

<b>Bath &amp; North East Somerset Council</b>	
<b>MEETING:</b>	<b>Avon Pension Fund Committee Meeting</b>
<b>MEETING DATE:</b>	<b>20th September 2024</b>
<b>TITLE:</b>	<b>PENSION FUND ADMINISTRATION Overview &amp; Summary Performance Report</b>
<b>WARD:</b>	<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 Update</p> <p>Appendix 4 – Pensions Dashboard 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<sup>th</sup> June 2024 vs key performance indicators (KPI's).

## **2 RECOMMENDATION**

### **The Committee:**

2.1 Notes the service performance for the period ending 30<sup>th</sup> June 2024.

## **3 PERFORMANCE –**

3.1 Appendix 1 summarises service performance vs SLAs<sup>1</sup> to 30<sup>th</sup> June 2024. Within Q2 performance remains below its target of >90%. However, mid Q3 reports indicate an improvement in performance with 9 KPI's within standard (see Annex 3) this is a significant improvement in performance for the majority of case types. Further details will be shared with the board at the meeting.

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

### **People:**

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<sup>1</sup> service level agreements

- The new structure has taken effect from 1<sup>st</sup> August 2024, creating additional roles and new teams across the fund. The new structure increases total head count from 83.5 to 94.3 FTE.
- Following the restructure, APF have 16 vacant posts, 8 of which are in the Operations team. Recruitment for these posts will commence in September.
- Key appointments have been made to the Employer Services and Member Services manager roles, officers take up their posts from August and October respectively.
- 1 officer remains on long term sick.

### **McCloud:**

- The 24.3 Altair release is in test which is expected to fix the errors in McCloud bulk calculations. This is currently affecting the pensioner population which will be our priority remedy population. Once these bulk calculations are tested and resolved, we will be able to identify the true number of pensioners who are due an underpin.
- The team are looking at the guidance and regulations already published to determine the what the remediation process will be for the pensioner population. Further guidance was expected in July 2024 from the Local Government Association but the team are pushing ahead with building a model to calculate the arrears and interest due to members with an underpin pension.

### **GMP**

- The fund continues to review the data with final recommendations still outstanding.
- The review will aim to be completed in October and we plan to bring recommendations with supporting MI to Board & Committee in December.

### **Pension Increases:**

- Supplementary PI is planned for October pay run.
- The team are progressing complex cases which is slow going but have made good progress. September will be a significant milestone with a further 95 cases being put through for bulk payment. A presentation on the Pension Increase project for Phase 2 members will be given at the meeting.

### **Process Controls:**

- The fund has engaged with an external consultancy company to carry out a piece of work to map and review their highest risk processes and relevant controls.
- The review finished at the end of June with an observation report being submitted to the APF management team. The fund is now reviewing the recommendations of the report and a separate workshop will be arranged in November to report findings and next steps to Board and Committee members.

### **Procurement**

- The fund has begun the procurement process for the main software system and an Integrated Service Provider for Pensions Dashboard. This will be done as one contract using the LGPS framework.

- An external consultant has been appointed to support officers with the management of this procurement project.

#### **4 YEAR END & VALUATION**

- 4.1 The 2024-year end data collection process is complete and all employer data has been validated and loaded on to the system.
- 4.2 Additional data cleansing has taken place to support the employers in the interim valuation process.
- 4.3 A review is under way to assess employers' performance with respect to data quality and timeliness of data returns.
- 4.4 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 TPR<sup>2</sup> 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 continues to reduce.

#### **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 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**

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<sup>2</sup> *The Pensions Regulator*

10.1 The Director of Financial Services, Assurance & Pensions 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>	