

NORTH YORKSHIRE COUNTY COUNCIL

PENSION FUND COMMITTEE

18 SEPTEMBER 2014

MEMBER AND EMPLOYER ISSUES

Report of the Treasurer

1.0 PURPOSE OF THE REPORT

1.1 To provide Members with information relating to membership movements, performance and costs of benefits administration as well as related events and activity over the year to date as follows:

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|--|------------------|
| (a) Admission Agreements | (see section 2) |
| (b) Implementation of LGPS 2014 | (see section 3) |
| (c) NYPFOG | (see section 4) |
| (d) Performance, including Membership Analysis | (see section 5) |
| (e) CIPFA Benchmarking Results 2013/14 | (see section 6) |
| (f) Collaboration | (see section 7) |
| (g) Annual Benefit Statements | (see section 8) |
| (h) Member Training | (see section 9) |
| (i) Meetings Timetable | (see section 10) |

2.0 ADMISSION AGREEMENTS AND ACADEMIES

2.1 There has been one new admission agreement signed, with 'Housing and Care 21'. There are a number of other contracts currently being awarded to providers of cleaning and caretaking contracts to City of York schools that each require an admission agreement. Further detail is provided in **Appendix 1**.

2.2 Aireville School converted to academy status on 1st September 2014. Please see the full table of academies in the North Yorkshire Pension Fund at **Appendix 2**.

3.0 IMPLEMENTATION OF LGPS 2014

3.1 The approach to managing this challenge was noted by the Pension Fund Committee in September 2013 and involved;

- a restructure of the pensions administration team
- a re-focussing of the Fund's communication strategy
- a system upgrade

3.2 This has been successful in delivering LGPS 2014 and the team has now achieved a stable 'business as usual' position, operating under the new rules.

4.0 NYPCOG

4.1 Meetings of the North Yorkshire Pension Fund Officers Group have been held quarterly during 2014 and have been regularly attended by up to 40 employing authority representatives.

4.2 The focus has been on supporting employing authorities to meet their responsibilities under LGPS 2014, to communicate the new rules to their employees and to promote the NYPF on-line 'Member Self-Service' facilities.

4.3 The content has included practical workshops, question and answer sessions and presentations from NYPF officers and national figures from the Local Government Associations and the Pensions Ombudsman's office.

5.0 PERFORMANCE INCLUDING MEMBERSHIP MOVEMENTS

5.1 Details of current membership numbers are as follows;

Membership Category	At 31/03/13	+/- Change (%)	At 31/03/14	+/- Change (%)	At 30/06/14
Actives	29,035	+8.5	31,500	-0.6	31,308
Deferred	27,501	+7.2	29,490	+1.8	29,859
Pensioners*	16,755	+5.4	17,668	+1.6	17,949
Total	73,291	+7.3	78,658	+0.6	79,166

*Figures include spousal and dependant pensions

	31/03/2014	30/06/2014
Number of employing authorities in the Fund	106	107
Number of new starters in the quarter	628	
Number of retirements in the quarter	251	
Number of deaths for those in receipt of pension in the quarter	70	

5.2 The breakdown of retirements across the Fund during Quarter 1 of 2014/15 is at **Appendix 3**. The active membership numbers and associated movements are set out by employer within **Appendix 4**.

5.3 The administration performance figures for the first quarter of 2014/15 are as follows;

Performance Indicators	Target in Q1	Achieved
Performance in CIPFA Benchmarking Club	Upper Quartile	Upper Quartile
Measured work achieved within target	98%	100%
Customers surveyed ranking service good or excellent	94%	93%
Reduce reliance on customer helpline and encourage self-service approaches	Phone queries to be 10% or less of the number of website hits	Yes
Increase numbers of registered self-service users	Increase by 350 per month, 1,050 in the quarter	Yes – we achieved an increase of 1,439 in Q1
Review approaches to scheme member communications	Communications strategy presented to PFC in June	Yes
Complete production and roll out of Annual Benefit Statements	Before end of September 2014	Yes
Total Sickness absence in Q1	1.5 days per employee	0.22 days

5.4 The ‘Customers ranking service good or excellent’ dropped marginally below the target of 94% during Q1. An analysis of the concerns identified that the transition to LGPS 2014, as well as the transfer of York and North Yorkshire Probation Trust members to the Greater Manchester Pension Fund, impacted temporarily on the quality of service received. All non-positive feedback has been followed up and every effort is being made to ensure that the 94% target is achieved again.

6.0 CIPFA BENCHMARKING RETURN 2013/14

6.1 The benchmarking results for the year 2013/2014 showed that the unit cost for NYPF Pensions Administration was £14.85 compared with an average across the whole of the CIPFA Benchmarking Club of £20.75.

6.2 The NYPF unit cost has increased from £14.27 in 2012/13, and this reflects the work that has gone into preparing for LGPS 2014. The trend over the last 6 years, however, remains a downward one;

	2009	2010	2011	2012	2013	2014
Unit cost	£15.53	£15.89	£14.09	£15.32	£14.27	£14.85

6.3 There are no causes for concern amongst the results and North Yorkshire Pension Fund has maintained its upper quartile position in line with the target.

7.0 COLLABORATION

7.1 Initial discussions have taken place with East Riding Pension Fund (ERPF) around how benefits might be gained on the administration side through working together more closely.

7.2 NYPF has already been able to assist ERPF with advice about self-service functionality and ERPF has reciprocated with useful information around pension administration systems. It was also identified that the two Funds could potentially work together on co-procurement exercises and other mutually beneficial activity.

7.3 Work will therefore continue on developing these initial ideas and identifying further opportunities.

8.0 ANNUAL BENEFIT STATEMENTS

8.1 Approximately 60,000 Annual Benefit Statements are in the process of being issued for all employees. Almost all the Annual Benefit Statements will be provided on-line with only 1% of members opting to continue to receive a paper copy through the post. This saves more than £15k each year in postage and printing costs plus staff time, as well as supporting the Council's sustainability aspirations.

9.0 MEMBER TRAINING

9.1 The Member Training Record showing the training undertaken over the year to June 2014 is attached as **Appendix 5**.

9.2 Upcoming courses, seminars and conferences available to Members are set out in the schedule attached as **Appendix 6**.

9.3 These events provide a valuable source of knowledge and advice from speakers who are experts in their field, while keeping Members informed of the latest developments within the LGPS. Please contact Andrew Brudenell (01609 532386 or andrew.brudenell@northyorks.gov.uk) for further information or to reserve a place on an event.

10.0 MEETINGS TIMETABLE

10.1 The latest timetable for forthcoming meetings of the Committee and Investment Manager meetings is attached as **Appendix 7**.

11.0 RECOMMENDATIONS

11.1 Members to note the contents of this report.

GARY FIELDING
Treasurer
Central Services
County Hall
Northallerton

LATEST POSITION RE ADMISSION AGREEMENTS

Admission Agreement	Current Position And Action To Be Taken, If Applicable.
Housing and Care 21	The NYCC adult care services provided by Cherry Garth Care Home transferred on 5 June 2014 to an 'extra care' facility run by Housing and Care 21. Six staff who were members of the LGPS were involved in a TUPE transfer and an admission agreement has been set up to permit the staff to continue contributing to the LGPS.
<u>City of York School Cleaning and Caretaking Contracts</u> Dolce (6 agreements for 6 schools) Betterclean (3 agreements for 3 schools) Sewells (7 agreements for 7 schools) Consultant Cleaners (5 agreements for 5 schools) Bolloughs (2 agreements for 2 schools)	City of York Council awarded the contracts for the cleaning and caretaking in schools to a number of contractors in August and September 2014. The contracts vary in start date and duration. An admission agreement has been set up for each contract to allow those staff transferring to a new contractor's employment to remain in the LGPS.

Latest Position Re Academy Conversions

ACADEMY STATUS	STATUS
Harrogate Grammar School (NYCC)	School converted to an academy on 1/3/2011
Skipton Girls' High School (NYCC)	School converted to an academy on 1/4/2011
Manor CE School (City of York)	School converted to an academy on 1/4/2011
Archbishop Holgate's School (City of York)	School converted to an academy on 1/5/2011
South Craven School (NYCC)	School converted to an academy on 1/5/2011
Norton College (NYCC)	School converted to an academy on 1/5/2011
Rossett School (NYCC)	School converted to an academy on 1/7/2011
St Aidan's High School (NYCC)	School converted to an academy on 1/8/2011
Great Smeaton Primary School (NYCC)	School converted to an academy on 1/9/2011
Ripon College (NYCC)	School converted to an academy on 1/9/2011
Malton School (NYCC)	On hold, for the foreseeable future
Harrogate High School (NYCC)	School converted to an academy on 1/7/2012
Woodlands School (NYCC)	School converted to an academy on 1/4/2013
Harrogate Pupil Referral Unit (NYCC)	Unit converted to academy status on 1/9/2013
Hinderwell Primary School (NYCC)	School converted to an academy on 1/11/2013
Robert Wilkinson Primary School (City of York)	School converted to an academy on 1/12/2013
Haxby Road Primary School (City of York)	School converted to an academy on 1/2/2014
Aireville School (NYCC)	School converted to an academy on 1/9/2014

NORTH YORKSHIRE PENSION FUND
Cumulative Total of Retirements from 1 April 2014 to 30 June 2014

Employer	Normal	Ill-Health		Efficiency/ Redundancy/ Employers Consent	Total
		Actuarial Assumption [≠]	Actual		
007 - Scarborough	3	1	-	2	5
009 - Hambleton	1	1	-	3	4
010 - Ryedale	-	1	-	-	-
011 - Harrogate	8	3	-	1	9
012 - Richmondshire	1	1	1	-	2
013 - Selby	1	-	-	-	1
014 - Craven	-	1	-	-	-
016 - York St John University	2	1	-	-	2
020 - York	15	13	3	4	22
021 - Probation	2	-	-	-	2
025 - NYCC	46	45	-	10	56
042 - NY Police Authority	4	4	4	-	8
051 - NY Fire and Rescue	3	-	-	-	3
052 - N Y Moors NP	-	-	-	1	1
057 - Yorkshire Housing	2	-	-	-	2
061 - Askham Bryan College	2	1	1	-	3
062 - Craven College	1	-	-	-	1
074 - York College	-	1	-	-	-
076 - York Museums Trust	-	-	-	2	2
084 - Jacobs	1	-	-	-	1
098 - Harrogate Grammar Sc	1	-	-	-	1
107 - St Aidans School	1	-	-	-	1
110 - Ringway	2	-	-	-	2
Others		6			
TOTALS	96	79	9	23	128

(75%)

(7%)

(18%)

Quarter by quarter analysis					
Quarter 1	96		9	23	128
Quarter 2	-		-	-	-
Quarter 3	-		-	-	-
Quarter 4	-		-	-	-
	99	N/A	9	23	128

≠ **Estimated** actuarial assumptions re Ill-health numbers for the whole year - 2014/2015

Table Showing Change in Active Membership and Opt Out Numbers by Employer.

Employer	Number of active posts			Change During 2014/15	Opt Out inc in change	Change %
	31/03/2013	31/03/2014	30/06/2014			
<i>Councils</i>						
City of York Council	4,527	4,903	5,044	141	7	2.88
Craven DC	187	194	196	2	1	1.03
Hambleton DC	424	362	381	19		5.25
Harrogate BC	1,014	1,058	1,048	-10	9	-0.95
North Yorkshire CC	17,336	18,959	18,701	-258	35	-1.36
North Yorkshire CC FTE Terms	8,390	8,400	8,146	-254	N/A	-3.02
Richmondshire DC	165	217	232	15		6.91
Ryedale DC	212	220	221	1		0.45
Scarborough BC	526	557	557	0	2	0.00
Selby DC	195	224	221	-3		-1.34
Sub Total	24,586	26,694	26,601	-93	54	-0.35
<i>Police and Crime Commissioner, Fire, Probation Services and National Park Authorities</i>						
North Yorkshire PCC	1,001	1,062	1,038	-24		-2.26
NY Fire & Rescue	109	110	109	-1		-0.91
NY Moors National Park	122	122	121	-1		-0.82
NY Probation Service	203	208	0	-208		-100.00
Y'shire Dales Nat Park	125	122	126	4		3.28
Sub Total	1,560	1,624	1,394	-230	0	-14.16
<i>Town & Parish Councils</i>						
Easingwold TC	2	2	2	0		0.00
Filey Town Council	2	2	2	0		0.00
Foss Int Drge Board	7	7	7	0		0.00
Fulford Parish Council	8	9	9	0		0.00
Glusburn PC	1	1	1	0		0.00
Great Ayton PC	1	1	1	0		0.00
Haxby Town Council	4	3	3	0		0.00
Hunmanby PC	1	2	2	0		0.00
Knaresborough TC	3	3	2	-1		-33.33
Malton Town Council	3	3	3	0		0.00
Marston Moor Dnge Brd	3	3	3	0		0.00
Northallerton TC	5	5	4	-1		-20.00
Norton on Derwent TC	2	3	3	0		0.00
Northallerton/Romanby Burial Bd	2	2	2	0		0.00
Pickering Town Council	2	2	2	0		0.00
Riccall Parish Council	1	1	1	0		0.00
Richmond Town Council	1	1	1	0		0.00
Ripon City Council	4	6	5	-1		-16.67
Selby Town Council	7	7	7	0		0.00
Skipton Town Council	8	7	7	0		0.00
Sutton in Craven PC	2	2	2	0		0.00
Tadcaster Town Council	0	2	2	0		0.00
Thornton Int Dnge Brd	1	1	1	0		0.00
Whitby Town Council	4	6	6	0		0.00
Sub Total	74	81	78	-3	0	-3.70
<i>Colleges & Universities</i>						
Askham Bryan College	170	205	195	-10		-4.88
Craven College	193	215	215	0		0.00
Scarborough VI Form	43	52	54	2		3.85
Selby College	120	123	122	-1		-0.81
University of Hull	82	97	94	-3		-3.09
York College	311	343	342	-1		-0.29
York St John Uni	370	387	472	85		21.96
Sub Total	1,289	1,422	1,494	72	0	5.06

Employer	31/03/2013	31/03/2014	30/06/2014	Change During 2014/15	Opt Out inc in change	Change %
<u>Admitted Bodies</u>						
Catering Academy Ltd	0	5	4	-1		-20.00
Chartwells Compass	6	4	4	0		0.00
Churchill Security	0	3	3	0		0.00
Community Leisure	2	2	2	0		0.00
Craven Housing	32	30	29	-1		-3.33
Elite	1	1	1	0		0.00
Enterprise	15	15	15	0		0.00
Future Cleaning	1	1	0	-1		-100.00
Grosvenor FM	8	8	8	0		0.00
Human Support Group	27	26	26	0		0.00
ISS Mediclean Ltd	72	67	66	-1		-1.49
Interserve	2	1	1	0		0.00
Jacobs UK Ltd	21	19	17	-2		-10.53
Joseph Rowntree Trust	13	12	12	0		0.00
Mellors	11	3	3	0		0.00
Northern Care	0	2	2	0		0.00
NYBEP	1	1	1	0		0.00
Premier Support Services	0	2	0	-2		-100.00
Ringway	137	132	130	-2		-1.52
Richmondshire Leisure	14	13	13	0		0.00
Scarbro' Museums Trust	4	1	0	-1		-100.00
Sheffield International Venues	28	24	24	0		0.00
Springfield Home Care	3	3	2	-1		-33.33
Superclean	3	3	3	0		0.00
Veritau Ltd	31	34	39	5		14.71
Veritau North Yorkshire	6	4	5	1		25.00
Wigan Leisure/Culture	27	17	14	-3		-17.65
York Archaeological Tst	2	2	2	0		0.00
York Museums/Gallery	96	105	128	23	2	21.90
Yorkshire Coast Homes	99	111	138	27		24.32
Yorkshire Housing Ltd	101	94	89	-5		-5.32
Yorkshire Tourist Brd	6	6	6	0		0.00
Sub Total	769	751	787	36	2	4.79
<u>Academies</u>						
Archbishop Holgate's School	55	56	64	8		14.29
Great Smeaton Academy Primary School	2	1	1	0		0.00
The Grove Academy	0	6	8	2		33.33
Harrogate Grammar School	152	184	179	-5		-2.72
Harrogate High School	51	50	53	3	1	6.00
Haxby Road Primary Academy	0	0	36	36		100.00
Manor Church of England Academy	56	60	60	0		0.00
Norton College	56	58	56	-2		-3.45
Outwood Grange Academy	36	32	30	-2		-6.25
Robert Wilkinson Academy	0	78	85	7		8.97
Rossett School	55	55	55	0		0.00
Skipton Girls High School	35	26	25	-1		-3.85
South Craven School	107	115	112	-3	1	-2.61
St Aidan's C of E High School	151	152	139	-13		-8.55
The Woodlands Academy	0	35	33	-2		-5.71
Thomas Hinderwell Primary Academy	0	20	18	-2		-10.00
Sub Total	756	928	954	26	2	2.80
Total	29,034	31,500	31,308	-192	58	-0.61

UPCOMING TRAINING AVAILABLE TO MEMBERS

<i>Provider</i>	<i>Course or Conference Title</i>	<i>Date(s)</i>	<i>Location</i>	<i>Theme / Subjects Covered</i>
NAPF	Annual Conference and Exhibition	15 th - 17 th October 2014	Liverpool	Annual Conference
LGPIF	Investment Forum	21 st – 22 nd October 2014	London	Collaborative Investing, Listed Infrastructure, Fund and Investment Governance, Real Estate Opportunities, Absolute Return Prospects, Generating Smart Beta, Multi-Credit Investing
LAPFF	Annual Conference	03 rd – 05 th December 2014	Bournemouth	Financial Stewardship and Governance, Pension Fund Strategy, Stakeholder Engagement, Shareholder Activism, Investment Market Conditions and Prospects.

PENSION FUND COMMITTEE TIMETABLE FOR MEETINGS 2014 and 2015

<i>Meeting Date</i>	<i>Venue & Time</i>	<i>Regular</i>	<i>Fund Managers</i>
19 September 2014	10:00–13:00 Grand Committee Room	Investment Manager Meetings	East Riding Pension Fund Amundi Asset Management
21 November 2014	10:00–14:00 Grand Committee Room	Pension Fund Committee Member and Employer issues Budget & Statistics Performance of the Portfolio Q2 Fund Manager Matters	
TBC	10:00–14:00 Grand Committee Room	Investment Manager Meetings	2/3 Managers (TBC)
26 February 2015	10:00–14:00 Grand Committee Room	Pension Fund Committee Member and Employer issues Budget & Statistics Performance of the Portfolio Q3 Fund Manager Matter	
27 February 2015	10:00–14:00 Grand Committee Room	Investment Manager Meetings	2/3 Managers (TBC)
21 May 2015	10:00–14:00 Grand Committee Room	Pension Fund Committee Member and Employer issues Budget & Statistics Performance of the Portfolio Q4 Fund Manager Matters	

<i>Meeting Date</i>	<i>Venue & Time</i>	<i>Regular</i>	<i>Fund Managers</i>
22 May 2015	10:00–14:00 Grand Committee Room	Investment Manager Meetings	2/3 Managers (TBC)
09 July 2015	10:00–14:00 Grand Committee Room	Pension Fund Committee Statement of Final Accounts 2014/15 Governance of the Fund	