



Committee and date  
Pensions Committee  
13 September 2012  
10.00am

Item  
**12**  
Public

## PENSIONS ADMINISTRATION MONITORING REPORT

**Responsible Officer** Debbie Sharp

Email: Debbie.sharp@shropshire.gov.uk

Tel: 01743 252192

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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 and approve two additional Independent Registered Medical Practitioners.

## 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 team's output and performance levels to the end of July 2012 are attached at Appendix A. Procedures outstanding during the quarter have started to fall. Procedures completed has significantly increased

by the end of the quarter and encouragingly so has those completed on time.

4.2 I reported at the last meeting that the Pensions Administration Team became part of the new Shared Services function from 1 April 2012. Service Level Agreements (SLA's) are in place and include Key Performance Indicators (KPI's) and Performance Measures. The KPI's are measured in 3 areas:

- Service Cost,
- Service Quality and
- Service Delivery Time

Within these areas there are 5 Performance measures. Levels of achievement against these KPI's using a Red, Amber, Green system (RAG) are reported quarterly.

4.3 A Shared Services operating group has been established which is made up of client side lead officers and Shared Services Management. The first meeting of this group was held on 26 July 2012.

4.4 The proposed remit of the group is to ensure that Shared Services is held operationally accountable to its customer base represented by the principle clients and those receiving the services covering policy, compliance and performance. It is also to provide a focal point for the resolution and/or discussion of improvement initiatives and client support to shared services operations.

4.5 The overall performance target of the Team was reported as Blue, performance on target, at the meeting on the 26 July. The team were reporting Red for one Performance measure. They were not able to complete enough procedures to the agreed timescales. This was because of staff turnover and being 1 member of staff down. They have since appointed and are now at full strength. The next meeting of this group will be held on 5 November 2012.

4.6 The year end process for posting contributions and updating pensionable pay to individual records for 2011/12 is still continuing. This has been held up for Shropshire Council staff, mainly due to the increased work created by the creation of all new posts for Shropshire Council's new operating model. These "legacy issues" have resulted in problems with our processes causing more work than normal.

## 5. Auto-Enrolment

5.1 In my last report I gave background information on the new Auto Enrolment rules which come into effect from 1 October 2012. Although it is an Employer responsibility to Auto Enroll their employees into a pension scheme, the legislation does also impact on the Pensions Administration team as it introduces new rules around data collection for those employees who choose to opt out of the Pension Scheme.

- 5.2 Officers from the team have been working with Shropshire Council project group to assist implementation. A review of administrative processes and scheme paperwork is underway. One of the major challenges for scheme administrators for auto enrolment is the collection and recording of data. The long term intention of having all employers sending a monthly return has been agreed and work has been taken in that area to create a specification. Further to this a number of software solutions to automate some of the employer data transfer process is being looked at and a decision will be made by the end of autumn on whether this option is viable and cost effective.

## **6. Communication**

- 6.1 A newsletter was issued to all active scheme employees giving information on the new scheme proposals from 2014 (Appendix B). This was produced jointly with Cheshire, Warwickshire, Worcestershire and Staffordshire Pension Funds and was led by Shropshire Pension Fund.
- 6.2 This was followed up with six workplace information sessions delivered around the county. These involved a presentation on the new scheme proposals followed by a questions and answer session.
- 6.3 An employers meeting was held on 14 June 2012 where Terry Edwards from the Local Government Association (LGA) and two representatives from the Pensions Regulator gave separate presentations on Auto Enrolment. This was well attended with approximately 24 employers being represented, with over 50 attendees in total.
- 6.4 The next employers' meeting has been booked for 23 October 2012 when Jeff Houston, Head of Pensions at the LGA will be giving a presentation.
- 6.5 The retired members meeting was held on 19 June 2012 at the Theatre Severn. Presentations were given by Hatchers Solicitors on Wills and Probate and by a retired Fire fighter on his life since retirement. This event was also well attended by over 80 pensioners and good feedback was received.
- 6.6 The Autumn edition of INTOUCH is being put together to be sent with September payslips and will include an invite to the Annual Meeting.
- 6.7 Martin Griffiths who was the Communications Officer for a number of years left the Pensions Team in July. He has been replaced by Rebecca Purfit who has worked with the team for 4 years.

## **7. Annual Meeting 2012**

- 7.1 The Annual Meeting will take place on 6 November 2012. There will be a meeting at 10.00am at the Civic Offices in Telford and 2pm and 5pm meetings at the Walker Theatre, Theatre Severn in Shrewsbury.

Please let the Pensions Team know which of the meeting's you will be able to attend, by calling the helpline on 01743 252130 or e-mail [pensions@shropshire.gov.uk](mailto:pensions@shropshire.gov.uk). Subject to confirmation, it is hoped a representative from PIMCO will be presenting this year.

## **8. Pensions Systems Update**

- 8.1 At the last Committee I reported that the Pensions Scheme Administrator had agreed for Altair, (the latest version of the Pensions System), to be implemented.
- 8.2 Contract negotiations are currently underway for the provision of the system and the intention is that the system be in place by January/February 2013. However, if negotiations are slow the delivery of the new system may have to be delayed by 6 months. This is to ensure the data for the Fund Valuation is submitted timely and accurately next year.
- 8.3 An implementation project team in Shared Services will be established when the contract has been signed.

## **9. Miscellaneous Regulations**

- 9.1 The LGPS (Miscellaneous) Regulations 2012 were laid before Parliament on 1 August and will come into force from 1 October 2012.
- 9.2 The Regulations amend various elements of the LGPS Regulations covering a wide range of mainly unrelated amendments. Some are necessary to align with legislative changes and there are some key changes to the provisions relating to admission agreements in particular.
- 9.3 It will be mandatory for a risk assessment to be carried out for all admission bodies and potentially a bond not just for transfer admission bodies as now.
- 9.4 The distinction in the current rules relating to admission agreements for community and transferee admission bodies is to be removed. The same provisions must be included within any future admission agreements for either community or transferee admission bodies. Currently legislation more clearly prescribes the contents for a transferee admission agreement.
- 9.5 Administering authorities will be prevented from entering into admission agreements covering more than one contract with a contractor who is, or about to be, a transferee admission body.
- 9.6 Changes are also being introduced to provide administering authorities greater flexibility so that they can adjust contributions within the triennial valuation period to manage the termination process rather than call for one cessation payment.

- 9.7 Amendments are also being made in order for the LGPS to satisfy the eligibility and enrolment criteria for an automatic enrolment scheme.
- 9.8 The existing requirement for a member to be contracted to be employed for more than 3 months will be removed. These members will not be automatically enrolled but will be permitted to apply to join the LGPS. Employers will need to make sure that they issue a notice of 'postponement' to these workers in order to comply with the auto enrolment rules otherwise they would have to automatically enrol into another qualifying scheme which would be very onerous for the employer.

## 10. New Scheme Update

- 10.1 The proposals for the new scheme in 2014 were covered at the Councillors Training day on 18 July 2012. The formal consultation is now awaited for which a response will be required. This may fall between committee meetings. The Pensions Manager requests that, as the consultation will be technical in nature, the Committee agree that an officer response will be sent on behalf of the Committee.

## 11. Approval of an Independent Registered Medical Practitioner (IRMP)

- 11.1 Under the LGPS (Administration) Regulations an employer has to obtain a certificate from an independent registered medical practitioner (IRMP) in respect of a determination under regulation 20(5) under paragraph (2),(3) or (4) (early leavers: ill health).
- 11.2 The administering authority must approve the registered medical practitioner for purposes of regulation 20 and 31 of the Benefits Regulations. The employing authority and the IRMP must have regard to guidance given by the Secretary of State when carrying out their functions.
- 11.3 Shropshire County Pension Fund currently have four approved IRMP's, these are:

Dr Leeming-Latham  
Dr John Hobson  
Dr Charles Baron  
Dr Dale Archer

A request has been made to increase this list. Therefore, approval is requested to authorise the following two IRMP:

**Dr Nicholas Richards**, MB BS DIH DRCOG MRCP MFOM

MB BS: Bachelor of Medicine, Bachelor of Surgery  
DIH: Diploma in Industrial Health  
DRCOG: Diploma from Royal College of Obstetricians and gynaecologists

MRCGP: Member of the Royal College of GPs  
MFOM: Member of the Faculty of Occupational Medicine.

**Dr Naveen Ratti, MB ChB MRCP MFOM**

MB ChB: Bachelor of Medicine, Bachelor of Surgery  
MRCP: Member of the Royal College of Physicians  
MFOM: Member of the Faculty of Occupational Medicine

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Pensions Committee Meeting 14 June 2012, Item 10, Pensions Administration Report

**Cabinet Member (Portfolio Holder)**

NA

**Local Member**

NA

**Appendices**

Appendix A – Performance Monitoring  
Appendix B – Newsletter on new scheme proposals