



Committee and date  
Pensions Committee  
23 November 2011  
10.15am

Item  
**8**  
Public

**PENSIONS ADMINISTRATION MONITORING REPORT**

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**1. Summary**

1.1 The report provides Members with monitoring information on the performance of and issues affecting the Pensions Administration Team.

**2 Recommendations**

2.1 Members are asked to accept the position as set out in the report.

**REPORT**

**3 Risk Assessment and Opportunities Appraisal**

3.1 **Risk Management**  
Performance is considered and monitored to ensure regulatory timescales are adhered to.

3.2 **Human Rights Act Appraisal**  
The recommendations contained in this report are compatible with the Human Rights Act 1998.

3.3 **Environmental Appraisal**  
There is no direct environmental, equalities or climate change consequence of this report.

3.4 **Financial Implications**  
There are no direct financial implications arising from this report.

**4. Performance**

4.1 The performance chart showing the team's output and performance levels to the end of October 2011 is attached at **Appendix A**.

- 4.2 The procedures outstanding at the end of the month have fallen to a much lower level than in the previous quarter. This is reflected by the procedures completed rising to around 800 which is much higher than the previous quarter. Priority has been given to this area.
- 4.3 The team are also monitored on an individual basis to show the number of “tasks” being completed on a daily basis. This is invaluable for the management team. Helps monitor work flow and identify areas where training is needed.
- 4.4 The Pensions Administration team is currently in scope of the review for inclusion within the Shropshire Council internal shared services function. The Scheme Administrator is actively engaged in working with the shared services project team to identify how this will be achieved whilst ensuring the quality and level of service provided by the team is maintained. The Administrator will consider any opportunities arising from this work, to improve the efficiency of the function and ensure any resulting benefits are attributable to the fund. Further details will be provided to stakeholders as they become known.

## **5. Communications**

- 5.1 Consultations have been held at West Mercia Supplies (WMS). Team members were present to give information about the LGPS to current and prospective scheme employees. This will be followed up with a presentation to all scheme employees once more information is known about the future of WMS.
- 5.2 Tailored presentations were delivered for fire-fighters and meetings with the Fire Authority Human Resources Officers and Finance Officers were held.
- 5.3 An Employee Newsletter has been produced in conjunction with the Pension Funds of Cheshire, Staffordshire, Worcestershire and Warwickshire. Articles include Auto-Enrolment, Reductions in Pay, Tax Relief and Pension Reform.
- 5.4 This will be distributed mainly in an electronic format with paper copies where required. The newsletter will shortly be available to view on the website at [www.shropshirecountypensionfund.co.uk](http://www.shropshirecountypensionfund.co.uk).
- 5.5 The Team is committed to providing comprehensive information to all stakeholders through the most appropriate communication medium. Effective communication cannot be left to chance and therefore all that can be done to educate the scheme membership is done especially in during the uncertainties of the current reform being undertaken.
- 5.6 Local Authority Pension Funds are facing greater challenges in meeting the needs of their members. As a result Shropshire is re-engineering services to meet these needs at a lower cost, drawing on experience of neighbouring authorities to achieve a high quality service. Shropshire is currently leading the way in this area in respect of communication projects and hopes to expand on this in the future.

## **6. Annual Meeting 2011**

- 6.1 The Annual Meeting was held on 8 November in Telford and Shrewsbury. Three meetings were held during the day and approximately 250 people attended. The main purpose of the meeting is to communicate details of the Fund's Annual Report and Accounts, Investment Strategy and any other specific matters relating to the LGPS Regulations.
- 6.2 Matt Hensher from MFS International (UK) Limited made a presentation as well as Justin Bridges, Rachel Musson and Debbie Sharp. The meetings were chaired by the Committee Chairman Councillor Malcolm Pate.
- 6.3 Positive feedback was received particularly regarding the move from the Lord Hill Hotel to Theatre Severn for the Shrewsbury meeting. The event was again very successful.

## **7. Pensions Systems (AXIS) Update**

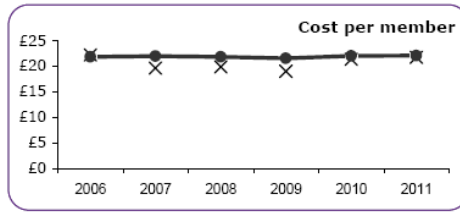
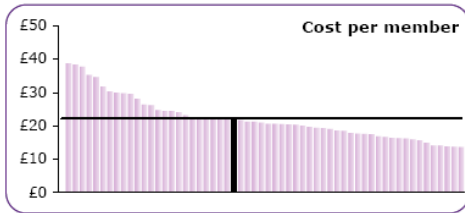
- 7.1 Earlier in the year a new software update release was successfully tested and installed.
- 7.2 In the summer the AXIS system was migrated onto a new server, ensuring it is ready for Altair, which is the name of the AXIS replacement application.
- 7.3 A major post number and restructure on the payroll system led to the majority of Shropshire Council staff having new post numbers from 1 August 2011. This led to, for the first time, a complete part year-end exercise. To ensure contributions paid for the previous post numbers would be accounted for correctly. This should cut down on the number of errors that would have been produced at year end 31 March 2012.
- 7.4 Audit Commissions recommendations - a matching up exercise is being carried out to determine that there are the same number of pensioners, widow/ers and dependants on the payroll and pension systems.
- 7.5 A successful Disaster Recovery exercise was completed on 8 November 2011. We were able to connect a mirror image off site server and work normally on the AXIS system with no loss of access.

## **8. Results from CIPFA Benchmarking Club**

- 8.1 The Pensions Administration Benchmarking Club has been in operation for the past few years and compares the cost of Pensions Administration with other Pension Funds nationally including those out-sourced to private contractors.
- 8.2 The 2010/11 report was issued in September 2011 from the data provided. Shropshire is compared with 59 other Funds. The first bar chart below shows Shropshire is below the group average of £22.17 per member. Shropshire is £21.77.

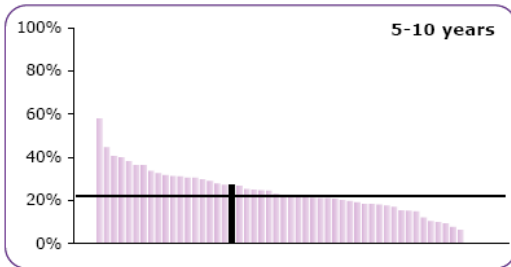
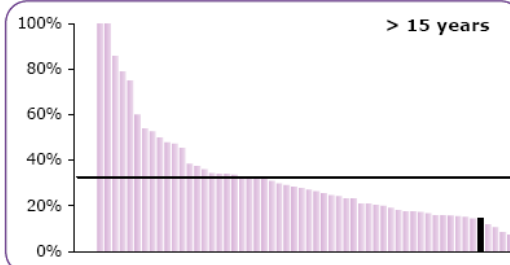
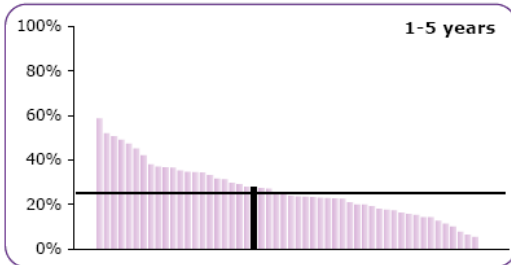
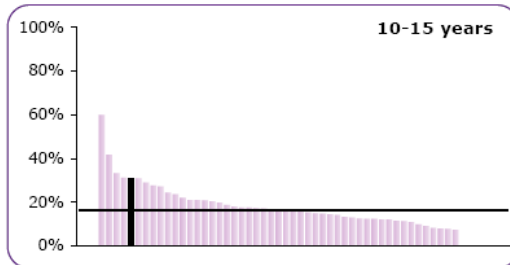
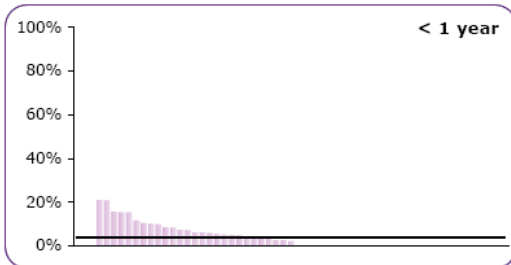
8.3 The second bar chart also shows that SCPF has been equal to or below the group average for a number of years.

**NET COST / MEMBER 2010-11**



8.4 Interestingly, the years of experience of the staff within the Pensions Administration team is quite high compared to the group average, particularly in the 10-15 years of experience.

**STAFF PENSIONS EXPERIENCE**



Staff experience			
	FTE	%	Avg
< 1 year	0.0	0%	4%
1-5 years	5.0	28%	25%
5-10 years	4.9	27%	22%
10-15 years	5.6	31%	16%
> 15 years	2.6	14%	33%
<b>Total</b>	<b>18.1</b>		

8.5 It is also interesting to note that Shropshire Pension Fund returned zero 2<sup>nd</sup> stage appeals for 2010/11.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**  
Pensions Committee Meeting 15 September 2011, Item 14, Pensions Administration Report

**Cabinet Member (Portfolio Holder)**

NA

**Local Member**

NA

**Appendices**

Appendix A – Performance Monitoring