

Bath & North East Somerset Council	
MEETING:	Avon Pension Fund – Local Pension Board
MEETING DATE:	12 June 2024
TITLE:	PENSION FUND ADMINISTRATION 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> <p>Appendix 3 – Pensions Increase 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 31st March 2024 vs key performance indicators (KPI's).

2 RECOMMENDATION

The Committee:

2.1 Notes the service performance for the period ending 31st March 2024.

3 PERFORMANCE –

3.1 Appendix 1 summarises service performance vs SLAs¹ to 31st March 2024. 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 below where they need to be. An up-to-date position as at 30th May 2024 will be shared with the board at the meeting. Annex 5 illustrates the quarterly workflow of all KPI and non-KPI cases.

3.2 The following are key updates to be shared with the board that impact the service and performance.

People:

- We continue to recruit to our existing structure and have appointed 10 new staff to date in 2024.

¹ *service level agreements*

- We have 4 open vacancies in the current structure including key recruitment for the Employer Services Manager and Member Service Manager.
- 2 of the 3 officers on long term sick have returned to work and are being supported with a phased return.
- From 30th May 2024 APF enter a consultation period with all staff for an organisational re-structure, taking effect from 1st August. The new structure will increase overall FTE's from 83 to 94. A verbal update on the re-structure will be given at the meeting.

McCloud:

- We are still awaiting guidance from the Scheme Advisory Board (SAB) with respect to the application of the McCloud remedy. This is now expected in June 2024, once receive we will plan and implement the remedy project.
- Work is no longer being stockpiled due to McCloud as guidance for Club transfers has now been published.
- Due to the 2023 bug in Altair we continue to review our member data, however early reporting suggests the fund has c1,000 members that will require remedy.
- Further statistics will be presented to the board at the meeting on the application of the remedy. This will be in respect of retirements since 1st October 2023 when regulations came into force.

GMP

- The fund is in the final stages of reviewing the Mercer closure report for member reconciliation. 5,150 remain outstanding as "stalemate cases" out of a population of 91,369 members, (a reduction of 8,916 previously reported to the Board in February 2024). The review will aim to be completed in July and we plan to bring recommendations to Board & Committee in September as the project progresses.

Pension Increases:

- A presentation will be given to the Board on progress with Phase 1 project and planned future phases.
- PI was successfully processed for 2024 and paid in the April payroll run. The error report identified new errors that were rectified at the provisional stage to ensure PI ran in live without issue.
- Due to an error with the software, supplementary PI was not run, this error effects all Heywood payroll clients. The fix is due in the next software update and subject to testing in June, we plan to pay supplementary PI in July.

Payroll:

- The 46 cases overpaid short to long term pensions and 3 ill health cases have been reviewed and remedied. Ongoing pensions have been corrected and any overpayments have been reviewed and the fund has agreed not to pursue any overpayments.

Process Controls:

- The fund is working with an external consultancy company to carry out a piece of work to map and review existing processes and relevant controls. The initial project will review the top 15 processes based on risk. The review is due to complete at the end of June and a full report will be brought to Board in September with a verbal update in June.

Procurement

- The fund is in the process of procuring an ISP (integrated service provider) for the pensions dashboard via the LGPS Framework.
- We are currently taking procurement advice from central BANES for the planned procurement of our core software product, plus additional elements including employer data and payroll. Procurement for this is planned Q1&2 of 2025.

4 YEAR END & VALUATION

- 4.1 2024-year end is ongoing with data being validated from employers.
- 4.2 The fund is on track to complete its annual benefit statement obligations for 2024.

5 SUMMARY OF FUND MEMBERSHIP DATA QUALITY

- 5.1 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.
- 5.2 The missing Care Pay cases continue to be reviewed and the overall case workload is reducing.

6 RISK MANAGEMENT

- 6.1 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.

7 EQUALITIES STATEMENT

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

8 CLIMATE

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

² 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.

9 OTHER OPTIONS CONSIDERED

9.1 **None.**

10 CONSULTATION

10.1 The report and its contents have been discussed with the Head of Pensions representing the Avon Pension Fund and the Director of Financial Systems, Assurance & Pensions, representing the administering authority.

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.	