
PENSION ADMINISTRATION PERFORMANCE 2018/19

Report by Service Director HR and Communications

JOINT MEETING OF PENSION FUND COMMITTEE AND PENSION BOARD

13 June 2019

1 PURPOSE AND SUMMARY

- 1.1 **This report presents the Pensions Administration Performance for 2018/19 and requests the Committee's approval of its inclusion in the Annual Report for the Fund.**
- 1.2 **Appendix 1** contains the Pensions Administration Performance for 2018/19 as it will be included in the Fund's Annual Report and Accounts.
- 1.3 During 2018/19 there was a reduction in the payments being made on time, the three payments that were late were all received within 4 working days of the due date.
- 1.4 Performance has returned to the expected high standard after a challenging period in the previous year. The new staff members in the team have much more experience of the complexities of Pensions legislation and Scottish Borders Council are again providing information in the expected timely manner.
- 1.5 The Annual Benefit Statements were issued in accordance with the 31 August deadline in all instances.
- 1.6 There was another successful Employer Liaison Meeting held during 2018/19 and agreement reached that this would be a useful event to hold on an annual basis, which will be scheduled in due course.

2 RECOMMENDATIONS

- 2.1 **It is recommended that the Pension Fund Committee notes the Pension Administration Performance for 2018/19 as set out in Appendix 1 and approves its inclusion in the Pension Fund Annual Report and Accounts 2018/19.**

3 BACKGROUND

- 3.1 It is a requirement of the current LGPS Regulations and best practice that the Pension Fund maintains a Pensions Administration Strategy. At the joint meeting of the Committee and Board on 13 September 2018 the latest version of the Pension Administration Strategy for the Fund was approved.
- 3.2 In accordance with the Pension Administration Strategy a number of administration function performance measures were introduced to evaluate the performance of both the Fund and Employers.
- 3.3 A further requirement is that the performance against the Strategy is reported in the annual Report and Accounts for the Fund.

4 PENSIONS ADMINISTRATION PERFORMANCE 2018/19

- 4.1 **Appendix 1** contains the Pensions Administration Performance Report for 2018/19 as it will be included in the Fund's Annual Report and Accounts.
- 4.2 Performance in general has returned to the level that is expected following the drop in performance levels reported in 2017/18. The new staff members in the team have much more experience of the complexities of Pensions legislation. Scottish Borders Council, our largest employer body, are again providing information in the expected timely manner with information on Starters, Leavers and Changes being received on a monthly basis.
- 4.3 The Pensions Team were able to comply with the legislative requirement to issue all benefit statements, to both Active and Deferred scheme members, and did so by the 31 August deadline. There were 6,605 statements issued this year.
- 4.4 During 2018/19 HR Shared Services recorded 3,323 instances where contact was made with the team to query information relating to their Pension, this is a significant increase compared to previous years. In 99.64% of these instances a final response was provided to the individual, be this in writing or face to face, within the 5 target days, with the vast majority being provided on the same day. There were a further 232 queries related to Annual Benefit Statement, in 99.57% (1 query) of these instances the 20 day target for responding was met.
- 4.5 **Employer Performance Measures**
During 2018/19 there were three instances where payments were received late. The payments that were made after the target date were all received within a maximum of 4 calendar days. These continue to be monitored on a monthly basis to ensure all bodies continue to comply with the deadlines for payments.
- 4.6 **Administering Authority Performance Measures**
The key performance targets are set out in the **Appendix 1**. The performance achieved this year was very similar to the previous reporting year. The processing of Transfers is an area that we continue to look to make improvements towards the 20 day target we have set.
- 4.7 During 2018/19 an Employer Liaison meeting was held, to discuss the changes to the year end reporting for the scheme and to discuss any operational challenges that the bodies were facing. This was a successful meeting and was beneficial to all parties. It was agreed that this will continue to be an annual event and it would be helpful if this was timed

around February/March, where the Fund could advise employers of changes for the coming year and remind them of their responsibility for the year end.

- 4.8 During 2018/19, 40,416 payments were processed, an increase from 38,765 in 2017/18, to pensioners for a total of £17.014m. In addition to this, 134 payments were also processed, an increase from 129 payments in 2017/18, to pensioners who now reside overseas for a total of £70,117, these payments are processed via Western Union, providing pensioners with a cost effective means of transferring a sterling pension payment into the appropriate local currency.

4.9 **Employer Contribution Rates**

The following table outlines the employer contribution rates that are effective from 1st April 2018 in line with the previous triennial valuation and/or reports received from the Fund Actuary on the admission of new Bodies.

Employer	Employer Contribution %
Visit Scotland	18.00
Borders College	18.00
Scottish Borders Council	18.00
SB Cares	18.00
AMEY	18.00
CGI	21.10
Live Borders	18.00
Jedburgh Leisure Facilities Trust	18.00
Scottish Borders Housing Association	20.30

5 IMPLICATIONS

5.1 **Financial**

There are no financial implications relating to this report.

5.2 **Risk and Mitigations**

This report is part of the governance reporting framework to manage the operation of the Pension Fund and reflects the compliance with the best practice recommendations. Risks regarding the administration of the Pension Fund have been identified are included on the Pension Fund and HR risk registers, being managed and controlled following the Corporate Risk Management Framework.

5.3 **Equalities**

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report.

5.4 **Acting Sustainably**

There are no direct economic, social or environmental issues with this report which could affect the Council's sustainability.

5.5 Carbon Management

No effect on carbon emissions are anticipated from the recommendation of this report.

5.6 Rural Proofing

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

5.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to either the Scheme of Administration or the Scheme of Delegation are required as a result of this report.

6 CONSULTATION

6.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk and the Clerk to the Council have been consulted and any comments have been incorporated into the final report.

Approved by

Clair Hepburn
Service Director HR and Communications

Signature

Author(s)

Name	Designation and Contact Number
Ian Angus	HR Shared Services Manager 01835 826696

Background Papers:

Previous Minute Reference: Joint Pension Fund Committee and Board 13 September 2018

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Ian Angus can also give information on other language translations as well as providing additional copies.

Contact us at Ian Angus, HR Shared Services Manager, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA; Tel: 01835 826696; Fax: 01835 825011; E-mail ianangus@scotborders.gov.uk.