

Bath & North East Somerset Council	
MEETING:	Avon Pension Fund Committee Meeting
MEETING DATE:	28 June 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> <p>Appendix 3 – Pensions Increase Project Update</p> <p>Appendix 4 – Administration 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.
- 3.2 It should be noted that we have focused on resolving older and more complex cases in recent months, which has reduced backlogs of < 30 days’ duration. Over time reduced backlogs should feed into improved SLA performance.
- 3.3 The Fund is operating materially below its SLA target of >90% for KPI cases. Annex and Annex 2 illustrate cases completed within/outside of the SLA.
- 3.4 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 at the meeting. Annex 5 illustrates the quarterly workflow of all KPI and non-KPI cases.
- 3.5 The following are key updates to be shared with the committee that impact the service and performance.

¹ service level agreements

People:

- We continue to recruit to our existing structure and have appointed 10 new staff to date in 2024.
- We have 4 open vacancies in the current structure including 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 30 May 2024 APF entered a 45-day consultation period with all staff for an organisational re-structure which will take effect on 1 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 received 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 a 2023 bug in Altair we continue to review member data. Early reporting suggests the fund has c.1,000 members requiring remedy.
- Further data will be presented to the Committee at the meeting on the application of the remedy. This will be in respect of retirements since 1 October 2023 when regulations came into force.

GMP

- The fund is in the final stages of reviewing the Mercer closure report for member reconciliation.
- c.5,000 cases (vs 14,000 reported in Q1 2024) are outstanding as "stalemate cases" out of a population of 91,000 members. The review will complete during Q3 2024 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 and Committee on progress in correcting historic errors - with c.700 cases addressed in Phase-1 during Q1 2024 and c.500 cases to be addressed during the remainder of 2024.
- PI was successfully processed for 2024 and paid in the April payroll run. Errors were identified at the provisional stage and rectified to ensure PI ran in live without issue.
- Due to an error with the software supplementary PI was not run, affecting all Heywood LGPS clients. A fix is due in the next software update and, subject to testing in June, we plan to pay supplementary PI in July.

Payroll:

- 46 cases with 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 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 Committee in September with a verbal update in June.

Procurement

- The fund is reviewing procurement options for an ISP (integrated service provider) for the pensions dashboard via the LGPS Framework.
- We are currently taking procurement advice from BANES for the planned procurement of our core software product, plus additional elements including employer data and payroll.

4 YEAR END & VALUATION

- 4.1 2024-year end is ongoing with data from employers being validated.
- 4.2 The fund is on track to complete annual benefit statements 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 Missing Care pay cases continue to be reviewed and 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.
- 6.2 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 BUDGET MONITORING

The budget outturn for the 2023-24 year was an underspend of £503k.

	Status (Year End Outturn)	Comment if significant under/over
Administration Governance & Compliance		Reduced salaries expenditure due to delays in filling vacant posts against budget in Benefits team. This has been partially offset by external support brought in and a reduction in Avon Fire administration recharge.
Pensions Board		Small underspend due to recruitment of new board members commencing slightly later in April 2024 (2024-25 year).

Key:

	Significant underspend
	On budget (not significantly under or over)
	Significant overspend

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

10.1 None.

11 CONSULTATION

11.1 The Council's Director of Financial Services, Assurance & Pensions 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.	