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## **PENSION ADMINISTRATION PERFORMANCE 2020/21**

**Report by Service Director HR and Communications**

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### **JOINT MEETING OF PENSION FUND COMMITTEE AND PENSION BOARD**

**10 June 2021**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 **This report presents the Pensions Administration Performance for 2020/21 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 2020/21 as it will be included in the Fund's Annual Report and Accounts.
- 1.3 During 2020/21 all payments, lump sums and monthly pension, were made on time.
- 1.4 Performance has remained at the expected high standard, which is testament to the dedication of the staff within the Pensions Administration Team, having coped with the move to homeworking and adopting new working practices as a result of the global pandemic.
- 1.5 The Annual Benefit Statements were issued in advance of the 31 August deadline in all instances.
- 1.6 The annual Employer Liaison Meeting was held as a virtual meeting in March due to the continued COVID19 restrictions. The event was well attended with representatives from the majority of the Fund Employers. Updates were provide on Investments, Administration and the Fund Actuary gave a presentation on the new accounting report requests.
- 1.7 Due to the continued COVID19 situation, with staff working predominantly from home, no payslips have been issued to pensioners, however online access has been promoted, this along with information on the application of the Pensions Increase have been published on the Pension Fund Website. The annual P60's have been issued in accordance with the statutory timelines.

#### **2 RECOMMENDATIONS**

- 2.1 **It is recommended that the Pension Fund Committee:-**
  - (a) **Notes the Pension Administration Performance for 2020/21 as set out in Appendix 1 and approves its inclusion in the Pension Fund Annual Report and Accounts 2020/21;**

### 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 24 September 2020 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 20/21

- 4.1 **Appendix 1** contains the Pensions Administration Performance Report for 2020/21 as it will be included in the Fund's Annual Report and Accounts.
- 4.2 Performance has remained at a high standard throughout the reporting year. This is testament to the dedication of the staff within the team, having coped with the COVID restrictions and the move towards homeworking. The Employers within the Fund are continuing to provide 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 24 August 2020 ahead of the 31 August deadline. There were 7,067 statements issued this year, an increase from 6,760 in 2019. This was achieved during the first lockdown period, with staff attending their normal workplace, whilst the majority worked from home, in order to ensure these deadlines were met.
- 4.4 During 2020/21 it was agreed that the Pensions Administration Team would focus all efforts on ensuring the statutory elements of the service, as highlighted by the Pensions Regulator, continued to be provided, with all payments to pensioners being issued on time. As a result there was a deviation from the normal recording of queries received from previous years.

The 79 queries that were recorded in the log were all responded to within the timelines stated in the Pensions Administration Strategy. The team received 3,893 emails into the generic pensions mailbox during 2020/21. Unfortunately it is not possible to provide the split into types of queries as previous years.

With homeworking continuing for the time being the recording of queries and response times is something that will need to be considered. There is a continued commitment from the team members to adhere to the response timelines and this will have no detrimental impact on the service that is being provided to scheme members, only the reporting of figures within this report.

#### 4.5 **Employer Performance Measures**

During 2020/21 there were no instances where payments were received after the deadline.

#### 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. However, in all cases we met the legal requirement to carry out the transfer before the statutory six month deadline.

- 4.7 During 2020/21 the Employer Liaison meeting was held as a virtual meeting with representatives from the majority of employers attending. This years meeting provide an update on Investment performance along with the upcoming requirements for year end returns and action to be taken for the year ahead. We also took the opportunity to outline the Administrative challenges and that it was likely that we would require assistance from employers with regard to the McCloud remedy. Additionally, employers were made aware of our plans to be implementing Members Self Service.

In addition to 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.

Consideration will need to be given on an annual basis for the best format of the annual meeting going forward, whilst a face to face session is much more interactive an online meeting allows employers to join such events with less drain on time and resource away from the day job.

- 4.8 To date there have been 97 pensioners signed up for online payslips an increase from 18 in the previous year report. When we have communication with pensioners we 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.

In preparation for the launch of Members Self Service we are collecting email addresses for all active members as a priority. With steps being taken to collect for deferred and pensioners when corresponding with them to enable a move towards communications being delivered in an electronic means, yet being mindful of the demographic and the need to retain traditional alternatives where appropriate. Meeting the Council's Fit for 2024 agenda to make use of technology wherever possible.

- 4.9 During 2020/21, 43,154 payments were processed, an increase from 41,744 in 2019/20, to pensioners for a total of £18,643m in net payments. In addition to this, 161 payments were also processed, an increase from 146 payments in 2019/20, to pensioners who now reside overseas for a total of £75,881, 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 Due to the continued COVID19 situation, with staff working predominantly from home during the reporting period, no payslips have been issued to pensioners, however online access has been promoted through Business World, this along with information on the application of the Pensions Increase have been published on the Pension Fund Website. The annual P60's were issued in accordance with the statutory timelines.
- 4.11 **Employer Contribution Rates**  
The following table outlines the employer contribution rates that are effective from 1<sup>st</sup> April 2021 in line with the previous triennial valuation.

<b>Employer</b>	<b>Employer Contribution %</b>
Borders College	18.00
Scottish Borders Council	18.00
AMEY	18.00
CGI	22.00 plus £16,500
Live Borders	18.00
Jedburgh Leisure Facilities Trust	18.00
Scottish Borders Housing Association	20.30
South of Scotland Enterprise	21.10

## **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 and 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 24  
September 2020

**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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