

Bath & North East Somerset Council

MEETING: **LOCAL PENSION BOARD**

MEETING DATE: **13 September 2022**

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 2022 against its key performance indicators (KPI's) in relation to the administration of pension benefits.

2 RECOMMENDATION

The Pension Board is asked to Note:

2.1 Fund performance for the three months to 30th June 2022.

3 BUSINESS CONTINUITY

3.1 Officers are undertaking a more blended working approach in line with arrangements introduced by Bath & North East Somerset Council. The Civic Centre has now re-opened for collaborative working and temporary working arrangements remain in place for staff to use 15 workstations in the Guildhall.

3.2 Arrangements for future long term accommodation have now been agreed with a move back to Keynsham Civic Centre expected to take place from early October.

4 WORKLOAD & PERFORMANCE

4.1 **Appendix 1** provides details of APF performance to the end of the last quarter for KPI's measured against the current SLA. The Fund continues to operate below its desired

target of >90% for most case types (Annex 1) and the case-by-case breakdown (Annex 2) demonstrates an overall general maintenance from the previous quarter. Generally, however, KPI benchmarking performance has declined over the past year (Annex 3).

5 RESOURCE RECRUITMENT & TRAINING

- 5.1 Recruitment and retention remain a key factor impacting business operations. Employer Services currently have 5 FTE vacancies and Member Services team have 4 FTE vacancies in addition the Technical & Compliance post has now been re-advertised. The administration is also carrying three maternity absences across the service.
- 5.2 Recruitment continues to backfill vacant posts, maternity cover and secondment to projects and overstaffing is being considered at Assistant Pensions Officer level to mitigate the impact of further staff movement.
- 5.3 To mitigate operational workload some project work has already been outsourced. In particular; GMP reconciliation project and the address tracing project. In addition, consultancy engagement has now been procured to provide ongoing support with McCloud remedy and the Annual Allowance tax charges review project. Mercer consultants continue to provide Technical & Compliance advice and guidance.

6 YEAR END & VALUATION

- 6.1 100% of Employer year end returns have now been received and the team have completed all required checks and validations before submitting to the scheme actuary. Mercer have reported the data is of a high standard with minimal data queries coming back to the Fund.
- 6.2 Employer returns are being scrutinised for penalty fines for late or poor data returns, further details will be reported to the Board in the December report.

7 ANNUAL BENEFIT STATEMENTS.

- 7.1 The Public Service Pensions Act 2013 requires Funds to produce Annual Benefit Statements by 31st August annually.
- 7.2 Statements are produced in-house and sent externally for printing and postage. All statements for deferred members were issued on 10 June, with those for active members being dispatched in three tranches on 8th, 15th and 22nd August, ahead of the statutory deadline.
- 7.3 As part of the digital transformation project 11,384 statements were published digitally to members signed up with access to My Pension Online.

UK Breakdown

Statement type and collation	Total Statements	Total Mailing
Single Statements	28686	28686
Double Statements	4366	2183
Triple Statements	1083	361
Four Statements	224	56

Five Statements	70	14
Seven Statements	7	1
PSOD Single Statements PSOD Single Statement Letter	21	21
Totals	34557	31322

Overseas Breakdown

Statement type and collation	Total Statements	Total Mailing
Overseas Single Statements	2	2
Totals	2	2

7.4 A supplementary re-run to manage any data corrections is planned for October.

8 SUMMARY OF FUND MEMBERSHIP DATA QUALITY

6.1 The Fund continues to maintain a Common Data score above 95%, the TPR DIP report provides an overview and annual trending view of the outstanding cases for the last 12 months, please refer to **Appendix 2**.

9 PROGRESS ON KEY PROJECTS

9.1 **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.

9.2 This is not a comprehensive list of all strategic administration projects, and the report will continue to evolve, reflecting APF expectations measured against those as set out in the service plan.

10 MEMBER AVC ARRANGEMENTS – CHANGE OF PROVIDER

10.1 The Fund is in discussions to change the Additional Voluntary Contribution (AVC) provider as the current provider Aviva will no longer accept new business.

10.2 Officers have engaged consultancy support to source a new provider and facilitate any subsequent transfer process. Further details will be provided to the Pension Board as the situation develops.

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 Paris Aligned Global Equities, Sustainable 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 The Report and its contents have been discussed with the Service Director – Financial Control & Pensions representing the Avon Pension Fund and the Service Director – Commercial & Governance 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	