



## Coronavirus – Administration Services

### Overview

We issued our first factsheet on 4<sup>th</sup> March setting out our initial thoughts on preparations for the Coronavirus impacting on our service delivery.

Our Senior Management team is now meeting on a daily basis as it is becoming clear that the Government advice to self-isolate and minimise social contact is starting to impact on our service delivery.

With this in mind, we have updated our action plan to ensure that we continue to appropriately prioritise work. The purpose of this second factsheet is to update our clients on our preparations.

### Business Continuity Plan

The Broadstone group operates a comprehensive Business Continuity Plan (“BCP”) which deals with many events, including the impact of a pandemic. The BCP covers business-wide matters such as notifying clients, making use of alternative premises, and ensuring IT connectivity.

The BCP has been triggered and the Broadstone Executive Committee (“ExCo”) is now meeting daily to digest developments and implement arrangements to mitigate the impact of the pandemic.

The arrangements set out below are intended to cover our administrative services and supplement the BCP.

### Two-team approach

We recognise that providing a quality administration service requires on-going dialogue and interaction between our professional staff. We further recognise, however, that we need to balance our desire to work together with the need to reduce social contact and to allow our staff to work from home wherever possible.

With this in mind, we will be operating a two-team approach, as follows:

- All staff members working from one of our administrative centres (i.e. Bristol, Glasgow, Manchester, and Sheffield) will be allocated to either Team A or Team B.
- Each team will alternate between working in the office, and working from home, on a weekly basis.
- All staff members (regardless of whether they are in Team A or Team B) will work from home where this has no material impact on our service.

Any member of staff who is unable to work from the office due to self-isolation, being in a high-risk group or having other extenuating factors will be required to remain at home, working where appropriate.

Through strict adherence to the two-team principle we will be able to give staff a comfortable working environment with plenty of personal space to minimise social contact. We will also minimise the risk of having to shut an entire office down due to cross-infection across the two teams.

### Ongoing communication with members

As far as possible, we will continue to operate our usual contact arrangements (i.e. post, telephone and email). Employees working from home will be asked to divert calls to their home phones or mobiles, and all key members of staff will be maintaining email contact.

### Undertaking Priority Work

Our aim during the period of disruption will be to undertake as much work as possible in accordance with our regular service standards. It is inevitable, however, that your administration team will need to prioritise work.



We have determined that resources should be allocated as set out below:

Our Priorities in the event of serious disruption caused by Coronavirus	
1	Our utmost priority will be to make regular pension payments for existing pensioners. Should we be unable to calculate up-to-date payment amounts, we will make payments based on the gross amounts paid in the previous month.
2	Our next critical priority will be to ensure that we remove any known deaths from the payroll-run to avoid the over-payment of pensions.
3	We will then work to deal with any other work associated with death cases, including the settlement of benefits for dependants.
4	We will work to pay Pension Commencement Lump Sums to members who are at the final stages of completing the retirement process. Where we are unable to finalise calculations due to resource constraints we would intend to make “down-payments” to ensure that the member does not suffer hardship, but such that the calculations can be finalised at a later date.
5	We will work to set-up new pensioners on our payrolls.
6	We will ensure that time-critical work relating to defined-contribution schemes (e.g. processing member-instigated and lifestyle switches) are operated.
7	We will undertake any further settlement work (i.e. work that requires the payment of benefits or transfers).
8	We will undertake any other work where the member has a statutory right.
9	We will undertake other work.

We are satisfied that we will be able to undertake the first two priorities in all but the most extreme scenario, and that we would expect to deal with the top seven priorities in most circumstances.

We recognise, however, that the Coronavirus outbreak is likely to increase the number of pensioner deaths and, in an extreme scenario, dealing with the third priority might become resource intensive, which in turn may limit our ability to deal with the lower priority matters.

## Maintaining Cash-flow

Our ability to continue to pay pensions and settle benefits is dependent on each scheme having sufficient cash at hand. During the Coronavirus outbreak, we recognise that there could be several impediments to our obtaining cash quickly. For instance, Investment Managers might also be experiencing resource pressure, we might have difficulty in meeting any scheme-specific sign-off requirements, or there might be general infrastructure issues.

We recommend, therefore, that Trustees consider as a priority whether it might be prudent to increase free-cash reserves in preparation for any future resource difficulties. In addition, when we undertake our next cash-flow review for each scheme, we will identify cases where it might be prudent to take pre-emptive action.

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