
PENSION ADMINISTRATION PERFORMANCE 2022/23

Report by Director People Performance and Change

JOINT MEETING OF PENSION FUND COMMITTEE AND PENSION FUND BOARD

22 June 2023

1 PURPOSE AND SUMMARY

- 1.1 **This report presents the Pensions Administration Performance for 2022/23 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 2022/23 as it will be included in the Fund's Annual Report and Accounts.
- 1.3 During 2022/23 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 continued dedication of the staff within the Pensions Administration Team, having continued to homework for the majority of the year. The team also had turnover with two members of the team being replaced during the year.
- 1.5 The Annual Benefit Statements for all deferred members were issued in advance of the 31 August deadline in all instances and made available via Members Self Service for all active members.
- 1.6 The annual Employer Liaison Meeting was again held as a virtual meeting in March with the hybrid working arrangements that are in place for the majority of the Fund employers. The event was well attended with representatives from the majority of the Fund Employers. Updates were provide on Administration and the requirements for the year end reporting.
- 1.7 Due to the hybrid working position, 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 notes the Pension Administration Performance for 2022/23 as set out in Appendix 1 and approves its inclusion in the Pension Fund Annual Report and Accounts 2022/23.**

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 14 December 2021 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 22/23

- 4.1 **Appendix 1** contains the Pensions Administration Performance Report for 2022/23 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 continued dedication of the staff within the team, having coped with the continued hybrid working and predominance of working from home, coupled with integrating two replacement team members during the year. 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 by the deadline of 31 August 2023 by published online for all Active and Deferred scheme members on 24 August.
- 4.4 During 2022/23 it was agreed that the Pensions Administration Team would once again focus all efforts on ensuring the statutory elements of the service continued to be provided, with all payments to pensioners being issued on time. As a result there was a continued deviation from the previous recording of queries received which is reflected in the table contained in **Appendix 1**.

The 84 queries that were recorded in the log were all responded to within the timelines stated in the Pensions Administration Strategy. The team received 9,880 emails into the generic pensions mailbox during 2022/23, with a further 7,704 being received directly by team members, this saw an increase of 6,790 compared to the previous year.

With hybrid working continuing for the foreseeable future the recording of queries and response times is something that will need to be considered as part of the annual review of the Pensions Administration Strategy, which will be addressed as we work through the Clare Scott review findings. 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 annual report.

4.5 **Employer Performance Measures**

During 2022/23 there was one instance where payment was not received by the due date, with the payment being received one day late. Officers will monitor this employer going forward and take appropriate action should there be future instances of late payment.

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 have seen a continued improvement in 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 The Employer Liaison meeting was once again held as a virtual meeting with representatives from the majority of employers attending. This year's meeting provided an update on Administration along with the upcoming requirements for year end returns and action to be taken for the year ahead. Additionally, employers were asked to encourage those members who had not yet signed up for Members Self Service to do so and reminded them of the benefits that this brings.

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.

- 4.8 To date there have been 376 pensioners signed up for online payslips an increase from 159 in the previous year report. When we have communication with pensioners we make them aware that this is an available option for viewing payslips.

The launch of Members Self Service is the most significant change that we have deployed to our scheme members in many years, which meets the Council's desire to engage with individuals in a digital means wherever possible. Whilst the uptake, 28.14%, is not as high as we had hoped we continue to have very positive feedback from members who have signed up. We continue to promote sign up and will be carrying out a further reminder of this in the coming weeks ahead of the issuing of the 2023 Annual Benefit Statements, asking Fund employers to convey the message to their active members. There were 16,715 benefit calculations run independently on the system by the member with no involvement from the Pensions Administration Team, an increase from the 12,759 run last year.

- 4.9 During 2022/23, 46,740 payments were processed, an increase from 44,688 in 2021/22, to pensioners for a total of £20.225m in net payments. In addition to this, 178 payments were also processed, an increase from 148 payments in 2021/22, to pensioners who now reside overseas for a total of £78,059, 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 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 April 2023 in line with the previous triennial valuation.

Employer	Employer Contribution %
Borders College	18.50
Scottish Borders Council	18.50
AMEY	18.50
CGI	22.00 plus £21,000
Live Borders	18.50
Jedburgh Leisure Facilities Trust	18.50
Scottish Borders Housing Association	21.30
South of Scotland Enterprise	21.60

5 IMPLICATIONS

5.1 Financial

There are no direct financial implications arising from 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 a 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 as in doing so, signifies that equality, diversity and socio-economic factors have duly been considered when preparing this report.

5.4 Sustainable Development Goals

There are no direct impacts from this report on the sustainable development goals of the Council.

5.5 Climate Change

There are no direct climate change impacts as a result 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 Data Protection Impact Statement

There are no personal data implications arising from the proposals contained in this report.

5.8 Changes to Scheme of Administration or Scheme of Delegation

No changes are required as a result of this report.

6 CONSULTATION

- 6.1 The Acting Chief Financial Officer, the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Clerk to the Council and Corporate Communications are currently being consulted and any comments received will be incorporated into the final report.

Approved by

Clair Hepburn
Director People Performance and Change

Author(s)

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Background Papers:

Previous Minute Reference: Joint Meeting of Pension Fund Committee and Board on 14 December 2021

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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