

Pension Fund Committee

Meeting to be held on 7 June 2013

Electoral Division affected: All

Pension Service - Annual Administration Report

(Appendix 'A' refers)

Contact for further information:

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Executive Summary

The Pension Fund Committee is required to receive regular reports from the Treasurer to the Fund on the administration of the Fund to ensure that best practice standards are satisfied and met and to satisfy itself that and justify to all stakeholders, including Fund Employers, that the Fund is being run on an efficient and effective basis.

A Service Level Agreement (SLA) exists between Lancashire County Council and the service provider; One Connect Limited. The SLA contains specific service level standards and corresponding service level targets. A report is attached at Appendix 'A' to inform the Committee of the Service's performance against the standards and targets set over the year.

Recommendation

The Committee is asked to note the 2012/13 Administration Report as presented at Appendix 'A'.

Background and Advice

The Service Level Agreement (SLA) exists between the Lancashire County Council and the service provider; One Connect Limited. The SLA contains specific service level standards and corresponding service level targets. A report is attached at Appendix 'A' to inform Committee of the Service's performance against the standards and targets set over the year.

2012 has been a year of change within the service. The biggest development was the launch of the member self service function "my pension online". This development allows scheme members to access their pension records online. This service will become the primary method of communication with scheme members in the future.

During the year the service also launched the 'I'm In' communications campaign to coincide with the County Councils auto enrolment date of 1 January 2013. The

campaign was designed to promote the benefits of the Local Government Pension Scheme and to encourage staff to stay in the scheme following auto enrolment. The campaign resulted in an increase in LCC's membership of 7% against a target of 5%. The opt out rate was 37% against a target of 50%. This means that 63% of staff who were auto enrolled on 1 January 2013 chose to stay in the scheme; working and saving for their retirement.

Performance continues to meet, and in some areas exceed, the SLA targets set. The service continues to meet its key performance indicator; 'to calculate and pay all retirement benefits within 10 working days'. At the beginning of 2013 the service was restructured and as a result dedicated client teams were created to deliver more efficient customer focussed services. A Performance Manager was appointed to ensure that SLA targets are met. The overall achievement against SLA targets over the year was 96%.

The service was also delighted to be shortlisted, together with Cumbria County Council, as a finalist in the Shared Services category at this year's Municipal Journal Achievement Awards. These awards recognize the best work of local government. An Awards evening will be held on 20 June 2013 to announce the winners.

Your Pension Service makes a charge to the Pension Fund on a per member basis which is restricted to the lower quartile as reported in national benchmarking returns. This charge is currently set at £21.50 per member as against a benchmark of £23. For 2012/13 the financial performance of the service across all the areas of work which it undertakes has generated an exceptional underspend and in order not to overcharge the Fund the County Treasurer has reduced the charge on a one off basis to £19.37 per member generating a rebate of £0.300m to the Fund. The ongoing level of charge to the Fund will be kept under review.

The Committee is asked to note the 2012/13 Administration Report as set out at Appendix 'A'.

Consultations

N/A

Implications

This item has the following implications, as indicated:

Risk management

No significant risks have been identified.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Ext
N/A		