



Committee and date
Pensions Committee

27 November 2013

10.00am

Item

10

Public

PENSIONS ADMINISTRATION MONITORING REPORT

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1. Summary

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 and key performance indicators 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. Managing team performance and working with other Administering Authorities ensures costs to scheme employers for Scheme Administration are reduced.

4. Performance and Team Update

- 4.1 The team's output and performance levels to the end of October 2013 are attached at **Appendix A**.

- 4.2 The team continue to be involved in the quotation calculations generated by Shropshire Council's Voluntary Redundancy exercise. Actual calculations and payments of Redundancy are also now being done as they are approved by Managers. The team have been working closely with Human Resources to streamline process.
- 4.3 Working levels have not returned to normal and the increased workload is expected to continue well beyond the end of the current tax year. Team resource is an issue as the New 2014 scheme is also being introduced over the same period.
- 4.4 The performance chart (Appendix A) demonstrates the effect the additional workload has had on the team. Procedures completed (brown circle) increased to over 1000 in September but then dropped again in October to 703. The procedures outstanding (pink) has increased as would be expected.
- 4.5 An additional temporary resource has been employed to ensure the expected service level to all other employers and scheme members is maintained.
- 4.6 The following chart shows the % of measurable benefit quotes, over the last 3 months

Month ending	% Retirement Quotes Processed within 7 days (Target 85%)	% Procedures Completed to agreed timescale (Target 75%)
Aug 2013	46.88%	63.41%
September 2013	66.67%	47.22%
October 2013	50.00%	62.02%

This chart is also reflective of the way the team have prioritised and backlogged work.

5. Help Desk Statistics

- 5.1 The following chart shows the number of queries received through the helpline number and the number of emails received by the generic Pensions email inbox.

	August 2013	September 2013	October 2013
Telephone calls answered	1254	1329	1074
Queries dealt with by helpdesk at first point of contact %*	88%	83%	90%

Emails received and responded by the helpdesk	381	446	501
Hits to the Pension Fund website	6978	7478	7043

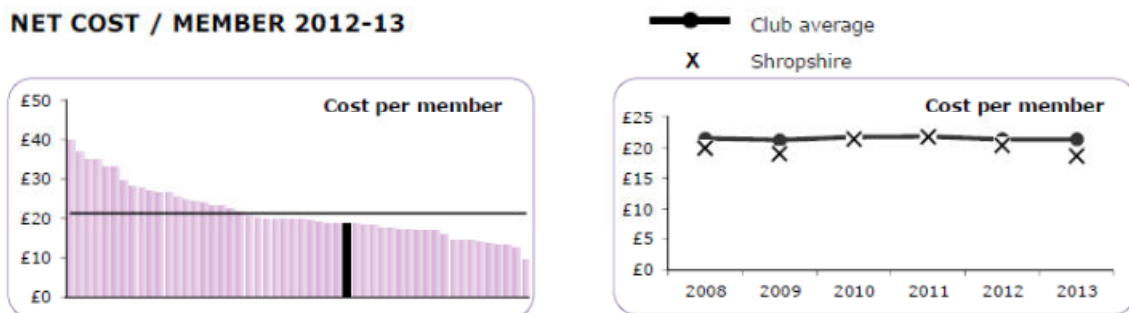
* Where queries have not been dealt with by helpdesk, this will usually mean that the calls have been picked up by the rest of the team outside of the helpdesk.

- 5.2 Contact via email has increased particularly during October. This can be attributed mainly to the work generated by Shropshire Council's VR process.
- 5.3 The team have also seen an increase in the number of visits to the office with 87 face to face visits in August, 51 in September and 101 during October.

6. Results from CIPFA Benchmarking Club

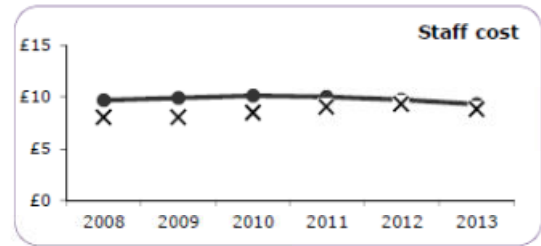
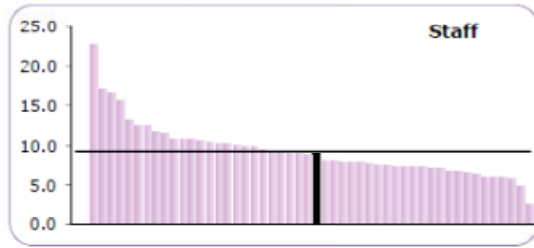
- 6.1 The Pensions Administration Benchmarking Club has been in operation for some time and compares the cost of Pensions Administration with other Pension Funds nationally including some out-sourced to private contractors.
- 6.2 The 2012/13 report was received in September 2013. Shropshire is compared with 52 other Funds. The first bar chart below shows Shropshire is below the group average of £21.42 per member at £18.73 per member.
- 6.3 The second chart shows that the Shropshire Pension Fund has been below or equal to the group average since 2008.

NET COST / MEMBER 2012-13

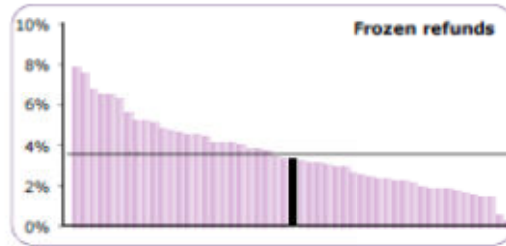
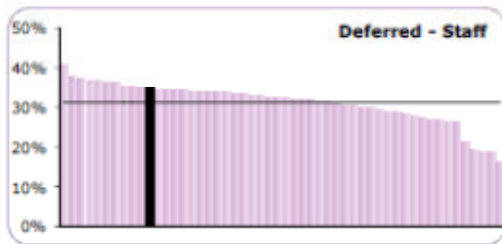
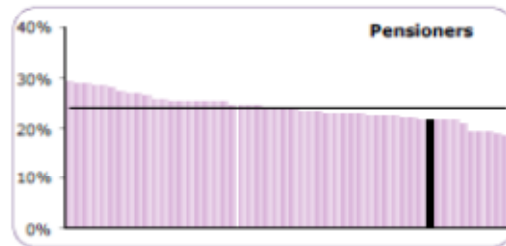
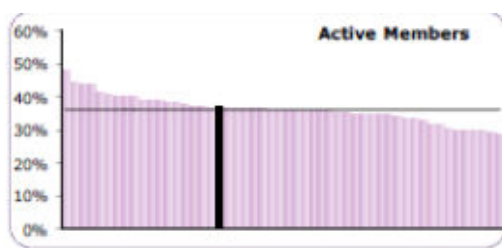


- 6.4 The following chart shows the staff cost per member which is also below the group average at £8.81.

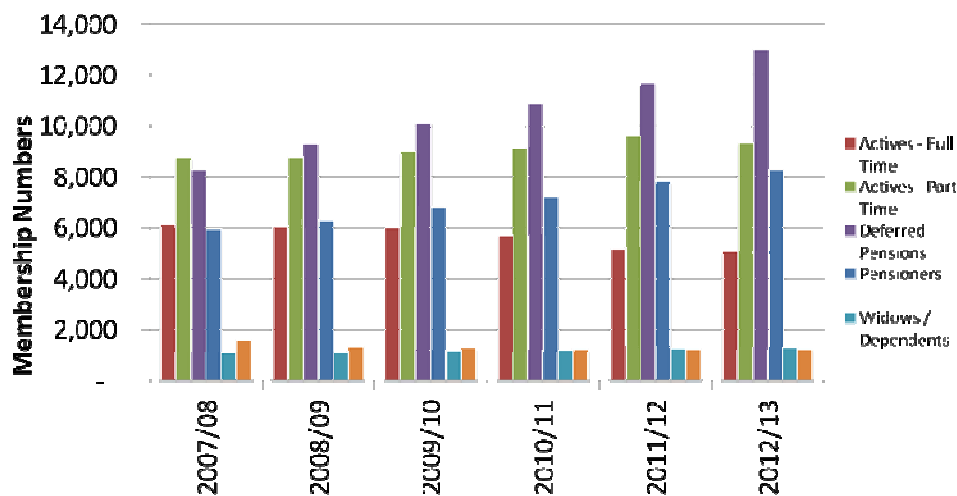
STAFF COST / MEMBER 2012-13



6.5 The following charts show the composition of members as at 31 March 2013. It shows that we have an above average proportion of actives and deferred members.



6.6 The following graph shows the numbers of actives, (shown as part time and full time), deferred pensioners, pensioners and dependant pensioners. From this chart it shows the rise in deferred pensioners and actives which reflects in the above chart where the numbers are above the group average.



7. Pensions Administration System

- 7.1 The Pensions Administration System upgrade has taken place.
- 7.2 Training days were arranged for the team in advance of go live and the upgrade went well.

8. Communications

- 8.1 The Fund held a one day training day workshop for employers on the new LGPS 2014. The workshop was well attended with over 67 delegates including representatives from the two largest fund employers. The workshop was run by Tim Hazelwood from the LGA through the company 'Pentag' and by booking direct the fund was able to make considerable savings for the employers. The workshop covered the scheme changes from a HR and payroll perspective and was delivered for under £35 per delegate which included a comprehensive notes pack, the LGA were offering the same course for £210 per delegate. Feedback from attendees was excellent.
- 8.2 The Annual Accounts for 2012/13 were approved at the September 2013 committee. The final report was published on the Fund's website on 4 October 2013 and distributed to all employers and investment managers. Copies of the report were also made available at the Fund's Annual Meeting.
- 8.3 The system used by scheme members to access pension records online is currently being upgraded. Current users have been given details of how to re-register on the new version.
- 8.4 The fund invited employers to a meeting on the 13th November, attended by the Fund Actuary John Livesey and Mark Wilson, to hear the initial valuation results. 39 delegates representing 34 fund employers attended. Individual employers were able to discuss their interim results directly with staff members and discuss any issues with John and Mark.
- 8.5 The fund website currently has to be updated and will go live in April 2014 to incorporate the launch of the New 2014 Scheme.

9. Annual meeting

- 9.1 This year's meeting was held on the 5 November 2013. In recent years the evening meeting has received a lower attendance therefore it was decided that only two meetings were to be held this year, one in Telford and one in Shrewsbury. Attendance at the Telford meeting was lower than in previous years, however this was the first year the meeting was held at the Oakengates Theatre after the closure of the Civic Offices. Around 65 people attended the meeting in Telford and 150 people in Shrewsbury.

- 9.2 The meeting in Shrewsbury was filmed and will be published on the website as soon as it is available. The slides for the meeting can be viewed on the pension fund website:
<http://www.shropshirecountypensionfund.co.uk/2shropnet/AToZOfMini-sites/S/ShropshireCountyPensionFund/InvestmentsValuation/PensionSchemeAnnualReport>
- 9.3 Malcolm Pate chaired the meeting and represented the committee supported by Molly Andrews, Employee Representative, at the Telford and Wrekin meeting and Jean Smith, Pensioner Representative at the Shrewsbury meeting.

10. Local Government Pension Scheme 2014

- 10.1 A communications plan has been drafted for the new scheme changes and key areas/audience have been identified. This document is still in draft format as the Transitional and Governance regulations are still to be published.
- 10.2 Friday 28 February 2014 has been booked for the pension administration team training on the New Scheme. It will be a one day training event run by Tim Hazelwood from the Local Government Association and all the pensions team are expected to attend.
- 10.3 The Local Government Association have recently issued a 'branding guidelines' document and a 'terminology' document. The LGPS 2014 will have a different logo and the Local Government Association has asked that this logo be used as guides and publications are updated.
- 10.4 As part of the New Scheme communication, employers have received a payroll specification document and the link to the website www.lgpsreg.org.uk has been shared. This is a dedicated website for employers and administrators. Further communication will take place over the coming months including an updated employer's guide and newsletters will be produced.

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

Pensions Committee Meeting 20 September 2013 Pensions Administration Report

Cabinet Member (Portfolio Holder)

NA

Local Member

NA

Appendices

Appendix A – Performance Monitoring