

Bath & North East Somerset Council	
MEETING:	<b>LOCAL PENSION BOARD</b>
MEETING DATE:	<b>6 September 2023</b>
TITLE:	<b>PENSION FUND ADMINISTRATION Overview &amp; Summary Performance Report</b>
WARD:	<b>ALL</b>
<b>AN OPEN PUBLIC ITEM</b>	
<p>List of attachments to this report:</p> <p>Appendix 1 – Performance against SLA &amp; Workload</p> <p>Appendix 2 – TPR Data Improvement Plan</p> <p>Appendix 3 – Administration Service Improvement plan update</p> <p>Appendix 4 – Pensions Dashboard project update</p>	

## 1 THE ISSUE

- 1.1 The purpose of this report is to present the Fund's administration performance for the three months to 30 June 2023 vs key performance indicators (KPI's).

## 2 RECOMMENDATION

### The Board:

- 2.1 Notes the service performance for the three months to 30 June 2023.

## 3 PERFORMANCE – CURRENT STATE

- 3.1 Appendix 1 summarises service performance vs SLAs<sup>1</sup> to 30 June 2023. The Fund is operating materially below its target of >90% for most case types (Annex 1) and Annex 2 demonstrates a reduction in cases completed within the SLA.
- 3.2 The following are key factors impacting performance.
- People: the vacancy rate was high with 13 vacancies (18%)
  - Demand: we have experienced a rise of c.80% in case demand vs H1 2022.
  - Management Information: timely and accurate MI has been limited and did not facilitate robust weekly decision making.
  - Payroll: resignations required staff to be transferred in from Member Services to manage Payroll with resulting impacts on service performance for members.

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<sup>1</sup> service level agreements

## 4 ACTIONS TO ADDRESS CURRENT STATE

### 4.1 People

- The fund successfully implemented a material market supplement for APF staff in July 2023, with 63 of 71 staff receiving a pay increase. This supports the retention of existing staff and is helping recruitment.
- Aon recruitment recommendations have been implemented with the wider BANES HR team, to support successful recruitment, including a Facebook and LinkedIn campaign.
- In Member Services we have made two new appointments and four roles are now at the shortlisting stage.
- We are also moving to recruit for vacant roles in Payroll, Employer Services, and Training.

### 4.2 Demand

- A number of factors are converging to raise case demand which has increased c.80% vs H1 2022:
  - o Annual Benefit Statements have triggered a higher than normal spike in member enquiries via email and telephone.
  - o c.800 cases previously stockpiled due to GAD SCAPE factor changes are now workable and being added to case load.
  - o Work has begun to remedy the Pensions Increase (PI) cases in error, which require recalculation of pensions and arrears. This work must be carried out before the next PI exercise in March 2024 and a project is underway to remedy these errors with their complexity driving material workload.
  - o The pending McCloud remedy regulations are due in September 2023 and planning is ongoing to implement the remedy and required actions from the legislation.
- There is also evidence that rising backlogs of incomplete cases have raised repeat emails and phone requests to address outstanding cases.
- As a temporary measure before vacancies are filled, a short term targeted task force has been created to combat the spike in member enquiries. This has been created by pooling staff from other teams with relevant experience to support member contact.
- Furthermore Geoff Cleak, former Pensions Manager, is now working 3-days per week supporting Member Services.

### 4.3 Management Information

- MI had been sufficient for reporting purposes, but inadequate for day-to-date management for resource priorities and service management.
- We have now developed deeper MI insight into our performance which is starting to inform operational management.
- MI is being used to review workload and priority cases. Weekly discussions and decisions are being made, led by the Member Services Manager and Operations Manager.
- The data however needs to be more timely to support agile working and decisions, with improvement needed to give us better oversight of work load and performance across all teams including Payroll.

#### 4.4 Payroll

- The team leader appointed in April left the fund in July.
- We are starting the recruitment process for both a new Payroll team leader and other officers to administer the payroll process.
- Meantime the temporary Payroll team is working on the core business of monthly payments, deaths cases, and HMRC reporting. Resilience is in place with the temporary team and reassurance can be given to the Board that Payroll for pensioner members is robustly maintained.

### 5 YEAR END & VALUATION

- 5.1 All employer data returns have been submitted to the fund and data has been validated and loaded where applicable.
- 5.2 Late and poor employer returns will be assessed in the Autumn for penalty fines, and further details will be supplied in the December report.

### 6 ANNUAL BENEFIT STATEMENTS

- 6.1 The Public Service Pensions Act 2013 requires Funds to produce Annual Benefit Statements by 31 August annually.
- 6.2 All ABS have been issued by the regulatory deadline, with an increase in digital statements being issued for deferred and active members.
- 6.3 The fund have now begun the Pensions Savings Statement exercise, with an increase in cases vs the 2022 exercise. The fund is on track to meet the regulatory deadline of 6 October 2023 to issue these statements.

### 7 SUMMARY OF FUND MEMBERSHIP DATA QUALITY

- 7.1 The Fund maintains a Common Data score above 95%. The TPR<sup>2</sup> report summarises an annual view of outstanding cases for the last 12 months, please refer to Appendix 2.

### 8 RISK MANAGEMENT

- 8.1 The Avon Pension Fund Committee is the formal decision-making body for the Fund, with 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.

### 9 EQUALITIES STATEMENT

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

### 10 CLIMATE

- 10.1 The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line

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<sup>2</sup> The Pensions Regulator

with the Council's Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and addresses 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.

## **11 OTHER OPTIONS CONSIDERED**

15.1 None.

## **12 CONSULTATION**

12.1 The Council's Director of One West has had the opportunity to input to this report and has cleared it for publication.

<b>Contact person</b>	Claire Newbery, Pensions Operations Manager 01225 395247
<b>Background papers</b>	Various statistical documents
<b>Please contact the report author if you need to access this report in an alternative format.</b>	