

SURREY COUNTY COUNCIL

PENSION FUND COMMITTEE

DATE: 12 FEBRUARY 2016

LEAD OFFICER: SHEILA LITTLE, DIRECTOR OF FINANCE

SUBJECT: KEY PERFORMANCE INDICATORS & ADMINISTRATION UPDATE



SUMMARY OF ISSUE:

In line with best practice, Pension Fund Committee members will be supplied with Pension Fund key performance indicators (KPIs) on a quarterly basis, covering investment and administration practices. This paper also includes an update on administration issues

RECOMMENDATIONS:

It is recommended that:

- 1 The Pension Fund Committee note this report and the KPI statement shown in Annex 1.

REASON FOR RECOMMENDATIONS:

To comply with best practice.

MATERIAL CHANGES FROM THE LAST REPORTING PERIOD (30 SEPT 2015)

- 1 There is one funding, one investment performance category and nine administration categories that report changes over a three-month period as measured against their target.
- 2 Three new categories have been added since the previous report. The first provides details of the number of ill health retirement cases during the reporting period, the second provides information regarding the number of internal disputes received during this period and the last provides a break down of membership by active, deferred and pensioner categories.
- 3 The funding category has shown an improvement as compared with the previous three-month reporting period and the target performance level.
- 4 Of the nine administration categories, four show a deterioration as compared against the previous three-month reporting period and five show an improvement. Nine categories failed to meet the performance target and 11 either met or exceeded the performance target in the reporting period.
- 5 KPI number eight confirms that the administration costs per member remains in the lowest CIPFA benchmark quartile, as measured in the 12 months to 31 March 2015.

DETAILS:**Requirement**

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

Key Performance Indicators

- 7 The current KPIs cover the following areas:
- Funding level;
 - Death benefit administration;
 - Retirement administration;
 - Ill health retirement administration;
 - Benefit statements;
 - New joiners;
 - Transfers in and out;
 - Internal dispute cases;
 - Material posted on website;
 - Employer and member satisfaction;
 - Investment performance;
 - Data quality;
 - Contributions monitoring;
 - Audit;
 - Overall administration cost;
 - Scheme membership;
 - Employer membership.
- 7 To provide the committee with a overview of the number of administration cases completed in the three-month reporting period, this number is now included in the KPI schedule.
- 8 The KPI schedule to 31 December 2015 is shown as Annex 1.
- 9 Periods covered in the schedule range from one month, three months and twelve months.
- 10 Members are invited to discuss the performances set out in the schedule.

CONSULTATION:

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

RISK MANAGEMENT AND IMPLICATIONS:

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

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

13 There are no financial and value for money implications.

SECTION 151 (DIRECTOR OF FINANCE) COMMENTARY

14 The Section 151 (Director of Finance) is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed and that the current KPI model offers an effective framework for the monitoring of the essential pension fund KPIs.

LEGAL IMPLICATIONS – MONITORING OFFICER

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

EQUALITIES AND DIVERSITY

16 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

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

WHAT HAPPENS NEXT

18 The following next steps are planned:

- Continued improvement in the key performance indicators.
- Further refinement and additions of useful data.
- Review of KPIs in accordance with future guidance from the Scheme Advisory Board and Local Pension Board.

Contact Officer:

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

Consulted:

Pension Fund Committee Chairman.

Annexes:

Annex 1: Schedule of Key Performance Indicators

Sources/background papers:

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