Cambridgeshire
Pension Fund

Annual Business Plan 2014-15

Update 4 - 2014-15 (February 2015)

Welcome to the LGSS Pensions Service Business Plan fourth update for 2014-15.

This update will provide a progress report on the specific work areas contained within key service challenges of the Annual Business Plan, together with other Pensions Service developments or initiatives.

You will also find in this document:

- Pension Fund news
- Employee and employer monthly pension contributions
- Regulations and consultations update
- Investments update
- Key service challenges
- Key Performance Indicators
- Forward plan of business.

The intention is to present this information in a concise, meaningful manner and to incorporate information that would have otherwise constituted a report into this regular update. We continue to welcome feedback on the format and layout of this document.

Mark Whitby
Deputy Head of LGSS Pensions Service

LGSS

Pension Fund news

Contracting-out and pensioner payroll reconciliation project

In the last Business Plan Update there was a report on the forthcoming project of reconciling the contracted out membership details that the Fund holds against that held by HMRC. This project was also going to include a reconciliation of the pensioner payroll against the payroll details held on the Fund's administration system, Altair.

Scoping of this project is still being taken with work scheduled to start in April 2015 for approximately 12 to 18 months. It has also been decided that two full time equivalent posts in addition to the existing staffing resource across both Funds will not be required. The project will now be resourced from the existing staffing base.

Also referred to in the last Business Plan Update was the matter of the potential overpayments that would be found during this reconciliation exercise. It was proposed that a report would be taken to the March Pension Fund Board meeting to gain agreement from the Pension Fund Board as to a Fund policy on the treatment of overpayments of pension. Any write-offs would ultimately be a cost to individual scheme employers and so it is important that the Board agrees a policy in their capacity as representatives of all scheme employers.

Whilst this policy is still very much required, it is felt prudent to see the actual experience of this project and the types, quantities and values of the overpayments so the policy that is drafted is sufficiently robust to apply to the majority, if not all, overpayments. The policy will be based around general principles such as whether the individual could have reasonably known that an overpayment had occurred. It is therefore proposed that the draft policy will be presented to the Pension Fund Board in June 2015.

Shadow Scheme Advisory Board – deficit management

In response to the Government's Call for Evidence on structural reform, the Shadow Scheme Advisory Board set out the case for a high level consideration of the management of deficits in the LGPS. The Shadow Scheme Advisory Board was clear that any reforms to investment structures which did not consider fund deficits would ultimately be ineffective.

As a result of the Board's recommendation, Brandon Lewis asked the Shadow Scheme Advisory Board to bring forward proposals for the management of deficits in the LGPS.

The Shadow Scheme Advisory Board subsequently set up a Deficits Working Group to take forward the work on the proposals. In July 2014, PwC were commissioned to provide detailed analysis to support the development of the policy recommendations. Their report made a number of suggestions which are detailed below:

- Standardised assumptions could be used to calculate funding levels on a comparable basis providing a platform from which better deficit management could be pursued.

- Efforts should be made to promote the use of both covenant checks and available security arrangements where relevant to ensure funds are best protected from the risk of employers becoming insolvent or being unable to meet their obligations.

- Guidance should be given to promote the early targeting of cessation deficits in the run up to employer exits. Changes in regulations to allow more flexible exit arrangements to be undertaken should also be considered.

- Funding levels calculated on a consistent basis would allow for a more reliable comparison of funds. This would aid the process of identifying where help and intervention may be needed.

- Guidance to be developed on matters such as the setting of deficit recovery periods, the requirement for stability in employer contribution rates and the use of employer contribution floors should also be considered.

PwC's report and the work of the Deficits Working Group form the basis of the work plan that the Shadow Scheme Advisory Board has now adopted to develop recommendations for the better management of deficits. The work plan be can found in Appendix 2.

By March, the Shadow Scheme Advisory Board plan to make their recommendations about Scheme changes that will benefit funds and employers. For employers, the recommendations will seek to ensure that the regulations are sufficiently flexible to ensure that deficits do not have an undue impact on business decision making. For funds, the recommendations will seek to ensure that funds have the flexibility and breadth of options available so that they, employers and local taxpayers are best protected from the possible negative effects of deficits.

The Board will be kept up to date with the work of the Shadow Scheme Advisory Board in the area of deficit management as the project progresses and also all other relevant areas via the Business Plan Updates.

Procurement of Actuarial and Benefits Consultancy Services

The Actuarial and Benefits Consultancy contract, which is currently held by Hymans Robertson, is open ended with a six month notice period for termination. However, for the Northamptonshire Pension Fund, this contract with Hymans Robertson expired in November 2014.

It was previously agreed by the Boards that going forward they would seek collaboration opportunities with Northamptonshire Pension Fund to acquire a joint contract and benefit from the associated cost savings.

The National LGPS Framework provides the ability, via a mini-competition, to call off actuarial and benefits consultancy services either as joint lots or separate lots. The current Framework runs to 31 December 2020. Work to refresh the Framework is due to start in May 2015. Officers of LGSS Pensions Service will be involved in this process.

If the Funds were to go out to tender on the current National LGPS Framework now, and in the event that Hymans Robertson were not re-awarded the contract, there would be a lengthy transition period just as the Fund would be preparing the data cuts for the 2016 actuarial valuation. This would not be an optimum time to transition to a new actuary and the risks of not conducting a well run valuation process is too great to take.

Having considered the options, officers have taken the decision to postpone the mini-tender to both allow the National LGPS Frameworks to refresh the suppliers so that it will be possible to award a contract for three plus an additional three years which will incorporate two full valuation cycles and to ensure that the risks associated with transitioning to a new provider (should this be the case) are minimised by planning for a potential transition that doesn't conflict with a core and vital activity such as the valuation year.

The Northamptonshire Pension Fund is in the process of arranging with Hymans Robertson a formal extension of their contract to June 2017. A joint procurement process will therefore still be possible for both Funds once the 2016 valuation process has completed. It is proposed that a panel of Board members from both Funds will conduct the interview and decision making process of selecting the provider of actuarial and/or benefits consultancy. A report will be taken to the Board in June 2015, to determine how the selection process will be conducted.

CIPFA Skills and Knowledge Framework

The Cambridgeshire Pension Fund Board has subscribed to the CIPFA Skills and Knowledge Framework since 2012 to identify the training needs of all members of the Pension Fund Board and Investment Sub-Committee as well as Senior Officers of the Fund. The Fund has access to this Framework via the Fund's Actuarial and Benefits Consultant, Hymans Robertson who have a licence from CIPFA to operate this framework.

Hymans Robertson has recently undertaken an extensive review of the current toolkit. This included a review of the format of the Training Needs Assessments (TNAs) the number of subscribers, pricing model and the cost of ongoing maintenance of the TNAs and Online Knowledge Portal. The outcome of the review is that Hymans has deemed the toolkit no longer sustainable in the current market without further significant investment by them. The cost of maintaining and developing the toolkit is significantly greater than the fees paid by subscribers. As a result, after several years of continuing to offer the product, Hymans Robertson has decided to withdraw it in its current format at the end of this subscription year (31 March 2015). Hymans Robertson's collaboration with CIPFA will also cease at this date.

This means that, from 1 April 2015, the Online Knowledge Portal will be removed and the Fund will not be issued with a revised version of the TNAs to which we had subscribed.

It now needs to be considered how the Fund should structure its training and knowledge and skills analysis going forward. Over the next few months officers will look into the alternative package that Hymans Robertson will be putting in place, as well as those offered by other organisations. The Knowledge Management Policy will therefore be rewritten and presented to the Pension Fund Board at the July Annual General Meeting for discussion and approval.

The Pensions Regulator's Public Service web pages and toolkit

The Pensions Regulator has recently updated his website to include web pages on public service pension schemes aimed at those individuals involved in the governance and administration of these types of schemes. The web pages include information on understanding the remit of the roles involved in the schemes and also detailed guidance on scheme management. This information is also available in the Pensions Regulator's code of practice on the governance and administration of public service pension schemes. The website can be located at the following link;

http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx

The Pensions Regulator has also issued a toolkit for those involved in the governance and administration of public service pension schemes. The toolkit is similar to that the Pensions Regulator's Trustee Toolkit and includes a series of online learning resources developed to help individuals meet the minimum level of knowledge and understanding requirements of the Pensions Act 2004.

The toolkit can be accessed at the following link;

https://education.thepensionsregulator.gov.uk/login/index.php

External training and events 2015

The list of training events will be updated within each business plan update as we become aware of definitive dates and new events. We will also continue to email details of the training events as soon as we are notified where we feel members of the Board will benefit from attending.

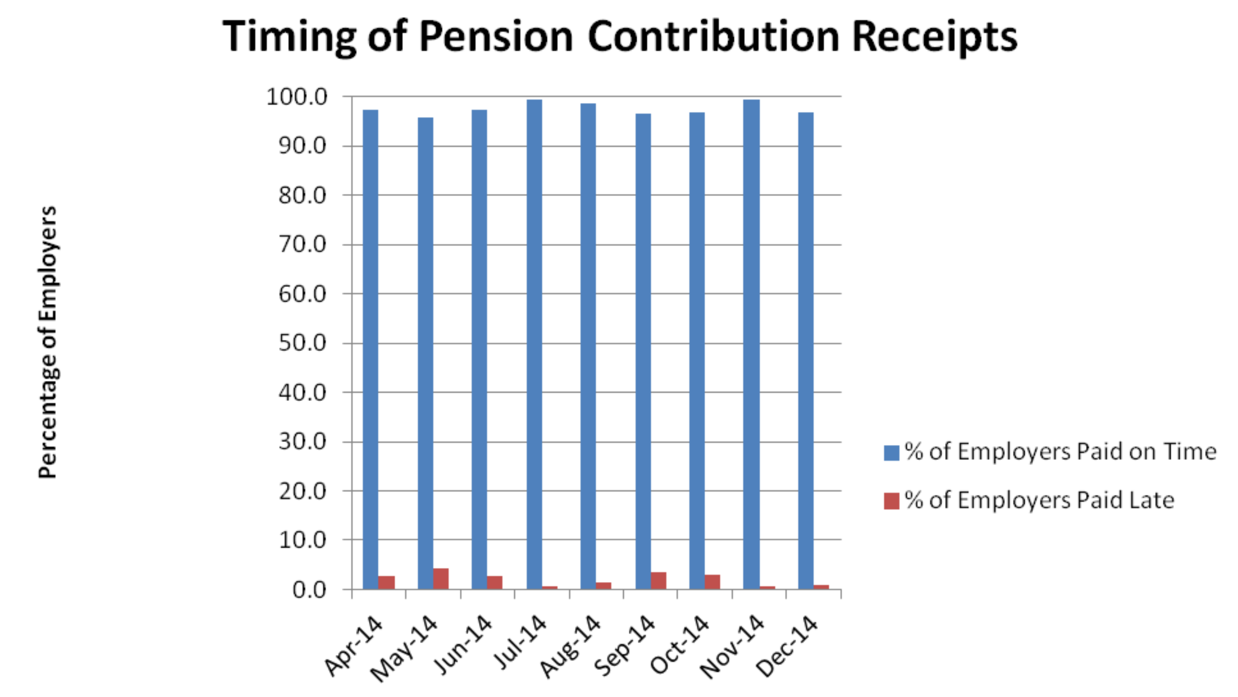
Should you wish to attend any of these events please contact Stephen DaCosta (sdacosta@northamptonshire.gov.uk). Please be advised that places on some of these events can be very popular so early notification of your wish to attend is advised.

Date	Event	KICs	Relevant for:
Feb 2015	heywoods CLASS User Group	2	Officers
26 – 27 February 2015	LGC Investment Seminar	4	Officers, PFB and ISC Members
18 March 2015	Gov.today LGPS Reform, ethical, efficient	2	Officers, PFB and ISC Members
22 April 2015	LGPS Investment Risk	2	Officers, PFB and ISC Members
18 – 20 May 2015	NAPF Local Authority Conference	4	Officers, PFB and ISC Members
25 – 26 June 2015	12th Annual LGPS Trustees Conference	2	PFB and ISC Members
26 – 27 June 2015	LGC Pension Fund Symposium	2	Officers
7 – 9 July 2015	CIPFA Annual Conference	3	Officers
July 2015	CLASS Group (heywoods) AGM	2	Officers
10 – 11 September 2015	LGC Investment Summit	3	Officers and ISC Members
October 2015	heywoods User Group	2	Officers
14 – 16 October 2015	NAPF Annual Conference - Manchester	2	Officers, PFB and ISC Members
tbc	LGE Trustee Training (Fundamentals 1)	2	Newly elected Board and ISC Members
21 October 2015	13th Annual LG Investment Forum	2	Officers and ISC Members
November 2015	CIPFA Pensions Network Annual Conference	2	Officers and depending on agenda, PFB Members
17 – 18 November 2015	Pensions Managers' Annual Conference	4	Officers
tbc	LGE Trustee Training (Fundamentals 2)	2	Newly elected Board and ISC Members
November 2015	LGC Investment Awards	0	Officers and ISC Members
December 2015 tbc	Eversheds Pensions Conference	2	Officers
2 -4 December 2015	LAPFF Annual Conference	3	Officers, PFB and ISC Members

Employee and employer monthly pension contributions

The previous business plan update reported on the timeliness of contributions paid for the payroll periods of August to December 2014.

The following graph shows the percentage of employers in the Cambridgeshire Pension Fund who paid their employee and employer contributions either on time or late (after the 19th of the following month deadline) for the period 1 April 2014 to 31 December 2014.



	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
% of Employers Paid on Time	97.3	95.7	97.3	99.5	98.5	96.6	96.9	99.4	96.9
% of Employers Paid Late	2.7	4.3	2.7	0.5	1.5	3.4	3.1	0.6	1.0

Including the payroll periods October to December 2014, the average percentage of employers who did not pay their contributions by the 19th day of the month, following the month of deduction, was approximately 2.2%.

In the quarter, October had six late payments totalling £4,178, November one late payment of £183 and in December one late payment of £1,558. One employer had a repeat late payment profile in October and November, but was on time in December.

All late paying employers are informed that late payment is not acceptable and if they continue to pay late they will incur a late payment penalty.

Regulations and consultations update

New regulations

The Marriage (Same Sex Couples) Act 2013 - Phase 2 Negative Order

On 19 November 2014 the phase 2 negative order of the Marriage (Same Sex Couples) Act 2013 was laid and comes into forces in England and Wales on the 10 December.
This phase 2 order deals with the conversion of civil partnerships to marriages, and implementation of the transgender exception in pension schemes. The policy on conversion of civil partnerships to marriage requires no action on public service schemes as married same sex couples are treated in the same way as civil partners for the purpose of survivor benefits.

Under Phase 2 a marriage will be able to continue in the event that one or both spouses change legal gender, provided both spouses agree. An exception to the general policy on survivor benefits for same sex spouses was made during the passage of the Act to deal with concerns raised about the potential 'loss' of survivor pension in such scenarios because survivor benefits for married same sex couples are less generous than they are for opposite sex couples. Without the exception such a loss to a surviving spouse, as a result of a decision taken by the scheme member to change legal gender, would be likely to violate Article 14 of the European Convention of Human Rights.

The Public Service Pensions (Valuations and Employer Cost Cap (Amendment) (No 3) Direction 2014

This Direction makes minor amendments to the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014

The Transfer of Undertakings (Protection of Employment) (Transfer of Staff to the Department for Work and Pensions) Regulations 2014 (SI 2014/1139)

This is the legislation that enables the Single Fraud Investigation Service (SFIS) project. This project deals with the transfer of local authority welfare fraud investigation staff and contractors' staff undertaking that activity on behalf of local authorities over the period from 1 July 2014 to 1 March 2016 (inclusive).

Department for Work and Pensions have issued the 'Pensions Measures document' setting out details on the provision of future pension scheme membership for employees transferring into DWP as part of the project. DWP continue to work on arrangements for protecting accrued rights under the scheme provided by the former employer.

The Taxation of Pensions Act 2014 (2014 c30)

This Act is part of the legislation to deliver the changes to the pension tax rules announced at Budget 2014 that give individuals greater flexibility to access their Defined Contribution pension savings. The other part of the legislation, the Pension Schemes Bill 2015, is currently making its way through the House of Lords.

[The Shared Parental Leave and Statutory Shared Parental Pay (Consequential Amendments to Subordinate Legislation) Order 2014] (SI 2014/3255)

Regulation 31 makes consequential amendments to references in the Local Government Pension Scheme Regulations 2013 necessary following new entitlements to shared parental leave and statutory shared parental pay in place of additional paternity leave and additional statutory paternity pay.

[Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014] (SI 2014/3138)

Issued under the enabling powers of the Pensions Act 1995 and the Public Service Pensions Act 2013 comes into force on 1 April 2015.

These regulations set out the records that scheme managers of public service pension schemes covered by the Public Service Pensions Act 2013 are required to keep from 1 April 2015, and amend regulation 16A of the Occupational Pension Schemes (Scheme Administration) Regulations to remove an exemption to the requirement to report the late payment of contributions for those occupational public service pension schemes covered by the Public Service Pensions Act 2013.

[The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015] (SI 2015/57)

These regulations include provisions for new local pension boards and the Scheme Advisory Board at national level as well as provisions for the employer cost cap.
There were some key differences between the final laid regulations and those issued for consultation late last year. In summary these key differences for Local Pension Boards include:

The establishment of a joint local pension board is provided for where the administration and management of a Scheme is wholly or mainly shared by two or more administering authorities. Approval for such a Board would have to be obtained from the Secretary of State.

Voting rights only apply to members of a Board who are either an employer or a member representative. In effect this means that 'other members' of a Board do not have voting rights.

Removes the requirement for 'relevant experience' for those individuals to be appointed to a local pension board as a member or employer representative. There is now no requirement in regulations for a person who is appointed to a local pension board to have relevant experience. The requirement for capacity is retained.

Provides clarification that only Officers or Elected Members of the administering authority relating to the local pension board are precluded from being members of that local pension board. Regulations now confirm that Officers or Elected Members of Administering Authority A could be members of the Board of Administering Authority B but cannot be members of the Board for Administering Authority A unless that Board is a committee approved by the Secretary of State under regulation 106(2).

An Elected Member of the Administering Authority may only be appointed to the Board as either an employer or member representative. This avoids the potential confusion of Elected Members being construed as having voting rights through other legislation applying to council bodies.

Regulation 107(4) provides further clarification on the constitution of a combined board and committee as provided for through regulation 106(2).

Provides clarification of the employer cost cap which is set at 14.6% of pensionable pay of scheme members.

The Public Service Pensions Act 2013 (Commencement No.6, Saving Provision and Amendment) Order 2015 (2015/4)
The above order brings into force certain provisions of the Public Service Pensions Act 2013, makes a saving provision and amends an earlier commencement order.
The order includes provisions regarding:

- sections 4 to 7 (governance),
- section 11 (valuations)
- section 12 (employer cost cap)
- section 15 (information about schemes)
- section 16 (records)
- section 17
- Schedule 4 (regulatory oversight)
- sections 30 to 32 (public body pension schemes)
- Schedule 10 (public bodies whose pension schemes must be restricted) and
- a saving for codes issued under the Pensions Act 2004 (c.35) before 1 April 2015 in relation to early leavers.

For schemes for local government workers in England and Wales and will come into force on 1 April 2015.

Consultations:

Technical consultation on local government pension scheme rules

A consultation on some technical amendments to the LGPS that ran from 5 December 2014 to 30 January 2015. The LGPS (Amendment) Regulations 2015 will amend both the LGPS 2013 Regulations and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

A copy of the Fund's response to this consultation can be found in Appendix 3.

Investments update

Asset allocation review

Following the review of the Fund's investment strategy earlier in the year, the Investment Sub Committee is currently in the process of making decisions to consider the key aspects raised. In particular, this includes building a degree of inflation protection to protect against the Fund's liabilities and reviewing the Fund's active global equity mandate.

Review of Statement of Investment Principles

Officers have worked in consultation with Mercer to update the Fund's Statement of Investment Principles for approval by the Pension Fund Board. This document sets out the Fund's long term investment policy based upon the decisions made by Pension Fund Board and Investment Sub Committee to date and is reviewed regularly (at least triennially following each actuarial valuation) to ensure it fully reflects the Fund's situation. When approved by the Pension Fund Board, the revised document will be published on the Fund's website.

Future plans

The main areas for investigation over the coming year are:

- How to increase the Fund's degree of inflation protection and identifying how the Fund can reduce its level of inflation risk as the funding level improves
- The structure of the Fund's active global equity mandate
- Agreement of a rebalancing policy
- Possible allocations to alternative and "real assets"

Market summary

Volatility returned to equity markets in the quarter which saw two sharp, if short term, corrections. Slowing Chinese and European economies combined with the ending of the US quantitative easing programme weighed on markets in early October and the plunging oil price, on the back of OPEC's decision not to cut production, concerned investors in December. A continued expansion of the US economy, the gearing up of Japan's own QE programme and realisation that a lower oil price may actually boost global GDP provided some welcome good news and markets generally recorded positive, if modest gains over the period.

In domestic equities, the All-Share index returned just under 1% during the quarter and barely exceeded 1% for the year. Bond yields continued to fall over the period. As yields move inversely to prices, bond markets delivered sizeable positive returns.

In the quarter ended 31 December 2014, the fund returned 2.1% compared to a benchmark of 3.2%. For the twelve months ended 31 December 2014, the Fund returned 5.9% compared to a benchmark return of 8.4%. For the period since the March 2014 actuarial valuation the Fund has returned 7.8% per annum, which is ahead of the target of 4.6% per annum.

Performance in the quarter was influenced by poor results from the actively managed Global Equities mandate, due to exposure to Russian and oil linked stocks, and poor returns on currency and fixed income strategies.

The Funds assets increased from £2,127m to £2,170m in the quarter, compared to £2,051m at 31 March 2014 and £1,905m at the March 2013 actuarial valuation.

Key service challenges

The 2014-15 Business Plan laid out the key challenges facing the Fund. The following table provides an update on the progress made against each challenge.

Key Service Challenges				Update
		Lead Officer	**2014-15 Time frames**	
Implementing the 2014 and 2015 governance changes.	In particular the revised structures and Code of Practice.	Funding and Governance	Quarter 4	Final Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 issued on 28 January 2015, effective from 1 April 2015. The Pensions Regulator's Code of Practice on the governance and administration of public service pension schemes was laid before Parliament on 14 January 2015 effective from 1 April 2015.
Develop the Skills and Knowledge programme.	Evaluating the first full cycle and considering the Code of Practice implications.	Funding and Governance	Quarter 3	A full review of the Knowledge Management Policy is scheduled for the July Annual General Meeting. The Fund needs to fully review the training framework following the decision by Hymans Robertson to discontinue their license to operate the CIPFA Skills and Knowledge Framework. The review of the Knowledge Management Policy will need to incorporate the new Regulations and also the Pensions Regulator's Code of Practice.

Implementation of the 2014 Regulations (LGPS).	Impacted with delays in receiving regulations such as the transition protection regulations. Greater sensitivity and compliance of data provided by employers. Recognition by employers of their responsibilities and ownership. Accommodating the growth of employers in the Fund. Data quality risks. DWP Disclosure Regulations (2015).	Operations and Technical And Employers and Systems	2014	Confirmation was received from DCLG on 22 January 2015 that where an active member of the LGPS in England or Wales does **not** aggregate membership from an LGPS deferred benefit in England or Wales which includes pre 1 April 2014 final salary membership the unaggregated deferred benefit **does not** retain an **ongoing** final salary link. This now allows us to update all our remaining internal processes/letters/forms that required changing as a result of LGPS 2014.
Managing the legacy pre 2014 regulations.	Complexities of managing multiple regulations and maintaining data in accordance. Data quality risks – data quality comparison against other Funds.	Operations and Technical And Employers and Systems	Quarter 4	This is an added layer of complexity from April 2014 –our process re-engineering is taking account of the legacy requirements.

Implementation of Member Self Service.	Promote engagement by scheme members. Aids data quality intelligence.	Employers and Systems	Quarter 4 for active members – target achieved. Quarter 1 – 2015-16 for deferred members.	Member Self Service (MSS) has been rolled out to all active members from across both Cambridgeshire and Northamptonshire Pension Funds. Of the members that were issued with activation keys, 20% have registered to use MSS and of those registered, 98% have logged on for the first time and accessed their pension record. Since providing Member Self Service to active members, we have received numerous requests from members to update personal data e.g. marital status incorrect, address changes etc, so MSS has proved to aid us in correcting our master data records. In July 2014 we started to monitor the MSS email traffic and have received 4,308 emails to-date. In the last quarter we have received 1,221 emails. The bulk of these emails (59%) are requesting MSS registration links as their activation keys have expired or the members are experiencing difficulties getting started.
Procurement of Fund specific investment advisers.	Undertake procurement process through the National Framework and conduct a mini competition to select investment consultants for both Funds.	Investments Team	Quarter 3	Activity completed. Mercer Limited has started working with the Fund from 1 October 2014 with an option to extend a further three years to 30 September 2020.
Procurement of a joint custodian.	Undertake procurement process through the National Framework and select a joint custodian for the two	Investments Team	Quarter 2/3	Activity completed. Northern Trust was appointed as joint Custodian for five years effective 1 October 2014, with an option to extend a further two

	Funds. Migration of the Fund/Funds to the winning custodian.			years to 30 September 2021.
Procurement of a joint Actuary.	Undertake procurement process through the National Framework.	Funding and Governance	Quarter 4	Work for this deliverable has been postponed until after the 2016 valuation cycle.
Embedding the Fund Administration Strategy.	Engage with existing employers to ensure compliance with performance standards. Note: Requirement for all new employers.	Employers and Systems	Quarter 4	Two part employer training sessions focussing on employer responsibilities and the ill health retirement process were held in December and January. Across both Cambridgeshire and Northamptonshire Funds, a total of 52 employers attended this training. A number of webinars and surgeries for staff at risk of redundancy are being held. The webinars and surgeries will be held separately for those under 55 and those over 55 who will be entitled to immediate payment of their pension.
Seek collaboration opportunities.	Continued development of LGSS Pension Services as a business unit.	Deputy Head of Pension Services	Quarter 4	Work for this deliverable is already in progress.
Engagement on and implementation of the structural reform of how Local Government Pension Schemes invest.	Understanding and implementing the outcome of the Call for Evidence initiative, with likely requirement to adopt a Common Investment Vehicle	Investments Team	Quarter 2/3/4	Responses to the consultation were submitted on 11 July 2014 on behalf of both Cambridgeshire and Northamptonshire funds. We are still awaiting the publication by the DCLG of the outcome of the consultation.

	approach.			
Asset Allocation Review following the 2013 Valuation.	To review and implement changes to the current Asset Allocation Strategy in the light of the 2013 Valuation.	Investments Team	Quarter 2/3/4	The latest developed proposals were presented to the Investment Sub Committee in February 2015 for review. Changes agreed at the February meeting will be implemented during the first half of 2015 and further proposals developed.

Key Performance Indicators

Below are the results of how the Pensions Service has performed against the Key Performance Indicators set out in the 2014-15 Business Plan in period three (November to February inclusive).

Function/Task	Indicator	Target	Average Performance for this quarter	Period 4 Update/Additional Information
Send welcome letter to new employer.	Welcome letter sent within 15 days of receiving confirmation of conversion from the Academy or from date admission agreement sealed.	90%	100%	Target achieved – see Appendix 4 for past performance.
Complete internal validation of data for new admissions.	Complete internal validation within the agreed time frame.	90%	100%	Target achieved – see Appendix 4 for past performance.
Keep the employer website up to date, including procedural guides, scheme guide and all other documents and forms.	20 working days from date of change/amendment.	100%	100%	Target achieved.
Acknowledge death of active/deferred/pensioner member.	Letter issued within 5 working days following notification of death.	100%	99%	Target achieved in November. Performance fell short of the by 1% and 2% respectively for the months of December and January. See Appendix 5a and 5b for past performance.
Notify employees retiring from active membership of benefits award.	Issue award within 5 working days after payable date or date of receiving all necessary information if later.	95%	89%	Target achieved and exceeded in the months of November and December. The performance fell below target in January due to insufficient cover arrangements over the Christmas

				period. See Appendix 5a and 5b for past performance.
Provide a divorce quotation to employees on request.	Provided within 10 working days from receipt of all information.	90%	64%	Target missed in all three months due to absence of key members of staff and low quantities of work in this area worsens the impact on performance. See Appendix 5a and 5b for past performance.
Provide a maximum of one estimate of benefits to employees per year on request.	Estimate in agreed format provided within 10 working days from receipt of all information.	90%	86%	Target achieved and exceeded in the months of November and December. The performance fell below target in January due to insufficient cover arrangements over the Christmas period. over the Christmas period. See Appendix 5a and 5b for past performance.
Publish the Pension Fund Annual Report and any report from the auditor.	By 31 August following the year end.	100%	100%	This activity has been completed for the year 2014-15 in quarter three.
Provide an FRS17/IAS19 report to employers for their chosen accounting date.	Within one month of the 31 March, 31 July or 31 August (or other) accounting date, providing employer has returned required data to LGSS Pensions Service by the 1st of the month in which the accounting date falls. This is a KPI that reflects the performance of the scheme	100%	N/A	December cycle for Academies with a year end accounting date of 31 December. No employers requested a FRS17/IAS19 report with an effective date of 31 December.

	employer, LGSS Pensions Service and the Actuary.			
Performance of each Fund's assets.	Each Fund's assets performance vs. target on a rolling 3 year basis. 1.6% above gilts [as at March 2013]. Therefore target is currently 4.6%. Actual performance for both funds is currently around 6.2%. That is: 3.2% above gilts.	>4.6%	11.6%	At 31 December 2014: Rolling 3 year figure: Fund: 11.6% Target: 4.6% Benchmark [i.e. if assets had been invested passively]: 10.7% Targets achieved.
Fund asset performance in relation to LGPS peers.	Each Fund's ranking on annual, independently produced WM ranking. Final figures produced annually as at the 31 March. Target is for both Funds to be in the top performing third.	<34	19	For 12 months to 31 March 2014: NPF: 19 Target achieved.