

## **BATH AND NORTH EAST SOMERSET**

### **PENSION BOARD**

Tuesday 3rd June 2025

**Present:-** Nick Weaver (Chair), Helen Ball (Member Representative) and Steve Harman (Employer Representative)

**Also in attendance:** Nick Dixon (Head of Pensions), Jeff Wring (Director of Financial Services, Assurance & Pensions), Liz Woodyard (Group Manager for Funding, Investment & Risk), Claire Newbery (Pensions Operations Manager), Carolyn Morgan (Governance and Risk Advisor), Rebecca Clark (Member Services Manager) and Claire Moon (Digital Services Manager), Anne Black (Business Change Manager), Viki Merrill (Project Officer) and Richard Hopkins (Project Manager)

#### **53 EMERGENCY EVACUATION PROCEDURE**

The Chair welcomed everyone to the meeting and asked the Democratic Services Officer to read out the Emergency Evacuation Procedure.

#### **54 APOLOGIES FOR ABSENCE**

The Democratic Services Officer informed the Board that apologies had been received from Jon Evans (Employer Representative) and Alison Wyatt (Member Representative).

#### **55 DECLARATIONS OF INTEREST**

There were none.

#### **56 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR**

There was none.

#### **57 ITEMS FROM THE PUBLIC**

There were none.

#### **58 ITEMS FROM MEMBERS**

There were none.

#### **59 MINUTES OF PREVIOUS MEETING: 4TH MARCH 2025 (PUBLIC & EXEMPT)**

The Board approved the minutes of the previous meeting and they were duly signed by the Chair.

## 60 PENSION FUND ADMINISTRATION PERFORMANCE REPORT

The Pensions Operations Manager introduced the report to the Board and highlighted the following points.

- Recruitment – The fund has successfully recruited 11 new officers joining the Operations and Business Change teams in the last month, 10 of which were in Administration. This leaves a further 4.5 vacant posts including 1 within Business Change team, recruitment is ongoing.
- McCloud - The team are on track to complete the known McCloud cases before the 31st August. We have remediated more than 2/3rds of the 360 pensioner cases identified and have also completed the death cases, trivial commutations and certain types of transfers out (Non club and interfunds). There are still some complex cases to work through including club transfers and divorce cases.

### SLA monthly performance average April 2024 to April 2025

- Average at around 80%
- High influx of member inquiries had an impact on staff resources. Letters sent re: McCloud and tracing a factor in the increase.
- Team is working as hard as ever and we remain above our projected expectations.

### Total KPI's outstanding – Apr 2024 to Apr 2025

- 1897 (as at 27/4/25) – This figure did rise a little but is now decreasing.

### KPI's outstanding over 31 days – Apr 2024 to Apr 2025

- Around 300 as of 2/6/25
- Pensions Increase led to additional work required.

### Service performance – plan v's actual

- The Fund remains ahead of the plan as of Q4 2025.

The Head of Pensions commented that when they had began this work, around 18 months ago, they knew that there would be ups and downs. He said that the team should be proud for maintaining their progress of performance and that he expected it to continue to improve.

Councillor Toby Simon referred to the Pensions Increase and asked if there were any workarounds in terms of the end of year processing.

The Pensions Operations Manager replied that there was not at the moment and was something they need to work on with their software provider.

The Chair asked if the recent officer visit to Worcester had been useful.

The Member Services Manager replied that they had been able to have an open conversation with their staff and had welcomed the information that had been shared.

The Digital Services Manager added that they had demonstrated the use of iConnect and discussed the subjects of automation and workflow.

The Project Officer said that it had been a productive meeting as they were in phase 1 of implementing the Pensions Dashboard.

The Chair commented that he felt it would be good to keep the dialogue ongoing.

### Status 2 Backlog

- Status 2's – What are they?
  - Status 2 = Undecided leaver
  - We have been told by an employer via their monthly data return that a post has ended, but there could be a number of reasons that leave them as a Status 2
- Why do they sit as Status 2?
  - We are waiting for:
  - A member decision
  - Information from another fund or scheme
  - More information from the employer or member
- Actions and decisions
  - We must review a record and decide:
  - Link or Aggregate with other records
  - Write to member and offer a refund & transfer out quote
  - Send them their retirement options
  - Defer the pension and send the member a statement
- Why?
  - Good Record Keeping & Best practice
  - Complies with the Pension Regulator code of practice
  - Members can view their complete pension record
  - Data available via Pensions Dashboard
  - Annual benefit statement
  - Valuation

The Chair stated employers have a statutory responsibility to inform the Fund regarding the reason for the member leaving.

The Pensions Operation Manager explained that they were working on putting a consistent process in place. She added that employers have 15 working days to provide them with a leaver form.

## Status 2 Records

- During the last year, the number of status 2 records we held on our system peaked at 8,307 during September 2024. Compared with 5,790 status 2 records as at the end of April 2025, this is a 30% reduction.

## Type of Cases Outstanding on Status 2 Records

- As at the end of April 2025, the total outstanding cases of 6,312 are made up of 58 different types of cases. However, 5 cases made up 83% of the 6,312 total outstanding.
- iConnect Leavers (2,540 40%) / Aggregation Type A (1,342 21%) / Retirement (Active) (658 10%) / Interfunds In (419 6%) / Aggregation Type B (375 6%)

## Actions so far

- Target oldest cases first (using MI)
- Simplified processes and removed duplication
- Reduced checking of low value refunds
- Recruitment and training
- Improved internal escalation process

## Next steps & plan

- Automate reminders to members to reply
- Automatically defer a pension if a member doesn't reply after a chaser (not at SPA)
- Process improvement for aggregation (Approx saving 10 mins per case)
- Bulk processing of cases
- Change retirement pack age from 55 to 60
- Adopt system improvements

The Chair commented that officers need to be strict with employers when attempting to obtain this information.

The Digital Services Manager replied that they do intend to be more consistent in their approach and to ask employers to find a way to provide the information required.

The Pensions Operation Manager added that they need to trust the data that is provided to them by employers and said that the Fund has a good employer relationship team in place.

She added that this matter would be reviewed as part of the Administrative Strategy and employers would be advised of the SLA in place. She said that potential fines are being considered.

The Business Change Manager addressed the Board on the subjects of Procurement and Hosting.

## Administration Software Procurement

- New 7- year contract signed with Heywood via the COTS agreement with Softcat 17 April 2025
- New contract covers existing Altair & i-Connect plus new Products & Services - Hosting, Dashboard ISP, Data Cleanse, Engage (with SMS & EIDV), Enhanced Admin to Pay
- Reinforced and improved our relationship with Heywood
- Sets foundation for Digital improvement
- Supports regulatory needs for Pensions Dashboard

## Migrating from 'On-premises' to 'Hosted'

- **WHY?** - To support **B&NES Cloud First** programme moving the application software and databases from a B&NES on-premises server to a cloud hosted solution.
- **WHO?** - **Heywood**, our software provider for Altair and associated modules, will provide hosting services via their supplier, Service Express.
- **WHEN?** - In progress now. BANES IT & Financial Systems are supporting us with the move. Aiming to complete move by **end July 2025**.

The Fund Project Manager addressed the Board regarding the Administration Roadmap 2025-26.

## 2025 and beyond, Priorities & Objectives

- Avon Pension Fund's 2025 vision is driven by people, performance, process, and digital transformation. Supporting and developing teams ensures talent growth, high standards, and alignment with Pensions Dashboards and employer needs.
- Four Pillars: People, Performance, Process, and Digital transformation
- Four Priorities:
  - Pensions Dashboard
  - McCloud
  - Member portal upgrade
  - Transition to hosting solution
- Deliver change whilst retaining the member experience. Recognise that change needs to be flexible.

## Annual Projects

- Year End / Annual Benefit Statements / Pension Savings Statement / Annual Report / PI process / Valuation

### Regulatory & key enablers

- Pension Dashboard / McCloud Remedy / Administrative Strategy Refresh / Unified Comms (Phase 1) / Hosting – Website

### Transformation

- Engage (My Pension Online – upgrade) / Bulk processing / I-Connect Multi-factor authentication / Hybrid Mail Transition

The Pensions Operation Manager said that Hybrid Mail has the potential to save significant officer time and lessen the possibility of any data breaches.

The Project Officer addressed the Board regarding the Pensions Dashboard.

### Avon Pension Fund: Connecting to Pensions Dashboards

- The Avon Pension Fund is preparing to link with the Pensions Dashboard, making it easier for our members to access their pension information. This will be carried out in phases with the aim of being live and connected by 31<sup>st</sup> October 2025.
- **Preparation phase - Getting the data ready:** Checking records to make sure everything is correct and up to date, fixing any errors and making improvements where needed
- **Connecting to the dashboard:** Setting up a secure system so members can view their pension details online whenever they need to.
- **Implementation, Phase 1 & 2.** This includes setting the matching requirements, creating the processes to support member enquiries when engaging with the central dashboard
- **Connection** – Further testing will be required once connected to the live environment.

### Timeline

- Nearly at the end of Phase 1 – System Configuration / Upload member data and resolve errors captured (scenario testing) / Set Matching requirement.
- Phase 2 - Configure live matching rules / Registration with TPR / Test Admin processes for enquiries.

### Preparing for Pension Dashboards

- Work is underway to ensure members have easy access to up-to-date pension information while reducing administrative pressures on our teams.

- Areas of focus have included: Data Accuracy / Tracing Members / Process Automation / Reducing Backlogs / Annual benefit Statements / Ongoing Monitoring.

Helen Ball asked if the consequences were known if the Fund were found to be non-compliant, in terms of connection to the Dashboard by the Pensions Regulator.

The Chair replied that as far as he was aware there was no option to miss the connection deadline.

Councillor Toby Simon stated that preparation was key when applying the matching criteria.

The Project Officer replied that this process was currently ongoing and that she felt that their data was really good. She added that they would act on any issues that are identified.

The Board **RESOLVED** to note the service performance for the period ending 30th April 2025.

## 61 UPDATE ON LEGISLATION

The Governance & Risk Advisor introduced the report to the Board and highlighted the following areas.

### Pensions Review - Pooling / Brunel

The Fund received a letter from the Government in April 2025 that stated that the Brunel pool's proposals did "not meet the Government's vision for the future of the LGPS" and issued an "invite" to the Fund to consider and identify a new pool to work with going forward.

On 12 May 2025, following on from the statement issued in April 2025 in response to the letter issued by the Government regarding the Brunel (and Access) pools and an urgent meeting convened by the Board on 9 May, the Scheme Advisory Board issued a letter to both the Pensions Minister and the Local Government Minister requesting an extension to the pooling deadlines already in place given the "perfect storm" administering authorities are currently facing with McCloud, Pensions Dashboard, General Code, Local Government Reorganisation and also changes emerging from the local elections.

A meeting between LGPS Committee Chairs, SAB and the Local Government Minister took place on 13 May 2025 to discuss the issues raised in the letter.

### New consultation: Local Government Pension Scheme in England and Wales: Access and fairness

The government has published a new consultation around LGPS, concerning access and fairness. The consultation's proposed operational changes will impact LGPS administrators.

The Board **RESOLVED** to note the current position regarding the developments that could affect the administration of the fund.

## **62 RISK MANAGEMENT UPDATE - RISK REGISTER**

The Governance & Risk Advisor introduced the report to the Board and highlighted the following areas.

- The quarterly review of the risk register has taken place and a couple of changes have been made to scores for this quarter. Some amendments have also been made to current impacting factors.
- Risk NR19 - structural reform to LGPS / Pooling has been amended to 'Move to new asset pool'. The score has been updated to reflect the likelihood increasing from likely to almost certain.
- Risk NR07 – Employers Data. Following the successful roll out of I-Connect to all employers and more employer training taking place the likelihood has been reduced from likely to possible.
- Our top 3 risks have been updated to reflect the change of score to the pooling risk:
  - NR06 – the loss of IT including cyber attack and loss of power. The fund is planning to move its admin system to a Heywood hosted solution and appropriate data protection and cyber assessments are being carried out.
  - NR01 – Poor service levels below agreed standards. The current factors impacting this risk are set out in the Pension Fund Administration report. As part of the Business Continuity Plan review a service level plan and crisis communication plan have also been agreed.
  - NR19 – Move to new asset pool. Work and discussions are ongoing with pool and advisors. See full report within June Committee report.

The Board **RESOLVED** to note the report.

## **63 GOVERNANCE UPDATE**

The Governance & Risk Advisor introduced the report to the Board and highlighted the following areas.

### Work Plan

- In developing a work plan the Board should reflect the need to maintain a balance between building the knowledge and understanding of Board Members along with delivery of the statutory obligations of the Board.



## Training

- Board Members should have a breadth of knowledge and understanding that is sufficient to allow them to understand fully any professional advice the Board is given. They should also be able to challenge any information or advice they are given and understand how that information or advice impacts on any decision relating to the Board's duty to assist the Avon Pension Fund.
- As agreed at previous Board meetings individual board members should retain their own training log to evidence how they are fulfilling their responsibilities and update these on a quarterly basis to the Governance Team to aid future training needs analysis.

## Recruitment

- This is the last meeting for Steve Harman (Employer Representative)
- 1 Member Representative and 2 Employer Representatives required
- Interviews planned to take place in August

Councillor Toby Simon asked if the Trade Unions had been directly approached with regard to a Member Representative.

The Governance & Risk Advisor replied that they had not and said that advertisements had been sent to all members and employers and posted on the Fund website and LinkedIn.

The Chair gave thanks to Steve Harman on behalf of the Board for his work and contributions over many years.

The Board **RESOLVED** to:

- i) Note the workplan & training plan for 2025
- ii) Note the dates for future meetings.

The meeting ended at 11.40 am

Chair(person) .....

Date Confirmed and Signed .....

**Prepared by Democratic Services**