

<b>Bath &amp; North East Somerset Council</b>	
<b>MEETING:</b>	<b>Avon Pension Fund Committee Meeting</b>
<b>MEETING DATE:</b>	<b>13<sup>th</sup> December 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 – Administration Update</p> <p>Appendix 2 – TPR Data Improvement Plan</p> <p>Appendix 3 – GMP report</p> <p>Appendix 4 – SF3 Benchmarking</p>	

## **1 THE ISSUE**

The purpose of this report is to present the Fund's administration performance for the period up to and including 17<sup>th</sup> November 2024 vs key performance indicators (KPI's).

## **2 RECOMMENDATION**

### **The Committee:**

Approves the GMP report in Appendix 3.

Notes the service performance for the period ending 17<sup>th</sup> November 2024.

## **3 PERFORMANCE**

Appendix 1 summarises service performance vs SLAs<sup>1</sup> to 17<sup>th</sup> November 2024. Reports show a significant improvement in KPI processing with a current weighted average of 91% for Q3. There are now less than 99 cases over 31 days. A further update will be shared at the meeting.

## **4 Restructure**

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<sup>1</sup> *service level agreements*

- APF are in the final stages of the restructure, with progress being made to appoint key officers to the Business Change team, including the Business Change Manager and Project Manager.
- Overall, 6 appointments have been made within the last quarter with a further 5 under recruitment. This in turn may create some further roles to be backfilled.

## **5 McCloud**

- The first phase of the remedy project for pensioners has begun, and cases will be reviewed on a case-by-case basis.
- 2 further sub-projects have been established a) to write to all members that we believe are not in scope for remedy but may be if they have qualifying service elsewhere, b) data rectification for c5000 due to bulk tranche update errors.
- Deadline for McCloud remedy is August 2025

## **6 Pensions Increase**

- The Fund have made the decision based on the number of records left to be reviewed, that the Pension Increase project is now concluded.
- The majority of members have now been remediated or have been excluded as not needing to be increased.
- The remaining member records to be actioned will form part of the administrations team's business as usual:
  - 24 Death cases – awaiting responses from the spouse or next of kin to make payment of arrears to the Estate.
  - 6 Dependant cases – awaiting responses from the dependant to make payment of arrears.
  - 96 GMP cases – High level analysis shows that these may not be an underpayment. All these records will require more investigation and manual calculations to determine whether there is an under or overpayment. The plan is to project manage these cases across the administration team and complete in 2025.

## **7 GMP**

- Appendix 3 is the recommendation report for the funds approach to GMP reconciliation. The fund seeks approval of the report.

## **8 Pensions Dashboards**

- APF aim to procure the Integrated Service Provider (ISP) by Jan 2025.
- A reporting tool has been purchased to assist with the "Find and View" data. This will allow the fund to validate the presence, consistency and compliance of our data.

## **9 Process Controls**

- A workshop on progress and plans for process controls was presented to Board and Committee members in November.
- Work is ongoing to define our process controls and competency framework.

**10 Procurement**

- A verbal update will be given at the meeting

**11 Statutory Annual Requirements**

- The Public Service Pensions Act 2013 requires Funds to produce Annual Benefit statements for active members by 31<sup>st</sup> August annually.

- Active members - The fund issued 37,874 statements by the regulatory deadline. 626 statements were suppressed due to pensions less than £5 and 54 due to other issues. This equates 98.24% of the active population.

- Deferred Members – The fund issued 39,678 statements by the 31<sup>st</sup> August. 162 were suppressed due to pensions less than £5, 4492 due to us not holding a current postal address and 182 for other reasons. This equates to 89.14% of the deferred population.

- A further 102 statements were issued in October as a sweep up exercise following data cleansing exercises.

- Pensions Saving Statements have a regulatory deadline of 6<sup>th</sup> October annually.

- The fund issued 13 Pension Savings Statements of which 3 had a potential tax charge. 1 further case remains ongoing. This equates to 92.8% of statements issued within the regulatory deadline.

**12 Year End Employer Performance**

- As a result of employer year end data submissions, a total of 40 employers will receive a data improvement plan, of which 16 will receive a penalty fine for poor data returns (data queries in excess of 10%).

**13 Budget Monitoring**

As at October 31st 2024, the budget for the year (y/e forecast) is predicted to be significantly under spent as shown below.

	Status (Year End Forecast)	Comment if significant under/over
Administration		Reduced Salaries expenditure whilst restructure takes place and posts are appointed to.

Governance & Compliance Pensions Board		Reduced Salaries expenditure whilst restructure takes place and posts are appointed to.

Key:

	Significant underspend (>5%) against budget for the year
	On budget for the year (not significantly under or over)
	Significant overspend (>5%) against budget for the year

#### 14 SF3 Benchmarking

- Benchmarking is a vital tool that helps drive improvements and deliver value for money by measuring back office functions and comparing performance to similar organisations, therefore identifying where changes are needed and improve efficiency.
- The Fund took part in the CIPFA Benchmarking exercise for approximately 15 years. However over the years the number of Funds taking part in the exercise had declined and therefore the Fund has decided to make use of the SF3 data which all Funds are required to submit to MHCLG.
- SF3 data collection obtains data on the administration and fund management of the Local Government Pension Scheme.
- The Fund has extracted benchmarking data from the SF3 data and has attached the results in appendix 4.

#### 15 RISK MANAGEMENT

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.

#### 16 EQUALITIES STATEMENT

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

#### 17 CLIMATE

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.

## **18 OTHER OPTIONS CONSIDERED**

None.

## **19 CONSULTATION**

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

<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>	