5.4 A number of vacant posts remain across the service. (i) As part of the ongoing phased recruitment there are 4.2 fte posts to backfill. (ii) Recruitment of the Technical & Compliance Advisor remains outstanding following the recent advertising campaign resulted in no applications being received. (iii) Recruitment of Transformation Manager and Project Manager – currently being reviewed by Mercer consultant.
- 5.5 Currently, Mercer consultants are providing Technical & Compliance support advice and guidance.
- 5.6 To mitigate workload some project work has already been outsourced. In particular; GMP reconciliation project and address tracing project. Further bulk work will be considered for future projects although external resource is also limited due to supplier demand.

6 TPR DATA IMPROVEMENT PLAN

- 6.1 There has been a minor downturn in the Funds recorded common data errors across most membership categories (**Appendix 2**), with an overall data score of 95.56% for the quarter ending June 2021

6.2 Due to work being undertaken on the Interim Valuation this year, data cleansing continues as a key focus. This will continue throughout the next year prior to the Valuation for 2021/2022

7 PROGRESS ON KEY PROJECTS

7.1 **Appendix 3** provides the current position on a number of key operational projects currently in progress with an outline of further actions to be taken.

7.2 This is not a comprehensive list of all strategic admin projects and will be developed going forward to reflect APF expectations measured against those as set out in the service plan.

8 CHALLENGES & MITIGATION

8.1 The challenges to the administration are multi-faceted. From improving performance management and resource upskilling, the development and implementation of software improvements to support service delivery and increase and improve member and employer self service capabilities.

8.2 From a workload and performance perspective a project will be undertaken to manage separately the current business as usual workload and accrued backlog. Details will be finalised in September and progress reported to Pensions Committee and LPB going forward.

8.3 A key enabler to reducing business as usual workload is the ability for members to self-service. Additional resource has now been recruited specifically to deliver an improved member experience through more direct customer service and signposting to maximise self service via My Pension Online facility.

9 RISK MANAGEMENT

9.1 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.

10 EQUALITIES STATEMENT

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

11 CLIMATE CHANGE

11.1 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.

12 OTHER OPTIONS CONSIDERED

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

13 CONSULTATION

13.1 The Report 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	