

Bath & North East Somerset Council	
MEETING:	Avon Pension Fund Committee Meeting
MEETING DATE:	26 th September 2025 Item 10
TITLE:	PENSION FUND ADMINISTRATION Performance Report
WARD:	ALL
AN OPEN PUBLIC ITEM	
<p>List of attachments to this report:</p> <p>Appendix 1 – Pensions Administration Strategy</p> <p>Appendix 2 – Communication Policy</p> <p>Appendix 3 – KPI performance report</p> <p>Appendix 4 – TPR Data Improvement Plan</p> <p>Appendix 5 – McCloud determination</p>	

1 THE ISSUE

The purpose of this report is to present the Fund's administration performance for the period up to and including 31st July 2025 vs key performance indicators (KPI's).

2 RECOMMENDATION

The Committee:

- Approves the new Pensions Administration Strategy
- Approves the Communications Policy
- Notes the service performance for the period ending 31st July 2025.

3 Pensions Administration Strategy

The Local Government Pension Scheme (LGPS) Regulations 2013 (regulation 59) allows Pension Fund Administering Authorities to prepare and publish a Pensions Administration Strategy (PAS). The primary purpose of the PAS is to clearly define the roles and responsibilities of the Fund and scheme employers. Although it is not currently compulsory in any regulations to have a PAS, it is expected that the Scheme Advisor Board's Good Governance review will make this a mandatory requirement.

The PAS sets out the performance standards and best practice that the fund and scheme employers should aim to meet. The document defines clear roles and responsibilities and has been developed with the need to comply with new

regulations for Pensions Dashboards. The fund intends to apply the PAS in a working partnership arrangement with scheme employers and their third-party payroll providers. The new PAS can be found in Appendix 1. Once the Strategy has been approved by Committee the fund will go in to consultation with scheme employers for a period of 3 months.

The Pension Board have responsibility for monitoring the application of the PAS, including performance standards and will report to the Pensions Committee on both. The Board met in an informal meeting on 3rd September and approved the PAS and Communication policy.

4 Communication policy

The Communications policy is required by LGPS Regulations 2013, Section 61 and forms part of the PAS. It outlines our guidelines and principles on how the fund will communicate with members, employers and other stakeholders. It has been designed to provide an effective and transparent framework for communications. The new policy can be found in Appendix 2.

5 PERFORMANCE

Appendix 3 includes performance of service vs SLAs¹ up to 31st July 2025. Following a dip in performance in early 2025, the fund is now seeing continued improvement in performance.

6 Recruitment & Development

4 officers joined the fund in the last quarter, leaving the fund with 3.4 vacant posts across the Administration and Business Change teams. 4 Officers are starting the new LGPS Pension Administration qualification which will take 18 months to complete.

7 McCloud

On 12th August as part of the PAS workshop the Pension Board were briefed on the funds plan to exercise its discretion to make a determination in respect of McCloud. This will extend the deadline to complete the remedy exercise until 31 August 2026. All board members agreed with the fund's decision. Further details of the McCloud project can be found in Appendix 5.

8 Pensions software migration

The fund successfully migrated to our software provider, Heywood, hosted environment on 21st July. Following this success, work has begun on two key projects, 1) Integrated data cleansing 2) New member portal.

¹ service level agreements

9 Pensions Dashboard & ISP (Integrated Service Provider)

ISP implementation is progressing well and on track for connection by 31 October 2025. The fund has completed Phase 1 user acceptance testing of data reports and matching criteria and is working with Heywood to complete Phase 2 Dashboard connection activities. The fund's registration to the Pensions Dashboard Programme has been submitted by Heywood and approved. Engagement with AVC providers continues including finalising integration agreements and data reconciliation processes

10 Access & Fairness Consultation

In May 2025 MHCLG published the 'Access and Fairness' Consultation. This consultation seeks to address many regulation anomalies and bring about change to make benefits from the LGPS scheme fair to all.

The primary areas that the Government are looking to make change are:

- Survivor and cohabitee pensions
- Death grants
- Opt out and gender gap reporting

Despite supporting the consultations, the fund had reservations due to the impact of such regulation change and possible associated timescales for any remedy and reporting as follows:

For Survivor benefits, cohabitee pensions and death grants, the regulations will be changed retrospectively and so this will mean re-visiting past death cases, some as far back as 2005 when the respective marriage law changed.

As a relatively large fund, the work to identify, analyse and remedy these cases will be significant and the drain on resource heavy. If Government brings in the changes immediately, funds will not be ready to deal with the changes.

Administration systems will not be able to calculate the benefits and the costs to the fund will be at an all-time high with the other regulatory projects being concluded.

For opt out and gender gap reporting, if this is to become the responsibility of the Admin Authority, Avon Pension Fund with almost 500 employers it will be yet another significant burden. Further IT development will be needed from both scheme employer and admin authority.

The fund responded to the consultation in July before it closed in early August. We agreed with the proposals in main but urged the Government not to implement all the changes at once. The Governments response to the consultation is expected later in 2025.

11 Data Improvement plan

Appendix 4 is a summary of the Fund's data position and shows a slight improvement in the overall score at 95.6%. The fund is in the process of reviewing its Data Improvement Plan which will be shared with the Board when complete.

12 RISK MANAGEMENT

The Avon Pension Fund Committee is the formal decision-making body for the Fund, including responsibility for adequate risk management. It discharges this responsibility by ensuring the Fund has an appropriate investment strategy and investment management structure in place which is regularly monitored. It also monitors benefits administration, the risk register and compliance with relevant investment, finance and administration regulations.

13 EQUALITIES STATEMENT

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

14 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.

15 OTHER OPTIONS CONSIDERED

None.

16 CONSULTATION

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.

Contact person	Claire Newbery Pensions Operations Manager 01225 394701
Background papers	Various statistical documents
Please contact the report author if you need to access this report in an alternative format.	