
PENSION ADMINISTRATION PERFORMANCE 2019/20

Report by Service Director HR and Communications

JOINT MEETING OF PENSION FUND COMMITTEE AND PENSION BOARD

22 June 2020

1 PURPOSE AND SUMMARY

- 1.1 **This report presents the Pensions Administration Performance for 2019/20 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 2019/20 as it will be included in the Fund's Annual Report and Accounts.
- 1.3 During 2019/20 all payments were made on time with the exception of one employer, the three payments that were late were all received within two working days of the due date.
- 1.4 Performance has remained at the expected high standard, which is testament to the dedication of the staff within the Pensions Team, having coped with the resignation of two members of staff and the TUPE transfer of SB Cares back to Scottish Borders Council during the reporting period.
- 1.5 The Annual Benefit Statements were issued in advance of the 31 August deadline in all instances.
- 1.6 The Employer Liaison Meeting scheduled for March was not held due to the COVID19 situation, a review of the communication methods for future years will be carried out and if circumstances allow we will look to hold the employers event to hold on an annual basis, which will be scheduled in due course.
- 1.7 Due to the COVID19 situation no payslips have been issued to pensioners, this along with information on the application of the Pensions Increase and a link to the Local Government Association FAQ's on COVID19 and the LGPS have been published on the Pension Fund Website.

2 RECOMMENDATIONS

- 2.1 **It is recommended that the Pension Fund Committee notes the Pension Administration Performance for 2019/20 as set out in Appendix 1 and approves its inclusion in the Pension Fund Annual Report and Accounts 2019/20.**

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 2019/20

- 4.1 **Appendix 1** contains the Pensions Administration Performance Report for 2019/20 as it will be included in the Fund's Annual Report and Accounts.
- 4.2 Performance has been at a high standard throughout the reporting year. This is testament to the dedication of the staff within the team, having coped with the resignation of two members of staff during the year and the increased workload from the TUPE transfer of SB Cares back to Scottish Borders Council. 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 annual benefit statements, to all Active and Deferred scheme members, and did so by 14 August 2019 ahead of the 31 August deadline. There were 6,760 statements issued this year.
- 4.4 During 2019/20 HR Shared Services recorded 2,236 instances where contact was made with the team to query information relating to their Pension. The recorded number is down on the previous year, however, this does not mean that the number of contacts reduced, there have been periods throughout the year when the Team have been under pressure to deliver on multiple fronts with reduced staffing levels and not all enquiries/contacts were recorded. This was a conscious decision to ensure we continued to pay pensioners on time.
For all instances recorded all were responded to within the 5 day target, with the vast majority being provided on the same day. There were 243 queries logged relating to Annual Benefit Statement all of these met the 20 day target for responding.
- 4.5 **Employer Performance Measures**
During 2019/20 there were three instances where payments were received late, these were all from the same employer. The payments that were made after the target date were all received within a two calendar days. These continue to be monitored on a monthly basis to ensure all bodies continue to comply with the deadlines for payments.
A letter has been issued to Jedburgh Leisure Facilities Trust to remind them of their requirements to submit monies by the 19th of the month to ensure they comply with the scheme regulations and the terms of their admission to the Fund.

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.

A new classification has been added to this years report to enable the capture of changes in positions where the scheme member remains in employment with the same employer but has gained employment in a new position. This accounts for around as many changes on a monthly basis as full starters and leavers. This was compounded this year with the TUPE transfer of employees from SB Cares to Scottish Borders Council, seeing 718 changes required – a much bigger change than the change of a position within the same employer.

- 4.7 During 2019/20 the Employer Liaison meeting was not held due to the COVID19 situation. In place of the meeting an email was issued to all employers providing the details of the requirements for the year end reporting for the scheme and action to be taken in preparation for the coming years payroll.

In light of the current situation and the likelihood of ongoing changes to working practices within the Council we are going to review the methods of communication and look to agree an amended approach with all employers within the Fund. If circumstances allow we will continue to hold an annual employers event, even if this is done as a virtual event using Microsoft Teams, and this will be 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 In response to the COVID19 situation additional information was posted within the Scottish Borders Council Pension Fund website, this included the following: -

- Notice that we were unable to issue payslips and guidance on how to sign up for online access to payslips
- Information regarding Pensions Increase
- COVID19 Pension Fund Update with a link to the Local Government Association FAQ's for LGPS members

To date there have been 18 pensioners signed up for online payslips. When we next write to all pensioners we will make them aware that this is an available option for viewing payslips, ordinarily we only print when there is a variance in excess of £5.00 from the previous period. There has also been amendments made to the communications for new pensioners to make them aware that this is available.

Steps are being taken to start to collect email addresses for all active, deferred and pensioners to enable all communications to be delivered in an electronic means. Meeting the Council's Fit for 2024 agenda to make use of technology wherever possible.

- 4.9 During 2019/20, 41,744 payments were processed, an increase from 40,416 in 2018/19, to pensioners for a total of £17.831m. In addition to this, 146 payments were also processed, an increase from 134 payments in 2018/19, to pensioners who now reside overseas for a total of £69,142, 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.

4.10 **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
AMEY	18.00
CGI	21.10
Live Borders	18.00
Jedburgh Leisure Facilities Trust	18.00
Scottish Borders Housing Association	20.30
South of Scotland Enterprise	20.60

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 Integrated Impact Assessment

There is no impact or relevance to Equality Duty or the Fairer Scotland Duty for this report. This is routine good governance required under the Local Government Pension Scheme (Governance) (Scotland) Regulations 2014. Nevertheless, a light touch assessment has been conducted and this will be published on SBC's Equality and Diversity Pages of the website demonstrates that equality, diversity and socio-economic factors have duly been considered when preparing this report.

5.4 Acting Sustainably

There are no direct economic, social or environmental issues with this report.

5.5 Carbon Management

There are no direct carbon emissions impacts as a result of this report.

5.6 Rural Proofing

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

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 Council's Executive Director Finance & Regulatory, Chief Legal Officer (Monitoring 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)

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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.

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