

NORTH YORKSHIRE COUNTY COUNCIL

PENSION FUND COMMITTEE

21 MAY 2015

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 of benefits administration as well as related events and activity over the year to date as follows:

- | | |
|---------------------------------|-----------------|
| (a) Admission Agreements | (see section 2) |
| (b) Councillors' Pensions | (see section 3) |
| (c) Membership Analysis | (see section 4) |
| (d) Administration Performance | (see section 5) |
| (e) Actuarial Services contract | (see section 6) |
| (f) Member Training | (see section 7) |
| (g) Meetings Timetable | (see section 8) |

2.0 Admission Agreements and Academies

2.1 The latest position re Proposed Admission Agreements and academy conversions is described in the table at **Appendix 1**.

2.2 This list now reflects the City of York Council 'Make It York' admission agreement which was signed off at the Pension Fund Committee meeting of 26 February 2015.

3.0 Councillors' access to the Local Government Pension Scheme

3.1 As reported to the Committee in May 2014, it continues to be the case that the membership of councillors in the LGPS in England will cease on a phased basis in line with the ending of terms of office.

3.2 Councillors will cease to be members of the Scheme at the end of the term of office they were serving, as from 1 April 2014. All councillors in the North Yorkshire Pension Fund were notified individually in April 2014.

3.3 When a councillor ceases to be an active member of the Scheme, he / she will be able to make an election to draw pension benefits on or after age 60, even if he / she is immediately re-elected.

- 3.4 Councillors whose membership of the LGPS will cease in May 2015 will automatically be contacted regarding their options under the LGPS.
- 3.5 A table is shown below summarising the number of councillors contributing to the North Yorkshire Pension Fund and the date on which membership of the Scheme will cease.

Local authority	Number of councillors in LGPS	Date membership will cease
City of York Council	19	May 2015
Hambleton DC	8	May 2015
Harrogate BC	13	May 2016
NYCC	19	May 2017

4.0 Membership Analysis

- 4.1 The main membership categories have increased in number during 2014/15:

Membership type	31 March 2014	31 March 2015
Active members	31,501	34,990
Deferred members	29,490	30,591
Pensioner members*	17,668	18,451

*Figures includes spouses' and dependants' pensions

- 4.2 A data cleansing exercise is underway to verify membership data as at the year end. Updated membership numbers by employer will be presented to the PFC in due course.
- 4.3 There is an analysis of retirements by employing authority and by retirement type at **Appendix 2**.

5.0 Administration Performance

- 5.1 Administration performance in 2014/15 has been good despite the need to deal with a more complex Scheme since 1 April 2014 and a large number of 'workarounds' on the pensions administration computer system. The system does not consistently provide accurate results, particularly in relation to the Career Average pension benefits and the 'revaluation' of those benefits, which has slowed the rate of processing cases. This is a national issue and is a consequence of the Government's hasty implementation of the new Scheme. Further developments are awaited from Heywood to resolve a long list of system bugs.

5.2 This table summarises the level of performance achieved over the year to March 2015.

		Target	Achievement
1	Measured work achieved within best practice target	98%	98.5%
2	Customers surveyed ranking the service good or excellent	94%	88%
3	Employers surveyed reporting that the support they receive from NYPF meets their needs	90%	95.2%
4	Reduce reliance on customer helpline. Phone queries reduced as a proportion of customer contacts to less than 29%	29%	21.8%
5	Increase numbers of registered self-service users	13,000	8,988
6	Review approaches to scheme member communications	2014/15 Strategy to be reviewed by PFC	To be presented at the July 2015 meeting
7	Complete production and roll out of Annual Benefit Statements	End of September	End of September
8	Working days lost per fte to sickness absence	6	5.45

5.3 Before the implementation of the Altair pensions administration computer system, performance indicator number 5 was comfortably on target. However, while the new system brought new, improved self-service facilities all users were de-activated and have had to re-register, so the total is building up again from scratch.

5.4 Where responses of less than 'Good' or 'Excellent' were received either from Fund members or Fund employing authorities (Performance Indicators 2 and 3), they were followed up and any issues quickly resolved and learning captured.

6.0 Actuarial Services Contract

6.1 At the PFC meeting on 22 May 2014 Members were advised that officers would be re-procuring the actuarial services contract using the "National LGPS Framework for Actuarial and Benefit Consultancy Services". This framework agreement is the result of collaboration between LGPS funds aimed at significantly reducing procurement costs compared to the alternative OJEU process individual funds would otherwise be obliged to follow.

6.2 The procurement process ran from Q4 2014 to Q1 2015 and the decision was to appoint Aon Hewitt. The new contract will start on 1 June 2015. Officers are liaising with Mercer and Aon Hewitt to effect a smooth transition.

6.3 The Aon Hewitt team that will be providing actuarial services is based in Bristol and the investment consultancy team is based in Leeds. As well as this physical separation,

each staff member will only be involved in the delivery of one contract and the company has other processes in place to ensure no conflicts arise. Members are reminded that similar arrangements operated without any issues up until 2010 when both contracts were with Mercer.

7.0 Member Training

- 7.1 The Member Training Record showing the training undertaken over the year to May 2015 is attached as **Appendix 3**.
- 7.2 Upcoming courses, seminars and conferences available to Members are set out in the schedule attached as **Appendix 4**. Please contact Andrew Brudenell (01609 532386 or andrew.brudenell@northyorks.gov.uk) for further information or to reserve a place on an event.

8.0 Meetings Timetable

- 8.1 The latest timetable for forthcoming meetings of the Committee and Investment Manager meetings is attached as **Appendix 5**.

9.0 Recommendations

- 9.1 That Members note the contents of this report

GARY FIELDING
Treasurer
Central Services
County Hall
Northallerton

11 May 2015

APPENDIX 1

LATEST POSITION RE ADMISSION AGREEMENTS

Admission Agreement	Current Position and Action to Be Taken (If Applicable)
GLL (Greenwich Leisure Ltd) providing leisure services for City of York Council	City of York Council are finalising negotiations with GLL, a charitable social enterprise, to provide the Council's leisure services from 1 June 2015. An admission agreement is to be put in place to cover the transferring staff who are members of the LGPS.
City of York Council – potential creation of 'Make It York' to achieve a stronger co-ordination and promotion of York's profile and cultural offer	City of York Council are considering the creation of a company to be known as Make It York in order to develop a National/International profile of high quality cultural events in York, to increase business investment in York and to achieve an increase in expenditure by tourists. Make It York will be a company wholly owned by City of York Council.

ACADEMY ADMISSIONS WITHIN THE LAST 12 MONTHS

Original name of school	Date of conversion/ current position	Name of academy after conversion
Aireville School (NYCC)	School converted to an academy on 1/9/2014	The Skipton Academy, part of the Craven Educational Trust
Roseberry Community Primary School (NYCC)	School converted to an academy on 1/10/2014	Roseberry Academy, part of the Enquire Learning Trust
Richard Taylor CE Primary School	Staff 'TUPE transferred' to St Aidan's Church of England High School on 1/3/2015	Part of the St Aidan's Church of England Schools Trust from 1 March 2015
Stokesley School (NYCC)	School converted to an academy on 1/4/2015	Stokesley School, part of the Arete Learning Trust
Poppleton Ousebank Primary School (City of York)	School converted to an academy on 1/4/2015	Poppleton Ousebank Primary School is part of the Hope Learning Trust
Huntington Primary School (City of York)	School converted to an academy on 1/4/2015	Huntington Primary Academy

NORTH YORKSHIRE PENSION FUND
Cumulative Total of Retirements from 1 April 2014 to 31 March 2015

<i>Employer</i>	<i>Normal</i>	<i>Ill-Health</i>		<i>Efficiency/ Redundancy/E mployers Consent</i>	<i>Total</i>
		<i>Actuarial Assumption[£]</i>	<i>Actual</i>		
003 - Whitby Town Council	1	-	-	-	1
007 - Scarborough	10	1	1	7	18
009 - Hambleton	10	1	-	6	16
010 - Ryedale	5	1	-	-	5
011 - Harrogate	24	3	4	1	29
012 - Richmondshire	8	1	1	1	10
013 - Selby	3	-	-	-	3
014 - Craven	5	1	-	-	5
016 - York St John University	11	1	1	1	13
020 - York	88	13	9	27	124
021 - Probation	2	-	-	-	2
025 - NYCC	253	43	7	58	318
042 - NY Police Authority	19	7	7	8	34
051 - NY Fire and Rescue	4	-	-	-	4
052 - N Y Moors NP	2	-	-	2	4
053 - Yorkshire Dales NP	1	-	-	-	1
054 - NYBEP	1	-	-	-	1
055 - Uni of Hull	3	-	-	-	3
057 - Yorkshire Housing	3	-	-	-	3
061 - Askham Bryan College	4	1	1	-	5
062 - Craven College	7	-	-	-	7
065 - Selby College	2	1	1	-	3
068 - Scarborough 6 th Form Coll	-	-	-	2	2
073 - Community Leisure	1	-	-	-	1
074 - York College	7	1	1	-	8
076 - York Museums Trust	1	1	1	2	4
077 - Craven Housing	1	-	-	-	1
080 - Yorkshire Coast Homes	2	-	-	-	2
084 - Jacobs	1	-	-	-	1
090 - Veritau	-	-	-	1	1
097 - ISS Mediclean	4	-	-	-	4
098 - Harrogate Grammar School	3	-	-	-	3
101 - Skipton Girls High School	2	-	-	-	2
102 - South Craven School	4	1	1	-	5
105 - Rossett School	2	-	-	-	2
107 - St Aidans School	2	-	-	-	2
108 - Outwood Grange	-	1	1	-	1
110 - Ringway	7	1	1	-	8
111 - Veritau North Yorkshire	-	-	-	1	1

118 - Sheffield Int Venues	1	-	-	-	1
126 - Robert Wilkinson Academy	1	-	-	-	1
131 - Be Independent	-	-	-	1	1
TOTALS	505	79	37	117	659

(76%)

(7%)

(17%)

Quarter by quarter analysis					
Quarter 1	119		11	26	156
Quarter 2	183		11	44	238
Quarter 3	132		7	12	151
Quarter 4	71		8	35	114
	505	N/A	37	117	659

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

UPCOMING TRAINING AVAILABLE TO MEMBERS

<i>Provider</i>	<i>Course / Conference Title</i>	<i>Date(s)</i>	<i>Location</i>	<i>Themes / Subjects Covered</i>
LGC	Investment Summit	10-11 September 2015	Newport	Various Investment Related Topics Full Programme Details TBC
NAPF	Annual Conference and Exhibition	14-16 October 2015	Liverpool	Programme details TBC
NAPF	Investment Conference	9-11 March 2016	Edinburgh	Key investment choices, challenges and changes faced by institutional investors. Programme details TBC

PENSION FUND COMMITTEE TIMETABLE FOR MEETINGS IN 2015 AND 2016

Meeting Date	Time & Venue	Event	Fund Managers
22 May 2015	10am, Meeting Room 7	Investment Manager Meetings	Fidelity, Amundi
09 July 2015	10am, The Grand	Pension Fund Committee	
17 September 2015	10am, The Grand	Pension Fund Committee	1 Manager TBC
18 September 2015	10am, TBC	Investment Manager Meetings	2 Managers TBC
26 November 2015	10am, The Grand	Pension Fund Committee	1 Manager TBC
27 November 2015	10am, TBC	Investment Manager Meetings	2 Managers TBC
25 February 2016	10am, The Grand	Pension Fund Committee	1 Manager TBC
26 February 2016	10am, TBC	Investment Manager Meetings	2 Managers TBC
19 May 2016	10am, The Grand	Pension Fund Committee	1 Manager TBC
20 May 2016	10am, TBC	Investment Manager Meetings	2 Managers TBC