

NORTH YORKSHIRE COUNTY COUNCIL

PENSION FUND COMMITTEE

19 MAY 2016

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 and Academies	(see section 2)
(b) Membership Analysis	(see section 3)
(c) Administration Performance	(see section 4)
(d) Class Actions	(see section 5)
(e) Member Training	(see section 6)
(f) Meetings Timetable	(see section 7)

2.0 Admission Agreements and New Academies

2.1 The latest position re Admission Agreements is described in the table at **Appendix 1**. There are no specific issues requiring the attention of the Committee.

2.2 The list of schools known to have converted to academy status is also included in **Appendix 1**.

3.0 Membership Analysis

3.1 The membership movement figures for 2015/16 are shown below.

Membership Category	At 31/03/14	+/- Change (%)	At 31/03/15	+/- Change (%)	At 31/03/16
Actives	31,501	+11.1	34,990	-3.4%	33,796
Deferred	29,490	+3.7	30,591	+3.7%	31,718
Pensioners*	17,668	+4.4	18,451	+5.2%	19,414
Total	78,659	+6.8	84,032	+1.1%	84,928

*Figures include spouses' and dependants' pensions

- 3.2 A data cleansing exercise has resulted in a reduction to the current membership shown in the 'active' category. The exercise included dealing with the pension records of those who had left posts, relief posts that had been terminated or not worked in for a number of years and instances of duplicate posts being incorrectly recorded.
- 3.3 The figures reflect the number of posts for which pension records are held on the pension administration system rather than FTEs. This is in line with the requirement to track each post with a separate level of pensionable pay so that members receive the highest level of pension benefits at retirement.
- 3.4 The breakdown of retirements across the Fund for 2015/16 is at **Appendix 2**.

4.0 Performance of the Pensions Administration Team

- 4.1 The performance figures for Q4 of 2015/16 are as follows:

<i>Performance Indicator</i>	<i>Target in Q4</i>	<i>Achieved</i>
Measured work achieved within target	98%	99%
Customers surveyed ranking service good or excellent	94%	95%
Employer satisfaction with the service ranked good or excellent	90%	100%
Reduce reliance on customer helpline. Phone queries reduced as a proportion of customer contacts to < 29%	29%	28%
Increase numbers of registered self-service users	13,000	11,672
Total sickness absence in Q4	6 days per employee	8.87 days per employee

- 4.2 The changes in the way key administration areas are being dealt with continue to result in the performance target being achieved.
- 4.3 The employer satisfaction survey was sent out in January 2016 to all employers with a deadline for response of 4 March 2016. 34 surveys were returned with all respondents rating the service excellent or good. A training session has been offered to one respondent who was finding the website and online forms difficult to use. The survey was used to obtain information on whether employers offer pre-retirement seminars or financial planning sessions and whether there is an interest in providing these sessions. A list has been compiled of employers who would like to pilot sessions for their staff in collaboration with neighbouring employers.

- 4.4 The self-service registration performance indicator was comfortably on target prior to the implementation of the Altair pension administration system. Although the move to Altair brought improved self-service facilities, all existing users were de-activated and required to re-register their details. The total number of registered self-service users is therefore building up again from a zero base. There has been an increase of 685 users in Q4.
- 4.5 New user registrations increase most significantly following the issue of Annual Benefits Statements as these statements are viewed using the self-service facility. This year employers will be asked to advertise the facility more prominently to their staff. There will also be an exercise in Q2 to contact members who have left employment and hold 'preserved benefits' so as to inform them of additional functionality now available to them via member self-service. It is therefore anticipated that there will be a significant increase in those registering from September 2016 onwards.
- 4.6 The high sickness absence figure is a result of the long-term sick leave of a member of the Section who retired in November 2015. If the sickness absence of this member of staff is excluded from the calculation for the year, the Section's sickness absence is well below the target.

5.0 Class Actions

Background

- 5.1 Over recent years there has been a shift of class action opportunities away from the US to other jurisdictions. This followed decisions by the US courts which effectively deter non US investors investing in non US stock exchanges from using the US courts as a route to recover losses. This is unfortunate, as NYPF has recovered substantial sums through this route in the past. Class action cases in the US require the defendant to prove their innocence, plaintiffs are not liable for costs or damages in the event that a case is unsuccessful, and investors are assumed to participate in cases pursued by others unless they choose to opt out.
- 5.2 Class action procedures in jurisdictions outside of the US are going through an evolutionary process. Although some jurisdictions are more developed than others, a much greater degree of judgement is required before a case could be joined. Typically, the burden of proof lies with the plaintiffs, and costs and damages could be awarded to the defendant.
- 5.3 However, with the appropriate legal advice and insurance protection there are opportunities for NYPF to participate in cases - where recoveries could be substantial. NYPF officers will work with lawyers and investment managers to further substantiate potential claims and fully understand the risks of participation.
- 5.4 An update of recent class action activity is included in **Appendix 3**, which contains exempt information of the description contained in paragraph 5 of Part 1 of Schedule 12a of the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation) Order 2006.

6.0 MEMBER TRAINING

- 6.1 The Member Training Record showing the training undertaken over the year to May 2016 is attached as **Appendix 4**.
- 6.2 Upcoming courses, seminars and conferences available to Members are set out in the schedule attached as **Appendix 5**. Please contact Andrew Brudenell (01609 532386 or andrew.brudenell@northyorks.gov.uk) for further information or to reserve a place on an event.

7.0 MEETINGS TIMETABLE

- 7.1 The latest timetable for forthcoming meetings of the Committee and Investment Manager meetings is attached as **Appendix 6**.

8.0 RECOMMENDATIONS

- 8.1 Members are asked to note the contents of this report.

LATEST POSITION RE ADMISSION AGREEMENTS

Admission Agreement	Current Position and Action to Be Taken (If Applicable)
Chartwells providing catering services for Thomas Hinderwell Primary Academy	The catering services for Thomas Hinderwell Primary Academy have been awarded to a contractor, Chartwells, part of the Compass Group UK from 1 April 2015. There are three members of staff who are in the LGPS and an admission agreement is to be put in place to allow the continued membership in the LGPS for these members of staff. The academy will be required to act as guarantor to the admission agreement.
Greenwich Leisure Limited providing leisure services for City of York Council	City of York Council are to transfer the Council's Leisure Services to Greenwich Leisure Limited. The date of transfer has yet to be finalised but an admission agreement will be put in place to cover those staff transferring who are in the LGPS at the date of transfer.

LATEST ACADEMY ADMISSIONS

Original name of school	Date of conversion/ current position	Name of academy after conversion
St. Peter's Church of England Primary School (NYCC)	School converted to an academy on 1 March 2016	School became part of the Yorkshire Causeway Schools Trust
Pannal Primary School (NYCC)	School converted to an academy on 1 April 2016	School became part of the Yorkshire Causeway Schools Trust
Oatlands Infant School (NYCC)	School converted to an academy on 1 April 2016	School became part of the Yorkshire Causeway Schools Trust
Millthorpe School (York)	School converted to an academy on 1 April 2016	School became part of the South Bank Multi Academy Trust

Appendix 2

NORTH YORKSHIRE PENSION FUND Cumulative Total of Retirements from 1 April 2015 to 31 March 2016

<i>Employer</i>	<i>Normal</i>	<i>Ill-Health</i>		<i>Efficiency/ Redundancy/ Employers Consent</i>	<i>Total</i>
		<i>Actuarial Assumption^z</i>	<i>Actual</i>		
001 - Fulford PC	1	-	-	-	1
007 - Scarborough BC	15	1	1	4	20
009 - Hambleton DC	5	1	1	2	8
010 - Ryedale DC	8	1	-	3	11
011 - Harrogate BC	25	2	2	15	42
012 - Richmondshire DC	7	1	-	-	7
013 - Selby DC	4	1	-	1	5
014 - Craven DC	6	1	-	-	6
015 - Welcome to Yorkshire	1	-	-	-	1
016 - York St John University	12	-	-	-	12
020 - York	85	7	3	25	113
025 - NYCC	295	22	6	35	336
051 - NY Fire and Rescue	4	2	2	-	6
052 - NY Moors NP	2	-	-	-	2
053 - Yorkshire Dales NP	2	-	-	-	2
055 - Uni of Hull	3	-	-	1	4
057 - Yorkshire Housing	7	-	-	-	7
061 - Askham Bryan College	2	-	-	-	2
062 - Craven College	3	1	-	-	3
065 - Selby College	3	-	-	-	3
068 - Scar 6 th Form College	1	-	-	-	1
074 - York College	6	-	-	5	11
076 - York Museums Trust	7	1	-	-	7
077 - Craven Housing	2	-	-	-	2
080 - Yorkshire Coast Homes	12	-	-	1	13
084 - Jacobs	1	-	-	-	1
086 - Superclean	1	-	-	-	1
092 - Enterprise	1	-	-	-	1
097 - ISS Mediclean	1	-	-	-	1
098 - Harrogate Grammar	5	-	-	-	5
101 - Skipton Girls' High Sc	3	-	-	-	3
102 - South Craven School	2	-	-	-	2
105 - Rossett School	1	-	-	-	1
106 - Manor CE School	1	-	-	-	1
107 - St Aidan's High School	2	-	-	-	2
110 - Ringway	12	-	-	-	12
118 - Sheffield Int Venues	1	-	-	-	1

<i>Employer</i>	<i>Normal</i>	<i>Ill-Health</i>		<i>Efficiency/ Redundancy/ Employers Consent</i>	<i>Total</i>
		<i>Actuarial Assumption[≠]</i>	<i>Actual</i>		
119 - Woodlands Academy	-	-	-	1	1
125 - Thomas Hinderwell Sch	1	-	-	-	1
126 - Robert Wilkinson Acad	2	-	-	-	2
128 - NY Police and Crime C	5	-	-	-	5
129 - NY Chief Constable	13	1	1	-	14
130 - Explore York	1	2	2	-	3
134 - Sewell Facilities Man	3	-	-	-	3
140 - Sanctuary Housing	1	-	-	-	1
143 - Lifeways	1	-	-	-	1
144 - Stokesley School	2	-	-	-	2
145 - Poppleton Ousebank Sc	1	-	-	-	1
149 - SLM Scar Leisure	-	-	-	1	1
Others	-	7	-	-	-
TOTALS	579	51	18	94	691
	(84%)		(2%)	(14%)	

<i>Quarter by quarter analysis</i>					
Quarter 1	156		3	24	183
Quarter 2	176		3	44	223
Quarter 3	135		7	19	161
Quarter 4	112		5	7	124
	579	N/A	18	94	691

≠ **Estimated** actuarial assumptions re Ill-health numbers for the whole year - 2015/20

Appendix 4

Date	Title or Nature of Course	Bateman B	Blackie J	De Courcey-Bailey M	Harrison-Topham R	Mulligan P	Swiers H	Weighell J	Clark J	Steward C	Portlock D	Hazeldine B	Unison (Vacancy)	Unison (Vacancy)
21 May 2015	NYCC Fixed Income Review I	✓	✓	✓	✓	✓	✓	✓	✓					
22 May 2015	NYCC Investment Manager Meeting	✓		✓	✓	✓	✓	✓						
9 July 2015	NYCC Fixed Income Review II		✓	✓	✓	✓	✓	✓	✓					
18 Sept 2015	NYCC Investment Manager Meeting	✓			✓	✓	✓	✓	✓					
14-16 Oct 2015	NAPF Investment Conference	✓				✓	✓	✓						
17 Nov 2015	LGA Trustee Fundamentals										✓			
26 Nov 2015	NYCC Investment Manager Meeting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
27 Nov 2015	NYCC Investment Manager Meeting	✓	✓	✓	✓	✓	✓	✓	✓	✓				
02-04 Dec 2015	LAPFF Annual Conference		✓											
26 Feb 2016	NYCC Investment Manager Meeting	✓		✓	✓	✓	✓	✓	✓	✓	✓			
09-11 Mar 2016	PLSA Investment Conference								✓					
16-18 May 2016	PLSA Local Authority Conference	✓							✓					

Appendix 5

UPCOMING TRAINING AVAILABLE TO MEMBERS

<i>Provider</i>	<i>Course / Conference Title</i>	<i>Date(s)</i>	<i>Location</i>	<i>Theme / Subjects Covered</i>
CIPFA	Pensions Network Workshop	05 or 06 July 2016	London / Manchester	LGPS Regulatory Update; Economic Update; Good Governance in Investment Structures; Employer Covenants; Data Issues
LGC	Investment Summit	08-09 September 2016	Newport	Sustainable investment solutions; asset allocation under new regulatory regime; collaboration; cost efficient implementation.
PLSA	Annual Conference and Exhibition	19-21 October 2016	Liverpool	UK's largest gathering of experts on pensions and lifetime savings. Speakers set out the latest ideas on tackling the new challenges stemming from policy reform and political upheaval. Programme details TBC.
PLSA	Local Authority Forum	02 November 2016	London	Specialist pensions event for Local Authority pension managers, committee members and their advisers. Programme details TBC.
PLSA	Investment Conference	9-11 March 2017	Edinburgh	Key investment choices, challenges and changes faced by institutional investors. Programme details TBC.

Appendix 5

PENSION FUND COMMITTEE TIMETABLE FOR MEETINGS IN 2016 AND 2017

<i>Meeting Date</i>	<i>Time & Venue</i>	<i>Event</i>	<i>Managers</i>
19 May 2016	10am, The Brierley Room	Pension Fund Committee	
20 May 2016	10am, The Evolution Centre	Investment Manager Meeting	Dodge & Cox, Veritas
07 July 2016	10am, The Brierley Room	Pension Fund Committee	
21 September 2016	10am, TBC	Pension Fund Committee	1 Manager TBC
22 September 2016	10am, TBC	Investment Manager Meeting	2 Managers TBC
24 November 2016	10am, TBC	Pension Fund Committee	1 Manager TBC
25 November 2016	10am, TBC	Investment Manager Meeting	2 Managers TBC
23 February 2017	10am, TBC	Pension Fund Committee	1 Manager TBC
24 February 2017	10am TBC	Investment Manager Meeting	2 Managers TBC
18 May 2017	10am TBC	Pension Fund Committee	1 Manager TBC
19 May 2017	10am TBC	Investment Manager Meeting	2 Managers TBC