

Bath & North East Somerset Council	
MEETING:	Avon Pension Fund Committee Meeting
MEETING DATE:	22 March 2024
TITLE:	PENSION FUND ADMINISTRATION Overview & Summary Performance Report
WARD:	ALL
AN OPEN PUBLIC ITEM	
<p>List of attachments to this report:</p> <p>Appendix 1 – Performance against SLA & Workload</p> <p>Appendix 2 – TPR Data Improvement Plan</p>	

1 THE ISSUE

1.1 The purpose of this report is to present the Fund's administration performance for the three months to 31st December 2023 vs key performance indicators (KPI's).

2 RECOMMENDATION

The Committee:

2.1 Notes the service performance for the period ending 31st December 2023.

3 PERFORMANCE –

3.1 Appendix 1 summarises service performance vs SLAs¹ to 31st December 2023. The Fund is operating materially below its target of >90% for the majority of case types (Annex 1) and Annex 2 illustrates cases completed within/outside of the SLA. Service levels remain stable and no deterioration has occurred, though service levels remain materially below where they need to be. A separate presentation will be given at the meeting on all administration service measures to give the board a broader sense of current workload.

3.2 The following are key factors continuing to impact performance.

People:

- The fund is still not operating at full capacity with ongoing recruitment. Internal movement continues across the teams as officers apply for roles internally.
- Service impacted by 3 officers off on long term sick.

¹ service level agreements

- Despite ongoing recruitment, our vacancy rate remains at 10% with 7 posts currently being advertised and 7.5 positions under offer but officers not yet started.

McCloud:

- Officers have been working with new regulations since 1 October 2023, however due to a bug in the latest software released in December, all retirements with an underpin must be manually checked and calculated taking additional time to process. A fix to the software is due in late February.
- Due to outstanding McCloud guidance from the Scheme Advisory Board (SAB) we continue to stockpile transfers in/out, divorce and deferred cases if they are affected by the underpin.
- Planning has begun for the remedy with a regulatory completion deadline of August 2025. A more detailed report including case in scope will be provided in the next meeting. (subject to SAB guidance).

GMP

- The fund is in the final stages of reviewing the Closure Report for member reconciliation. 14,066 members have been identified as “stalemate cases” out of a population of 91,369 members. The review will be completed in April and we plan to bring recommendations to the Pension Committee in June.

Pension Increases:

- The rectification project has been split in to 4 phases with phase 1 due to complete in March 2024, this first phase will rectify c750 members. The fund is continuing to brief the board and committee sub group with key milestones.

- Avon Fire Service Exit:

- Considerable resource was deployed to the project team in the lead up to the exit of the scheme from 1st February. The transfer to West Yorkshire pension fund has successfully completed with payroll and data being securely transferred to the new service provider.

Payroll:

- Three senior technical payroll officers have been appointed to the team (internal movement) with the Pensions Payroll Manager role now at the advert stage. These appointments have created vacancies within the Member Services team which are also at the advert stage.
- The payroll team are supporting the PI project as we move into the final stages of rectification for phase one.
- Following a further review of internal controls and the whole pensioner population, we have identified 46 cases where a pensioner has been overpaid due to short term to long term pension not being amended. These cases will be rectified over the next few months in line with PASA guidelines.
- 19 case of Tier 3 ill health have been identified as possible overpayments and will be reviewed for potential overpayment by the end of March.

Process weaknesses:

- Bulk process fixes via our software provider are not currently available to address data issues.

Management Information:

- The fund now uses MI to manage workflow decisions on a weekly basis. As MI continues to evolve our capacity to understand work and workflow continues to develop.

4 PROGRESS

4.1 Progress continues across the administration; the main points are as follows:

People:

- Key recruitment continues in advance of the re-structure, including the Website Development Manager and Pensions Payroll Manager.
- 7.5 posts have been recruited to in the period and we are now starting to fill additional posts that are in the new structure.

Demand:

- The member contact team remain on top of incoming phone calls and emails, responding to most enquiries within 48 hours despite chasers accounting for 25% of incoming calls and emails.

The reduced phone service has been extended until the end of February, supporting focus time for member servicing and complex case review. No detrimental impact on member servicing has been identified during this period and we continue discussions with BANES Customer Services.

5 YEAR END & VALUATION

- 5.1 2024 is an interim valuation year and 12 employers have been identified for the valuation process.
- 5.2 Data from a valuation tool provided by Mercer is being used to identify and cleanse areas of data that have an impact on the employer valuation.

6 SUMMARY OF FUND MEMBERSHIP DATA QUALITY

- 6.1 The Fund maintains a Common Data score above 95%. The TPR² report summarises an annual view of outstanding cases for the last 12 months, please refer to Appendix 2.
- 6.2 The missing Care Pay cases continue to be reviewed and the overall case workload is reducing.

7 RISK MANAGEMENT

- 7.1 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

² The Pensions Regulator

regularly monitored. In addition, it monitors the benefits administration, the risk register and compliance with relevant investment, finance and administration regulations.

8 EQUALITIES STATEMENT

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

9 CLIMATE

9.1 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 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.

10 OTHER OPTIONS CONSIDERED

15.1 None.

11 CONSULTATION

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

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