

SURREY COUNTY COUNCIL

PENSION FUND BOARD

DATE: 15 MAY 2014

LEAD OFFICER: SHEILA LITTLE, CHIEF FINANCE OFFICER

SUBJECT: KEY PERFORMANCE INDICATORS



SUMMARY OF ISSUE:

In line with best practice, Pension Fund Board members will be supplied with Pension Fund key performance indicators (KPIs) on a quarterly basis, covering investment and administration practices.

RECOMMENDATIONS:

It is recommended that:

- 1 The Pension Fund Board note the KPI statement shown in Annex 1.

REASON FOR RECOMMENDATIONS:

To comply with best practice.

DETAILS:

Requirement

- 1 In line with best practice, future Pension Fund Board meetings will be supplied with a schedule of Pension Fund key performance indicators (KPIs), covering investment and administration practices.

Key Performance Indicators

- 2 The KPIs cover the following areas:
 - Funding level
 - Death benefit administration
 - Retirement administration
 - Benefit statements
 - New joiners
 - Transfers in and out
 - Material posted on website
 - Employer and member satisfaction
 - Investment performance
 - Data quality
 - Contributions monitoring
 - Audit
 - Overall administration cost

- 3 The KPI schedule is shown as Annex 1.
- 4 Periods covered in the schedule range from one month, three months and twelve months.
- 5 Slight deteriorations in performance over the quarter on the pensions administration (benefits, retirement and transfers) are explained by the resource required to introduce the new LGPS 2014 scheme that took effect from 1 April 2014.
- 6 The reduction in annual out-performance over benchmark over the quarter is explained by the dropping out of the significant Q4 2012/13 return from the annual performance return with a lower Q4 2013/14 return in replacement.
- 7 Members are invited to discuss the performances set out in the schedule.

Internal Audit Report: Pensions Administration

- 8 The latest internal audit report on the administration service is shown as Annex 2. The findings of the audit support the audit opinion of **Effective** and there were no recommendations arising from the review.

CONSULTATION:

- 9 The Chairman of the Pension Fund has been consulted and has offered full support regarding the content, structure and performances achieved set out in the schedule.

RISK MANAGEMENT AND IMPLICATIONS:

- 10 There are no risk related issues contained within the report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

- 11 There are no financial and value for money implications.

CHIEF FINANCE OFFICER COMMENTARY

- 12 The Chief Finance Officer is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed and that the proposed KPI model offers an effective framework for the monitoring of the essential pension fund KPIs.

LEGAL IMPLICATIONS – MONITORING OFFICER

- 13 There are no legal implications or legislative requirements associated with this report.

EQUALITIES AND DIVERSITY

- 14 The reporting of such information will not require an equality analysis, as the initiative is not a major policy, project or function being created or changed.

OTHER IMPLICATIONS

15 There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

16 The following next steps are planned:

- Continued improvement in the indicators.
- Further refinement and additions of useful data.

Contact Officer:

Phil Triggs, Strategic Finance Manager (Pension Fund and Treasury)

Consulted:

Pension Fund Board Chairman.

Annexes:

Annex 1: Schedule of Key Performance Indicators

Annex 2: Internal Audit report on Pensions Administration

Sources/background papers:

None

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