



Committee and date
Pensions Committee

20 March 2014

10.30am

Item

13

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 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. However, it must be noted that the introduction of the 2014 LGPS and the increased governance being introduced by the Public Services Pension Act 2013 will increase the resources required by the administration team.

4. Performance and Team Update

- 4.1 The team's output and performance levels to the end of February 2014 are attached at **Appendix A**.
- 4.2 Procedures outstanding at the end of the month continued to rise steeply during the last three months. The Council's VR programme continues to impact on the team, increasing work levels much higher than normally expected. The team are currently processing the large number of agreed Voluntary Redundancies with leave dates during March and April, the bulk having a leave date of 31 March 2014 together with an increased number of quotes across all Fund employers but especially the Council. This is reflective in the figures on the chart.
- 4.3 The team has also been working on ensuring all data is up to date in readiness for the year end procedure for 2013/2014. This has meant a catch up of all electronic data exchanged between the two main scheme employers, ensuring that all starters, leavers and part time hours changes have been updated. This increased work load is also reflected in the figures on the chart.
- 4.4 A project will be started over the coming months to look at Task Flow within the Pensions System and to analyse the reporting of statistics. Further investigation of what is reported and work not currently included in Task Flow will also be looked at.
- 4.5 Team resource is an issue as the New 2014 scheme is also being introduced on 1 April 2014. Additional resource has been identified and a revised structure is to be introduced from 1st April.

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.

	November 2013	December 2013	January 2014
Telephone calls answered	702	513	886
Queries dealt with by helpdesk at first point of contact %*	95%	93%	95%
Emails received and responded by the helpdesk	307	169	354
Face to face visits to the office	60	63	86

Hits to the Pension Fund website	7704	6682	7795
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* 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 Communication via all methods of contact is continuing to rise. During the year 2012/13, 8932 calls were taken and 3034 emails. In the 11 months to 28 Feb 2014 the team has already received 10,371 calls, an increase of over 16%, and 3636 emails, an increase of 20%. As you can see we have already far exceeded in 11 months the enquiries received over 12 months in the previous year.

6. Communications

- 6.1 As previously reported, a project has been ongoing to look at issuing a combined P60, Payslip and details of April's Pension Increase. New artwork has been used and the project is on track to go live in April 2014. With having 3 documents merged into one and using a mail house to print and post, considerable time and therefore cost, will be saved as in the past the team have had to print these all separately and hand pack the individual documents into envelopes for posting.
- 6.2 The Retired Members Meeting has been booked for 30 June 2014. Intouch, retired members' information booklet, which is going out with the P60/payslip/PI document for April 2014, asks retired members how useful they find the meetings.
- 6.3 A leaflet has been sent to all scheme employees who have been highlighted as earning over £45k with regard to pension tax changes from April 2014. This can be found on the web site.
- 6.4 Staffordshire PF and Warwickshire PF have agreed on a joint deferred statement with Shropshire PF for 2013/14. It is anticipated that these statements will be issued towards the end of June 2014.
- 6.5 Shropshire Council HR Team recently organised an opportunities fair for employees who have or are due to be taking Voluntary Redundancy. The Pensions Communications officer and 2 other team members attended. Appointments were booked solidly all day and employees were also able to bring in their documents necessary to allow release of their redundancy payment and retirement benefits.
- 6.6 The new pension's website is on schedule to be launched on 1 April 2014. It will be easier for employees to access information and forms including the Annual Report. Currently there isn't an area specific to the work undertaken by the Pensions Committee so this is planned which will include a link directly through to Committee papers.

- 6.7 The design and production of Annual report for 2013/14 has started to be planned for this year following the production of the Pension Fund accounts.
- 6.8 Pension Committee member training day has been booked for 18th July 2014 and will be held again in the Hayden Smith room at the Theatre Severn in Shrewsbury.

7. Annual meeting

- 7.1 This years Annual Meeting will be held on Friday 21 November 2014. Due to the very low numbers at Telford last year, it has been decided to hold only one meeting which will be at Theatre Severn in Shrewsbury.

8. Local Government Pension Scheme 2014

- 8.1 As previously reported the new Local Government Pension Scheme Regulations 2014 come into force from 1 April 2014. This will move the Scheme from Final Salary to a CARE Benefit Scheme. At the time of writing the Transitional Regulations were still to be laid before Parliament. These regulations are imperative with regards to the protections that will be in place for all employees in the scheme as at 31 March 2014. This has meant that all preparations have been done on the last version shared to Scheme Administrators only.
- 8.2 New scheme information sessions for employees started on the 20 February 2014. A total of 7 sessions are being held around the county and employers have been asked to display posters to notify employees of the sessions. A presentation will be given followed by a drop in session.
- 8.3 Under the Disclosure Regulations, we are required to notify all active members of the scheme as at 31 March 2014 of the new scheme changes. This communication is planned to go to home addresses.
- 8.4 New scheme documentation is being worked on including an updated scheme guide and leaflets.
- 8.5 The Pensions Team attended a full day of training on the New Scheme which was delivered by Tim Hazelwood for the Local Government Organisation. This was very well received and each member of the team now has a comprehensive set of notes.
- 8.6 The new Scheme Regulations require employers to have a policy in place by 30th June 2014 on a number of Employer Discretions. In order to comply with this the LGA are holding training sessions for employers. Shropshire Pensions Fund has arranged an in-house event on 25th April 2014 which is cheaper for employers than booking direct with LGA individually. A number of employers will be attending and sharing the cost.

- 8.7** An Employer discussion group took place on 21 January 2014. Representatives from Shropshire Council, Telford & Wrekin Council, Wrekin Housing Trust and Harper Adams University College were in attendance to discuss issues facing employers in new scheme. This particularly focused on the many changes that will be needed to payroll systems.
- 8.8** Recent developments to the www.lgps2014.gov.uk website include a new video for members, FAQ's and Modellers. The new video deals with the topic of protections for scheme members paying into the LGPS before April 2014. A leaflet covering protections for existing scheme members of the LGPS is now also available together with a Frequently Asked Question section. The LGA has also developed a modeller to show how a pension will be worked out in the LGPS from 1 April 2014 onwards and how a CARE benefit account will look.

9. Consultation on the Pension Regulators Codes of Practice/ Governance

- 9.1** The Public Services Pensions Act 2013 (the 2013 Act) provides for the reform of the benefits, governance and administration of the major public services pension schemes. The 2013 Act provides for explicit regulatory oversight of public sector schemes by the Pensions Regulator (tPR) and for them to consult on and issue codes of practice.
- 9.2** On 10 December tPR issued a consultation on Draft code of practice 14: Governance and administration of public service pension schemes and Draft public service pension schemes regulatory strategy. The consultation can be found at:
<http://www.thepensionsregulator.gov.uk/doc-library/regulating-public-service-pension-schemes.aspx>
- 9.3** The LGPS, as a public sector scheme, is about to enter a new era where tPR will have a greater role in overseeing it, with particular focus on governance and administration. The Draft Regulatory Strategy is attached at **Appendix B**.
- 9.4** The consultation closed on 17 February. A response on behalf of the Fund, agreed by the Chair and the Scheme Administrator, was sent and is attached at **Appendix C**.
- 9.5** The Fund will need to monitor, develop and also be able to demonstrate compliance in the following areas:
- Knowledge and understanding for members of pension boards
 - Conflicts of interest
 - Internal controls
 - Record keeping
 - Internal dispute resolution
 - Reporting breaches of law

- 9.6** The extended role of **tPR** is just one challenge being introduced by the 2013 Act together with new scheme designs, cost management mechanisms and the requirement to introduce Pension Boards and Scheme Advisory Boards.
- 9.7** All schemes are required to have a Pension Board who is responsible for complying with the guidance when made. This board may need to be in addition to the current committee as the LGPS is administered at a local level. Decisions on whether changes to the committee structure are required at Shropshire in order to comply with the 2013 Act, the Local Government Pension Scheme Regulations and tPR guidance are still to be agreed.
- 9.8** This guidance must be complied with from 1 April 2015. However it is expected to be best practice to have Shadow Pension Boards in place from September 2014.

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

Appendix B – Draft Regulatory Strategy – The Pension Regulator

Appendix C - Response to the Pension Regulator's consultation