
PENSIONS ADMINISTRATION PERFORMANCE 2012/13

Report by Head of Shared Services

PENSION FUND COMMITTEE

18 June 2013

1 PURPOSE AND SUMMARY

- 1.1 **This report presents the Pensions Administration Performance for 2012/13 and requests the Committee's approval of its inclusion in the Annual Report for the Fund.**
- 1.2 **Appendix 1** contains the Pensions Administration Performance for 2012/13 as it will be included in the Fund's Annual Report and Accounts.
- 1.3 The work undertaken by the HR Shared Services team with Scheduled and Admitted Bodies has resulted in improved performance in the timing of the remittances of employers contributions.
- 1.4 As a result of reviewing the performance of the first year of the Pension Administration Strategy actions have been identified in relation to improving the query data recording methodology and to develop a schedule of Employer Liaison Meetings.

2 RECOMMENDATIONS

2.1 It is recommended that the Committee:

- (a) **Notes the Pensions Administration Performance for 2012/13 as set out in Appendix 1 and approves its inclusion in the Pension Fund Annual Report and Accounts 2012/13;**
 - (b) **Agrees the action proposed in relation to improving the query data recording methodology;**
- and**
- (c) **Agrees to the development of a schedule of Employer Liaison Meetings.**

3 BACKGROUND

- 3.1 It is a requirement of the current LGPS Regulations and best practice that the Pension Fund maintains a Pensions Administration Strategy. At the Committee on 13 June 2012 the first Pension Administration Strategy for the Fund was approved.
- 3.2 In accordance with the Pension Administration Strategy a number of administration function performance measures were introduced to evaluate the performance of both the Fund and Employers.
- 3.3 A further requirement is that the performance against the Strategy is reported in the Annual Report and Accounts for the Fund.

4 PENSIONS ADMINISTRATION PERFORMANCE 2012/13

- 4.1 **Appendix 1** contains the Pensions Administration Performance Report for 2012/13 as it will be included in the Fund's Annual Report and Accounts.
- 4.2 As the Strategy was approved during the financial year, 2012/13, there are some areas where improvements have to be made to the methodology for collecting and measuring performance.

Employer Performance Measures

- 4.3 Through proactive engagement with Scheduled/Admitted Bodies who were not complying with the remittance schedules there has been an improvement in the number of remittances being received timeously. Robust controls have now been introduced to ensure that receipt of payments are being monitored on a monthly basis. In the event of an employer failing to meet the prescribed dates for remittances, appropriate action will be taken in accordance with section 8 of the Scottish Borders Council Pension Fund – Pension Administration Strategy.

Administering Authority Performance Measures

- 4.4 The key performance targets are set out in the **Appendix 1**, and as a result of the analysis of these areas for improvement have been highlighted and are set out below.
- 4.4 The way in which information has been recorded for query response measurement has not been sufficient to allow for the collection and comparison against targets. Improved recording procedures have been developed to allow for this measure to be completed going forward, however, this will only be for a partial year within the 2013/14 final accounts.
- 4.5 Employer Liaison meetings were not held during 2012/13. A schedule of meetings for the coming years will be developed to cover topics such as Pensions Auto Enrolment and the LGPS (Scotland) legislative changes scheduled for implementation from 1 April 2015.

- 4.6 A significant improvement on the previous year was the delivery of all benefit statements being issued in October/early November 2012. For the previous year's statement the work was not completed until the end of January 2012.
- 4.7 During 2012/13 we processed 32,719 payments to pensioners for a total of £12.85m. In addition to this, we also processed 70 payments to pensioners who now reside overseas for a total of £24,388, these payments are processed via Western Union, providing pensioners with a cost effective means of transferring a sterling pension payment into the appropriate local currency.

5 IMPLICATIONS

5.1 Financial

There are no financial implications relating to this proposal.

5.2 Risk and Mitigations

This report is part of the governance reporting framework to manage the operation of the Pension Fund and reflects the compliance with the best practice recommendations.

5.3 Equalities

It is anticipated that there are no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals in this report.

5.4 Acting Sustainably

There are no direct economic, social or environmental issues with this reports which would affect the Council's sustainability.

5.5 Carbon Management

There are no direct carbon emissions impacts as a result of this report.

5.6 Rural Proofing

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

5.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to the proposed Scheme of Administration or Scheme of Delegation.

6 CONSULTATION

- 6.1 The Chief Financial Officer, Head of Corporate Governance, the Head of Strategic Policy, the Head of Audit and Risk, HR Manager and the Clerk to the Council will be consulted on the report and their comments will be reported to the Committee.

Approved by

Jenni Craig
Head of Shared Services

Signature

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Background Papers:

Previous Minute Reference:

Pension Fund Sub-Committee, 13 June 2012

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