

Resources & Business
Transformation

Head of Legal & Democratic Services
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Pension Fund Consultative Group
Distribution List

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Date: 28 November 2011


Dear Members

Pension Fund Consultative Group Meeting 01 December 2011

Please find attached the appendix to the agenda item set out below. Please ensure that you bring this to the meeting on Thursday.

Agenda Item	Page No
5 CIPFA PENSIONS ADMINISTRATION BENCHMARKING CLUB Report of the Head of Finance & Commercial Services	1 - 22

Yours sincerely



Maureen Keyworth
Democratic Services Officer



Lexcel
Practice Management Standard
Law Society Accredited



**Pensions Administration
Benchmarking Club
2011**

Buckinghamshire County Council

compared with

59 authorities

FINAL REPORT

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PREFACE

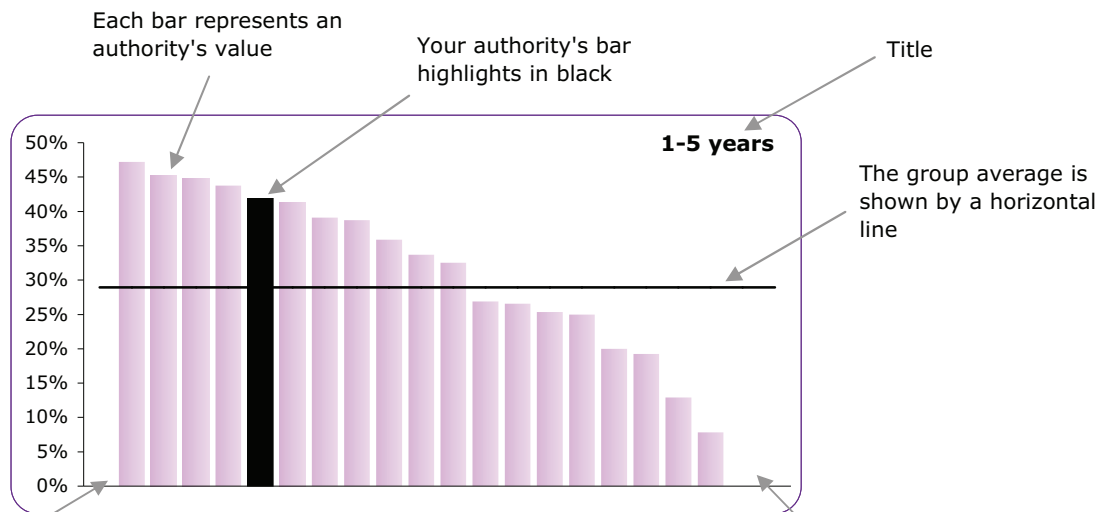
This report compares your data with the group of authorities specified on the title page.

Throughout the report your figures are shown in tables and in graphical form. If you are not familiar with our reports we hope this page will help you to better understand the way we present this data.

Averages: Almost all of our tables and charts compare your figure with a group average. The average is the unweighted mean value for the group. This average value ignores missing data, or data that we have excluded and for this reason sets of averages sometimes do not reconcile precisely.

Charts: We display a large amount of data on charts as this allows us to show the data for the entire group efficiently and gives far more information than a simple average (i.e. range of data, individual authority values etc...). Below we have annotated an example chart to help explain what they are showing.

Bar Charts: These are our standard method of displaying a full set of data



'Missing bars' on the left represent missing data or excluded data and are not included in calculating the average

Staff experience			
	FTE	%	Avg
< 1 year	1.5	10%	9%
1-5 years	6.5	42%	29%
5-10 years	3.5	23%	21%
> 10 yrs	4.0	26%	41%
Total	15.5		

'Missing bars' on the right represent zero values and are included in the average

INTRODUCTION

This report compares your performance with the group of authorities specified on the title page. It is divided into the following sections.

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5 Industry Standard Performance Indicators	20
6 Comparison with Private Sector } <i>final reports only</i>	21
7 Timeseries } <i>final reports only</i>	22

Section 1 - Summary 2011

This page provides a brief summary of the most salient aspects of the report.

Section 2 - Cost Measures

This section concentrates on cost/member ratios starting with total cost/member which is then broken down by staff costs, payroll costs, direct costs, overheads and income. Further analysis of direct costs and overheads is also provided in this section.

Section 3 - Workload Measures

The first measure of workload is the number of members in the scheme, which is shown along with a breakdown by class of membership. This is followed by an analysis of the number and type of LGPS employers

Other workload measures include:

- joiners and leavers with a full analysis of the various types of retirements
- provision of estimates and actual calculations
- AVCs, ARCs and Added years
- appeals

Section 4 - Staff Related Measures

The measures included here are an analysis of staff numbers by pay band, sickness absence, pensions work experience, staff qualifications and staff turnover.

Section 5 - Industry Standard Performance Indicators

In this section we show how authorities perform against each of the LGPC performance indicators.

Section 6 - Comparison with Private Sector (final report only)

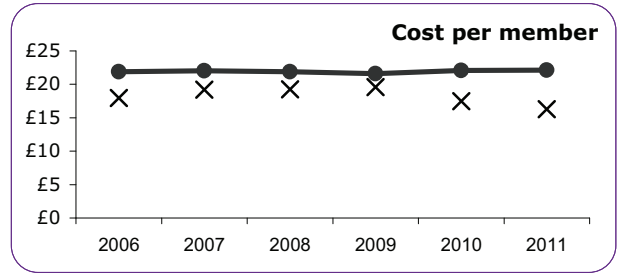
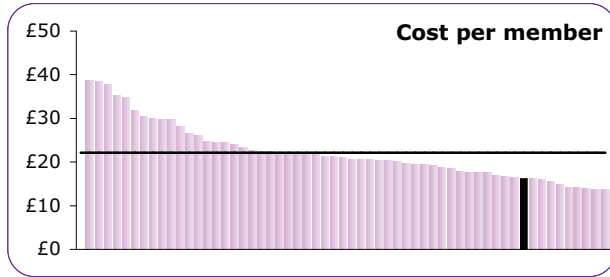
This shows members' costs and averages compared to private sector averages for in-house and externally managed pension schemes. The external data is taken from the Capita Hartshead Annual Pension Scheme Admin Survey 2011.

Section 7 -Timeseries (final report only)

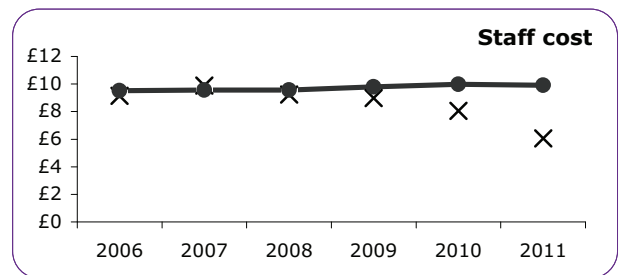
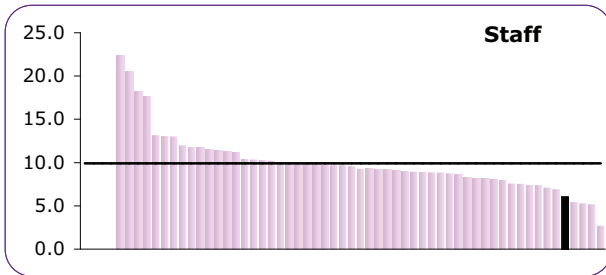
This shows the individual members' performance over time compared to the club average for cost per member, which is analysed over staff cost and other costs.

SECTION 1 - SUMMARY 2011

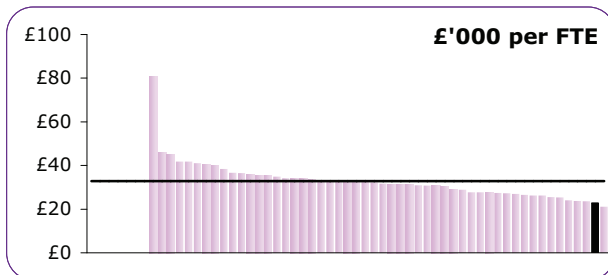
NET COST / MEMBER 2010-11



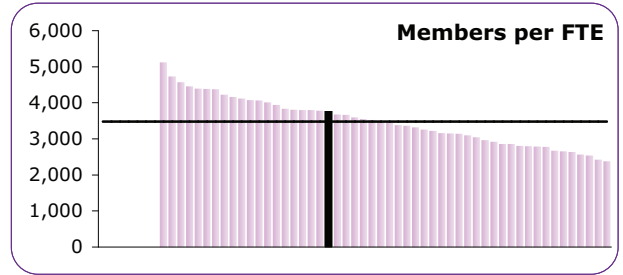
STAFF COST / MEMBER 2010-11



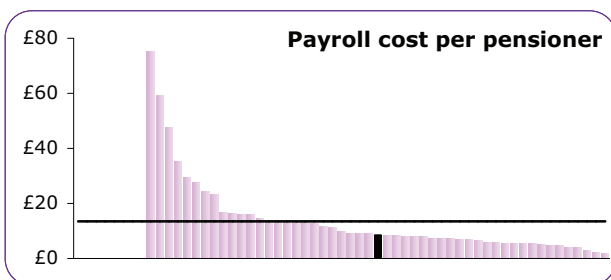
COST £'000 / FTE



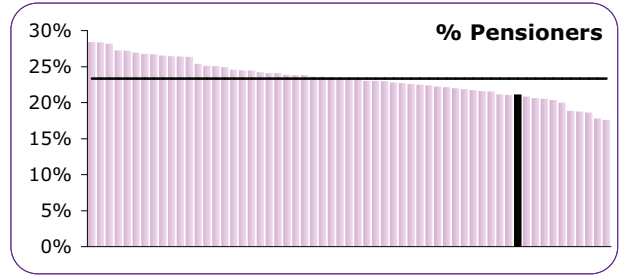
MEMBERS LGPS / ADMIN FTE



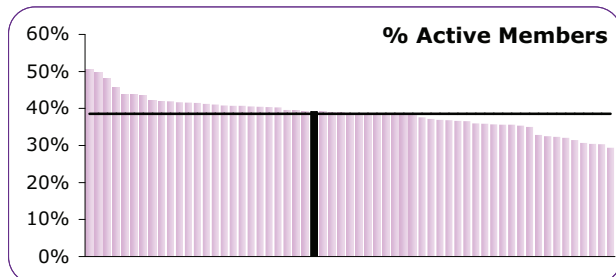
PAYROLL COST / PENSIONER



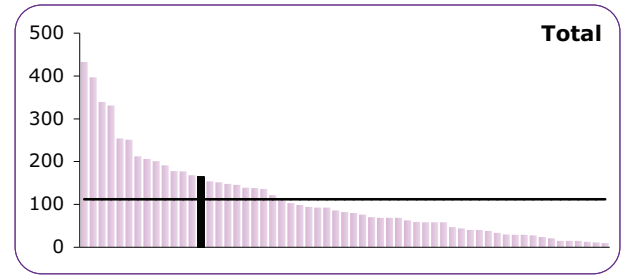
PENSIONERS AS A % MEMBERS



ACTIVES AS A % MEMBERS



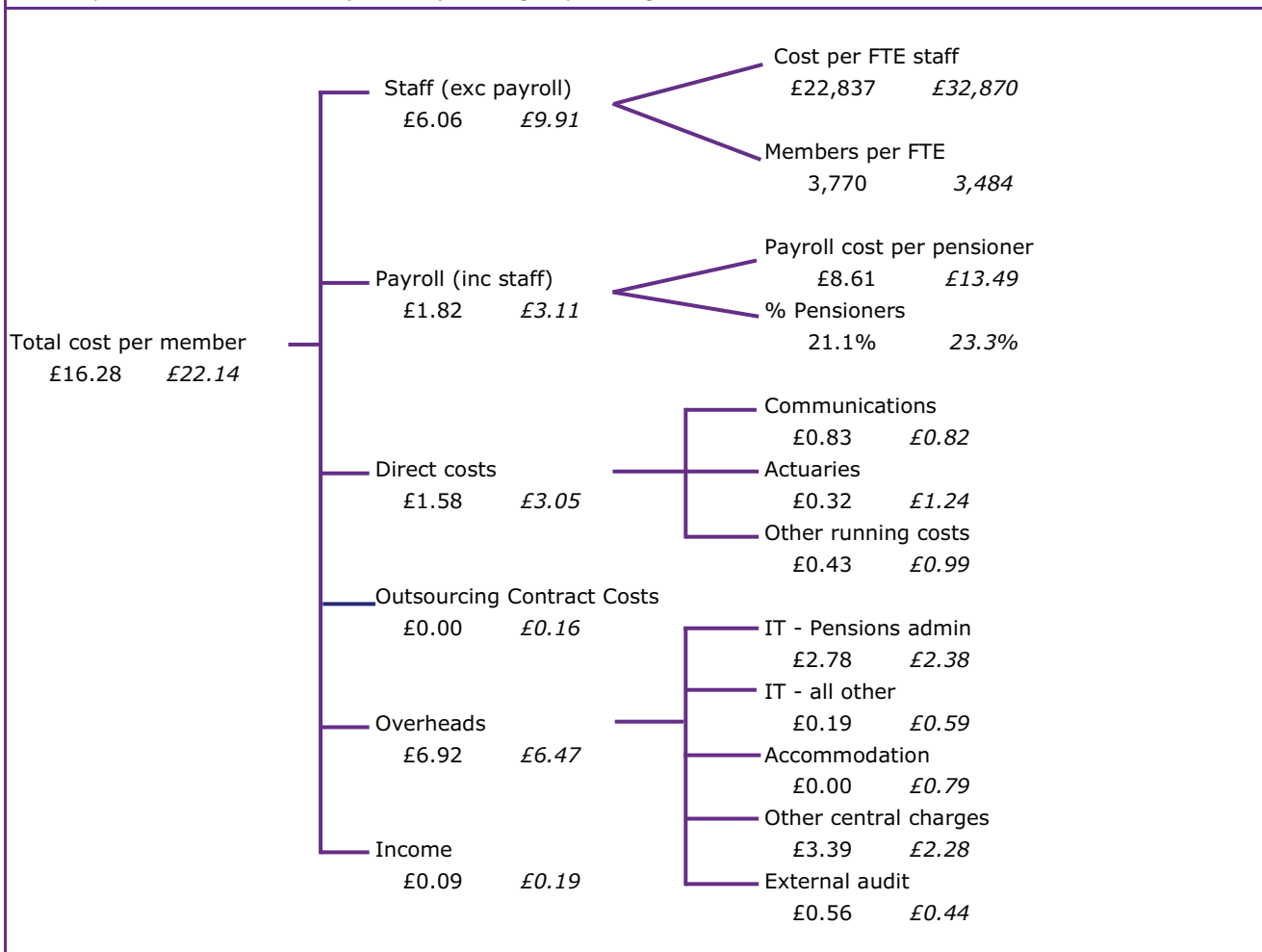
NUMBER OF LGPS EMPLOYERS



SECTION 2 - COST MEASURES

COST/MEMBER TREE 2010-11

This tree diagram analyses the cost per member. For each benchmark two figures are given the first being the authority's cost and the second (in italics) is the group average.



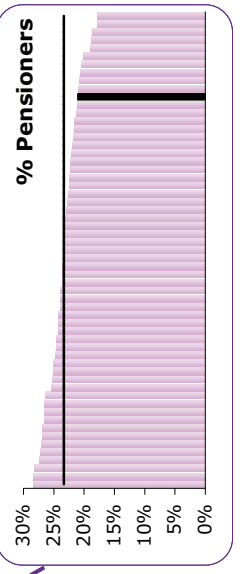
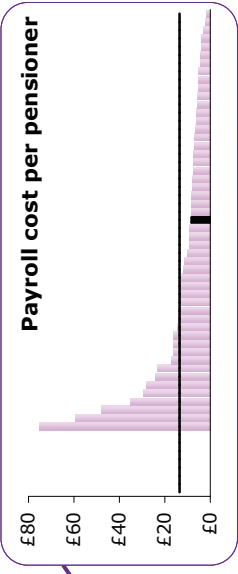
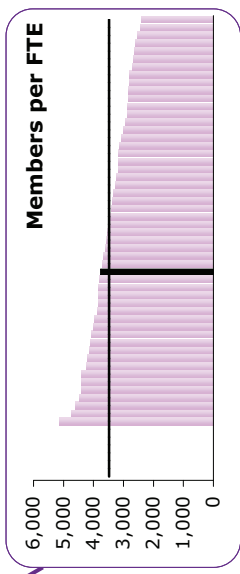
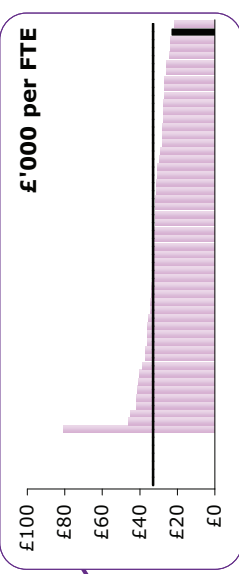
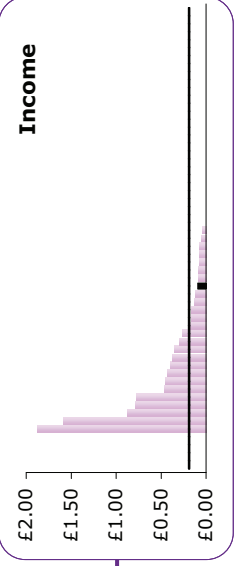
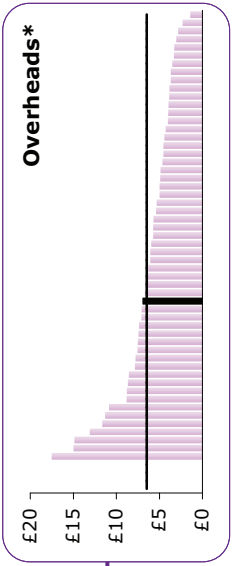
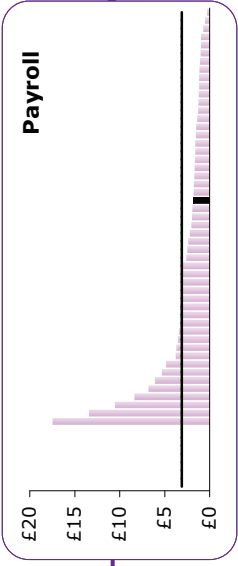
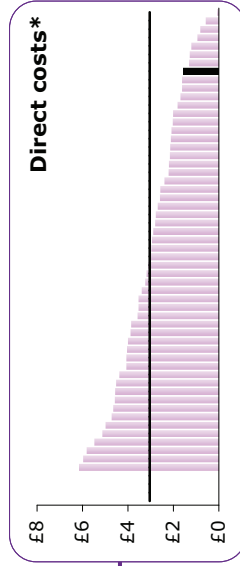
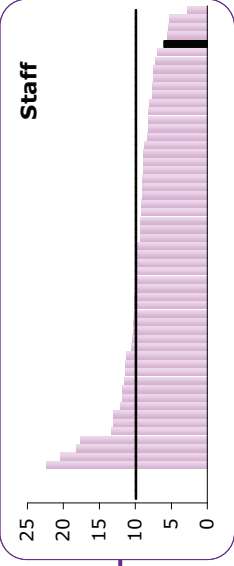
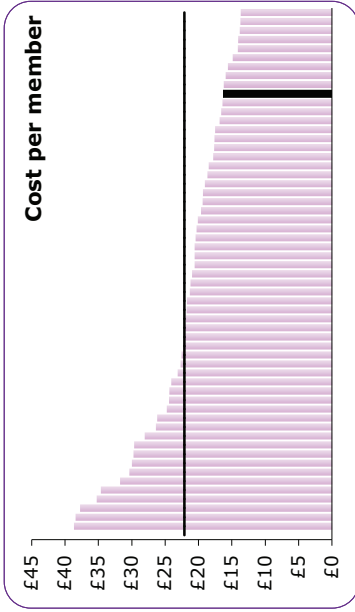
FTE staff	
Pension Section total	29.4
<i>less</i>	
IT staff	2.5
Payroll staff	1.7
Communications staff	1.0
Employing authority work	2.0
Work for other schemes	0.5
Other work	7.6
Admin of LGPS	14.1

Scheme membership	
	No.
Active full-time	9,277
Active part-time	11,520
Active Elected members	10
Active total	20,807
Deferred	16,914
Pensioners	11,206
Dependants	1,751
Frozen refunds	1,775
Leavers unprocessed	710
Total	53,163

Costs £'000	
	£'000
Pension Section total	1,169
<i>less</i>	
Work for other schemes	26
Employing authority work	97
Other work	181
Admin of LGPS	866

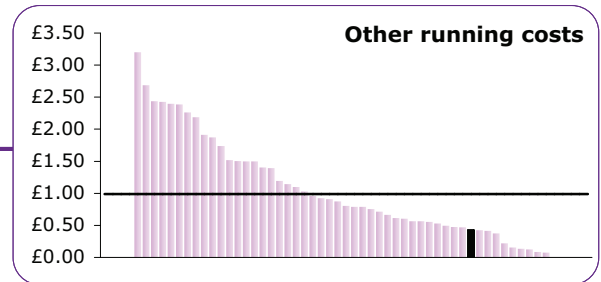
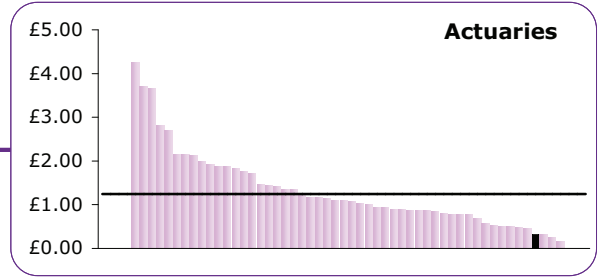
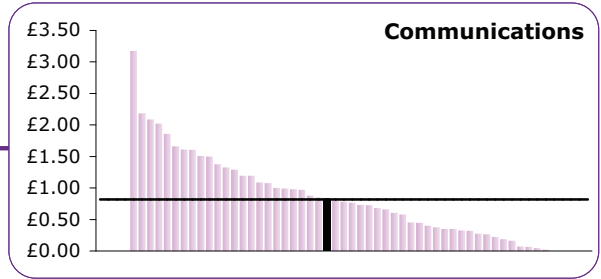
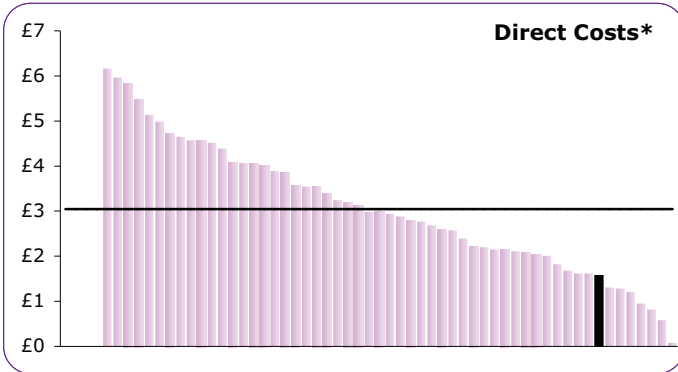
Admin of LGPS costs	
	£'000
Staff - administration	322
Staff - payroll	55
Payroll	42
Communications	44
Actuaries	17
External audit	30
Outsourcing contract costs	-
Other running costs	23
IT - Pensions admin	148
IT - All other	10
Accommodation	-
Other central charges	180
Income	5
Total	866

COST PER MEMBER 2010-11



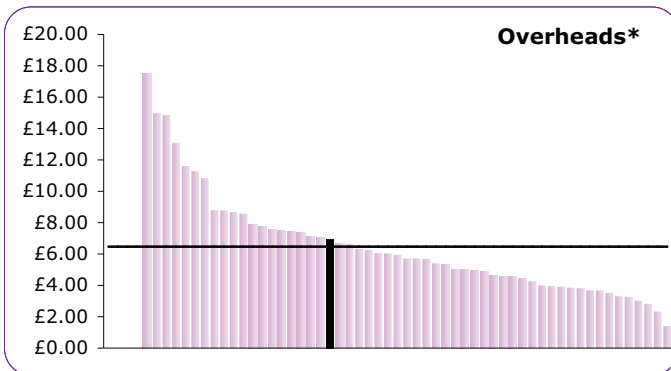
* For breakdown of direct costs and overheads see following pages

COSTS PER MEMBER - Direct costs 2010-11

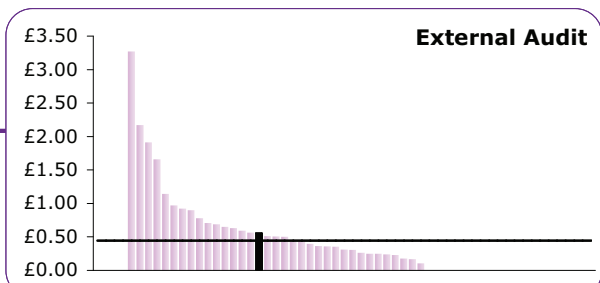
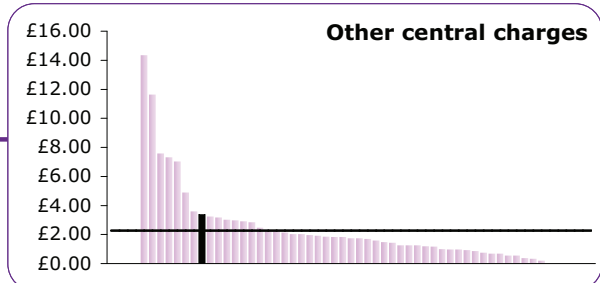
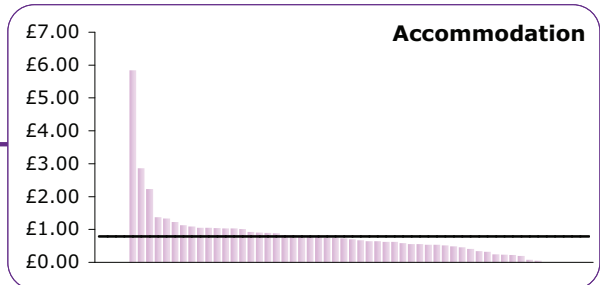
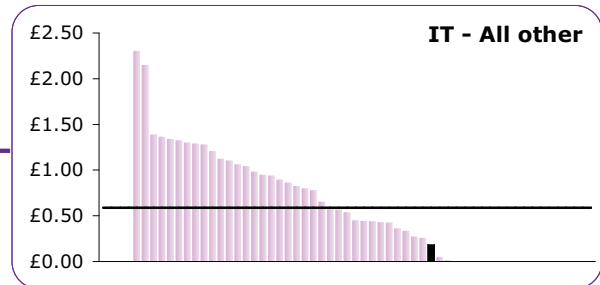
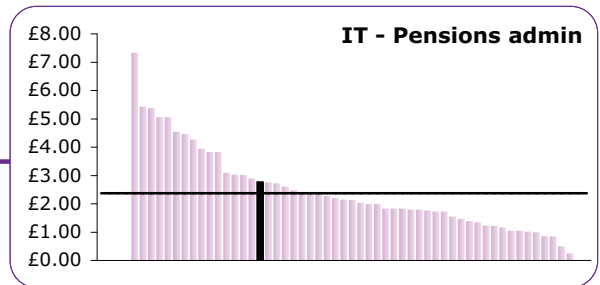


Direct costs			
	£'000	£	Avg
Communications	44	£0.83	£0.82
Actuaries	17	£0.32	£1.24
Other running costs	23	£0.43	£0.99
Total	84	£1.58	£3.05

COSTS PER MEMBER - Overheads 2010-11

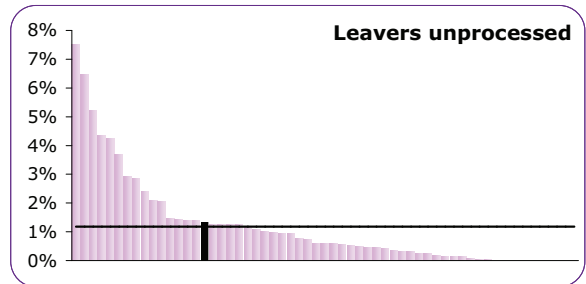
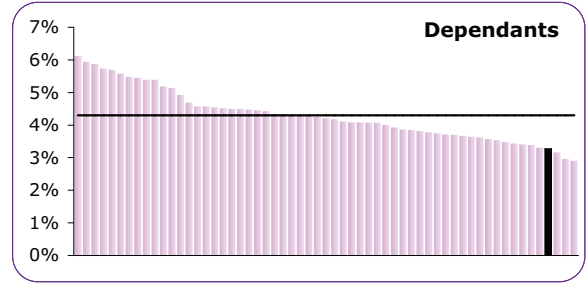
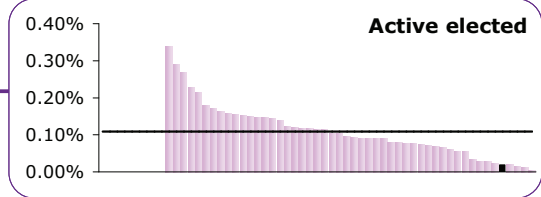
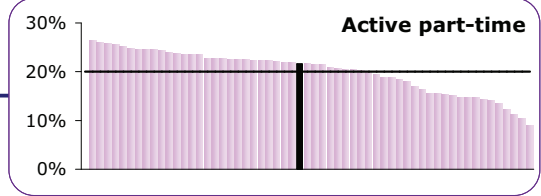
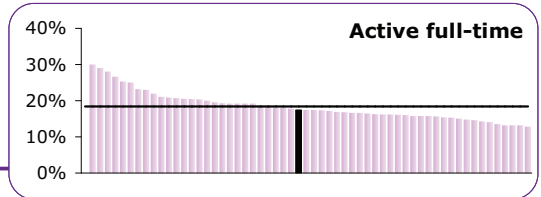
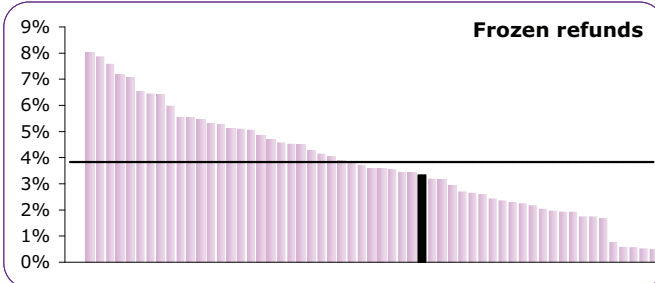
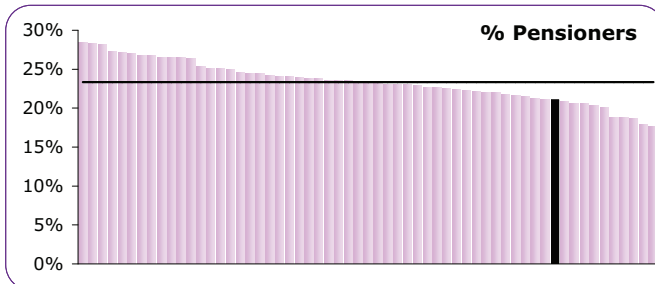
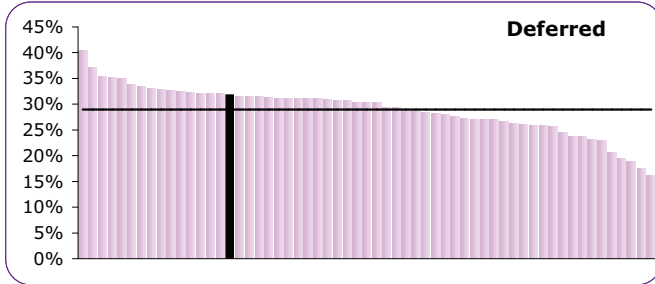
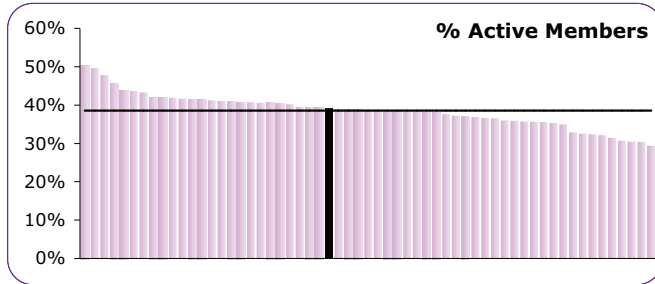


Overheads			
	£'000	£	Avg
IT - Pensions admin	148	£2.78	£2.38
IT - All other	10	£0.19	£0.59
Accommodation	-	£0.00	£0.79
Other central charges	180	£3.39	£2.28
External audit	30	£0.56	£0.44
Total	368	£6.92	£6.47



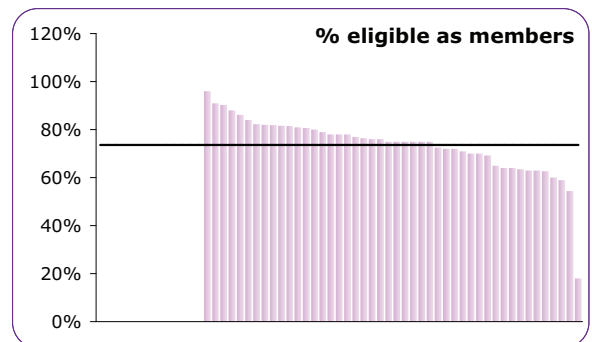
SECTION 3 - WORKLOAD MEASURES

COMPOSITION OF MEMBERS AS AT 31/03/11



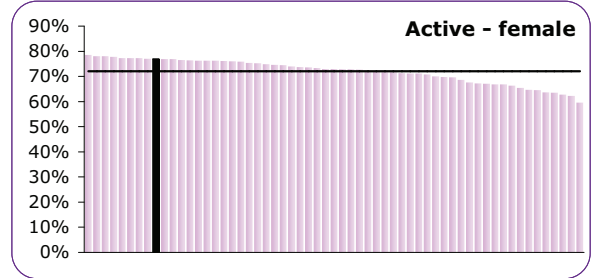
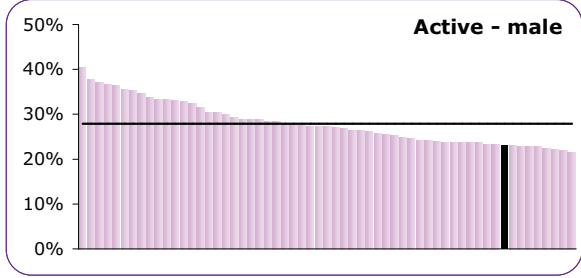
Composition of members			
	No.	%	Avg
Active:			
- full-time	9,277	17%	18%
- part-time	11,520	22%	20%
- no. of elected Members	10	0.0%	0.1%
- sub-total	20,807	39%	39%
Deferred	16,914	32%	29%
Pensioners	11,206	21%	23%
Dependants	1,751	3.3%	4.3%
Frozen refunds	1,775	3%	4%
Leavers unprocessed	710	1.3%	1.2%
Total	53,163		

LGPS members as % eligible employees



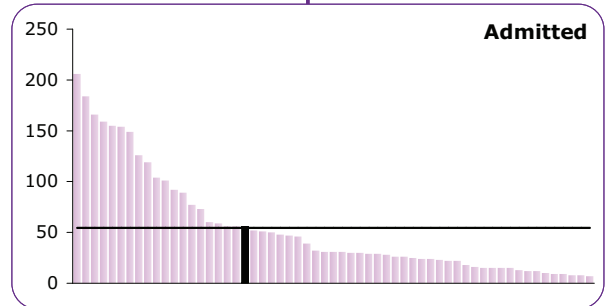
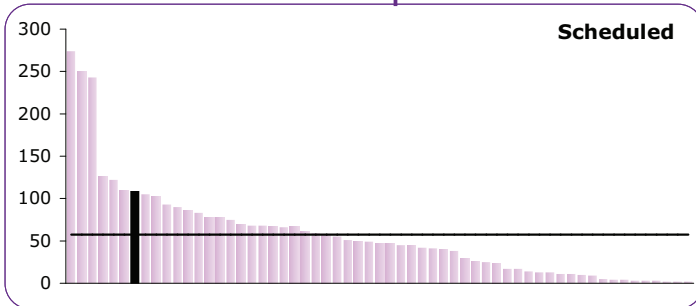
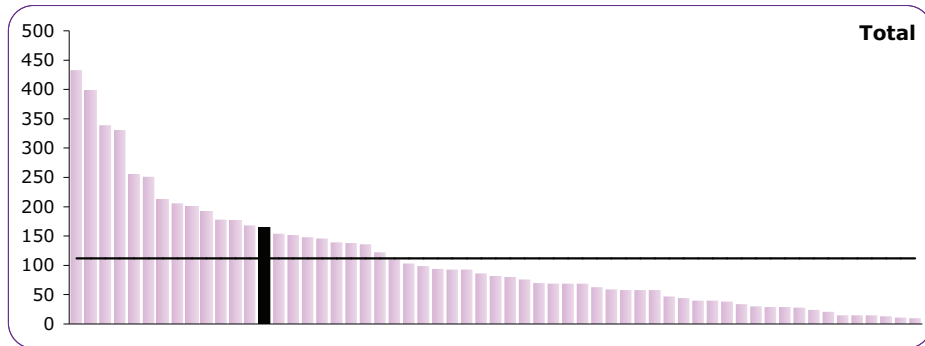
Buckinghamshire na Avg 74%

COMPOSITION OF MEMBERS AS AT 31/03/11



Composition of active members			
	No.	%	Avg
Male	4,792	23%	28%
Female	16,015	77%	72%

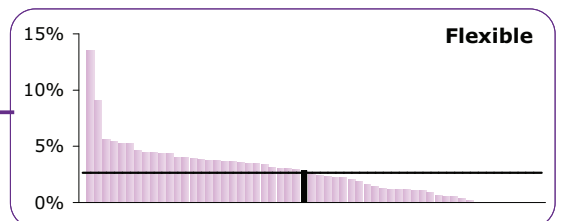
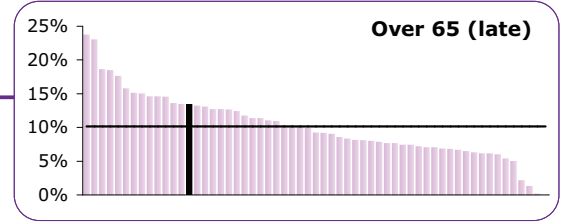
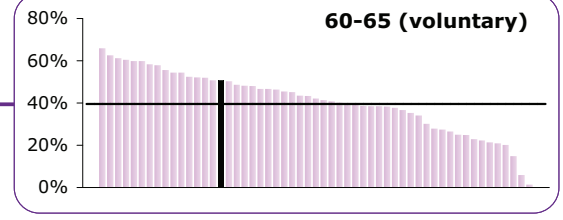
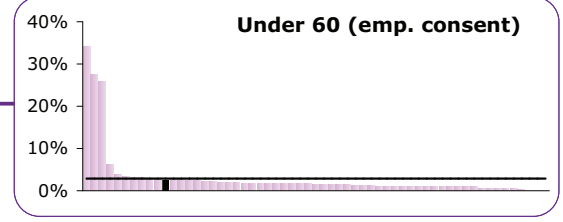
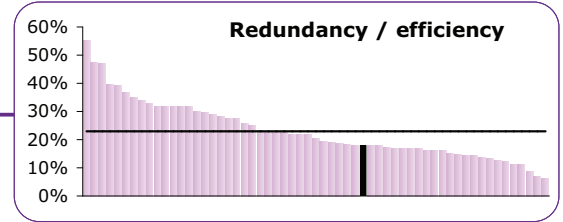
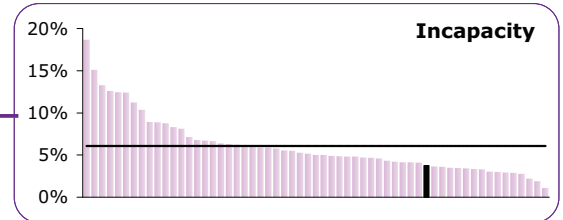
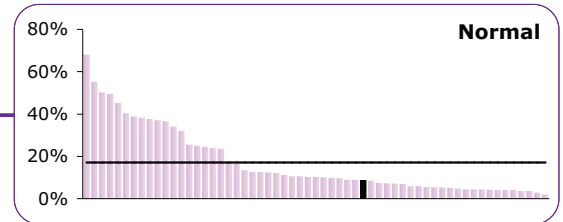
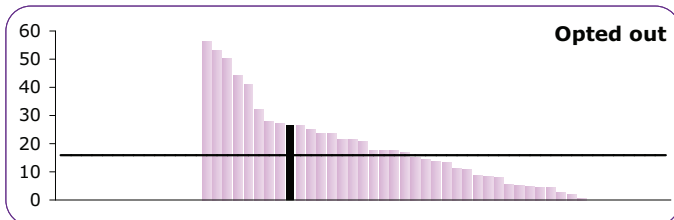
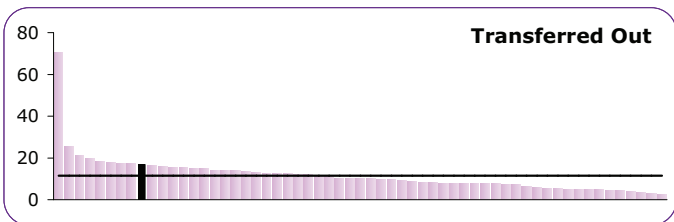
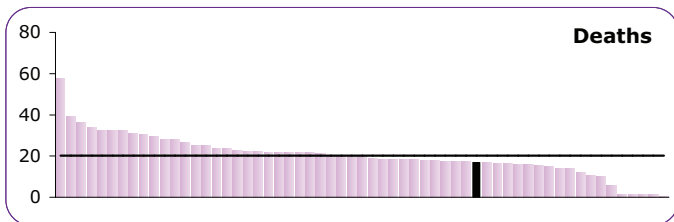
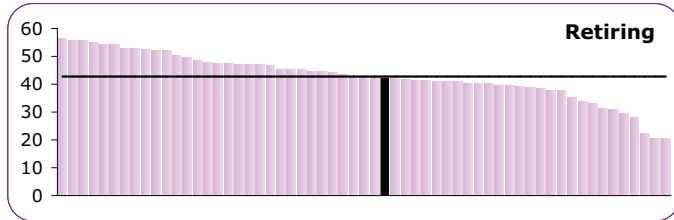
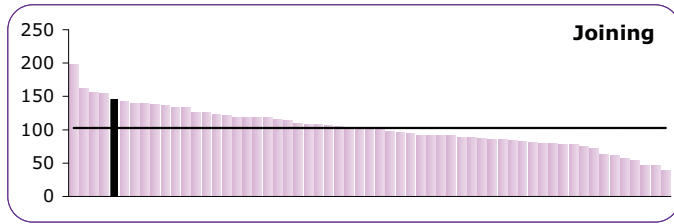
NUMBER OF LGPS EMPLOYERS AS AT 31/03/11



LGPS employers (31/3/11)						
	No.	Avg	of which:	No.	%	Avg
Scheduled	109	57	Local Authorities	61	56%	22%
Admitted	56	55	Transferee	23	41%	33%
Total	165	112				

Employer changes 2010/11						
	Applied		Admitted		Leaving	
	No.	Avg	No.	Avg	No.	Avg
Scheduled	7	4	7	4	-	0
Admitted	-	3	6	3	-	2

JOINERS & LEAVERS (per '000 active members)



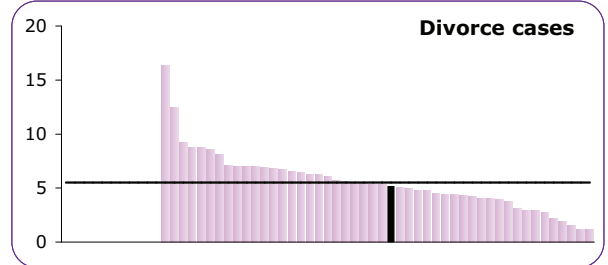
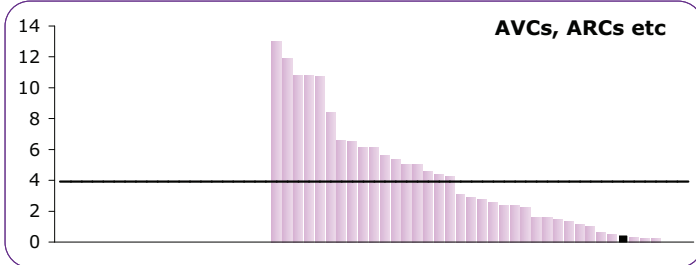
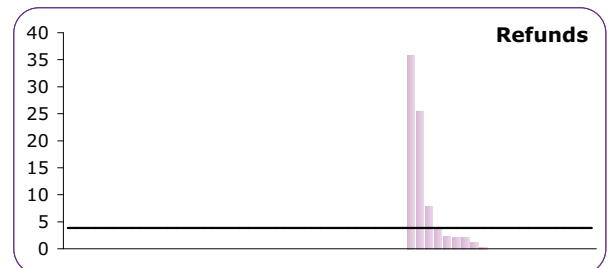
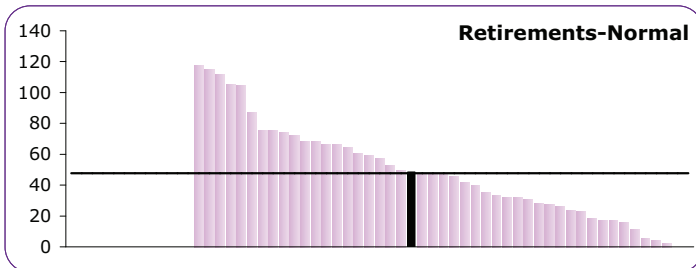
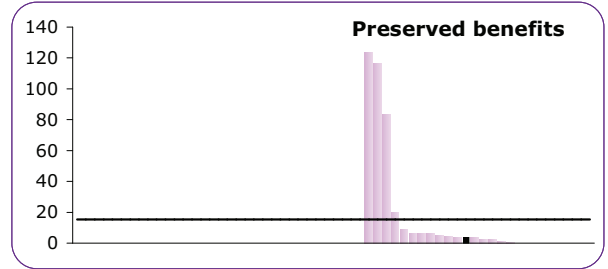
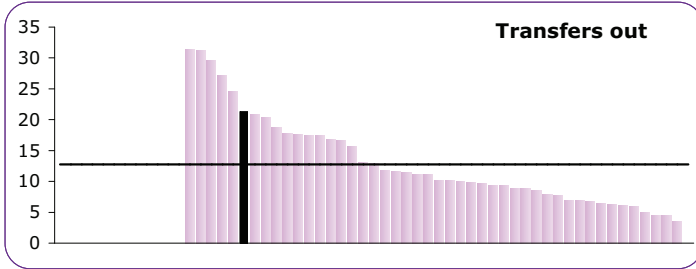
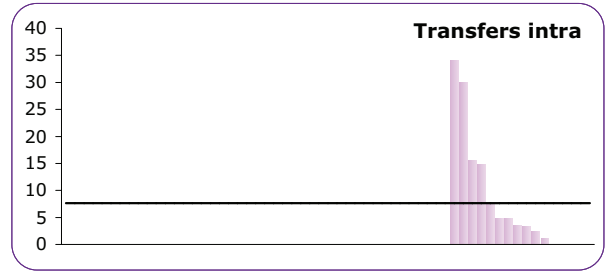
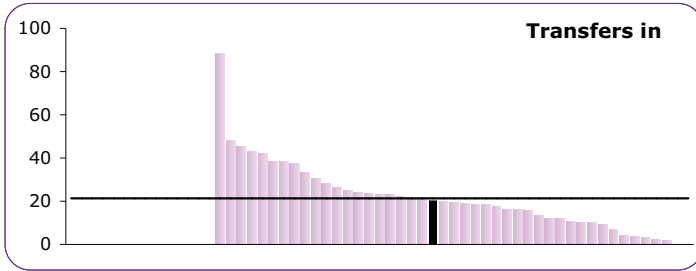
Joiners & leavers (per '000 active members)

	No.	'000	Avg
Joining	3,021	145	103
Retiring	878	42	43
Deaths	351	17	20
Transferred out	350	17	12
Opted out	551	26	16

Retirements

	No.	%	Avg
Normal	77	9%	17%
Incapacity/ill-health	33	4%	6%
Redundancy/efficiency	158	18%	23%
Under 60 (emp. consent)	22	2.5%	2.9%
60-65 (voluntary)	445	51%	40%
Over 65 (late)	118	13%	10%
Flexible	25	2.8%	2.6%

NUMBER OF QUOTATIONS PROVIDED (per '000 active members)



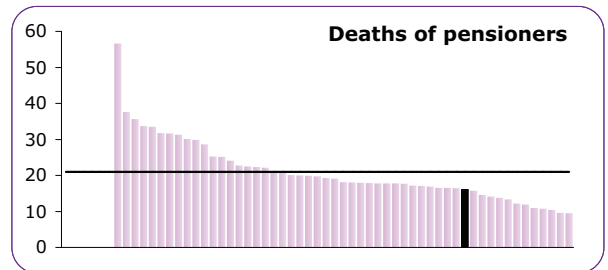
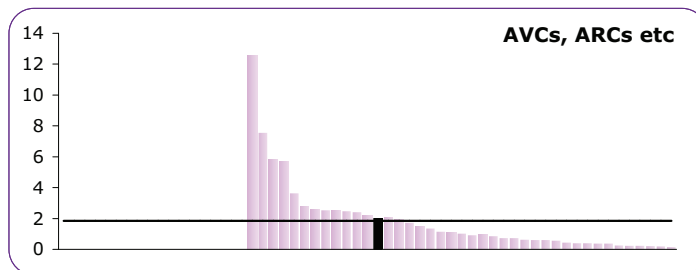
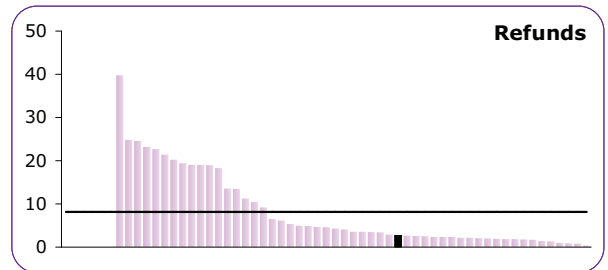
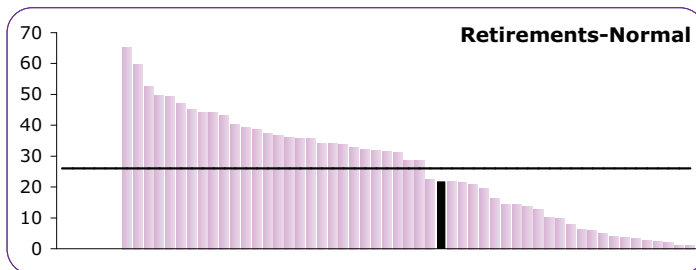
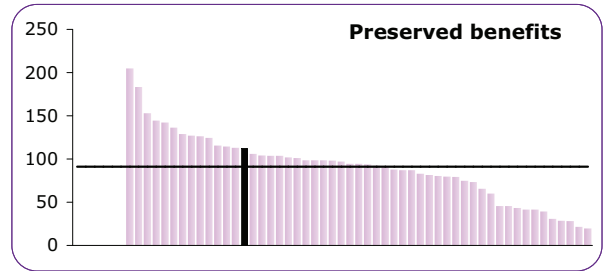
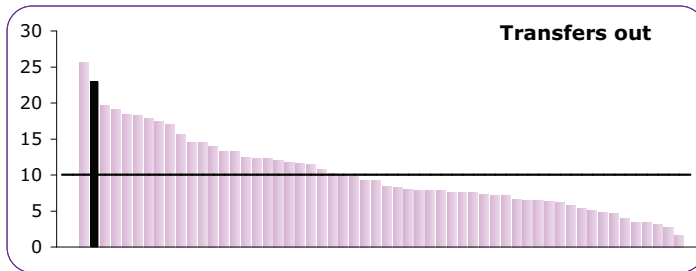
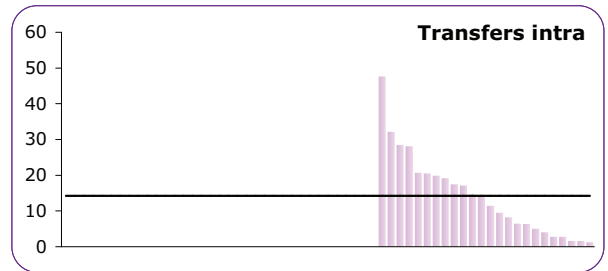
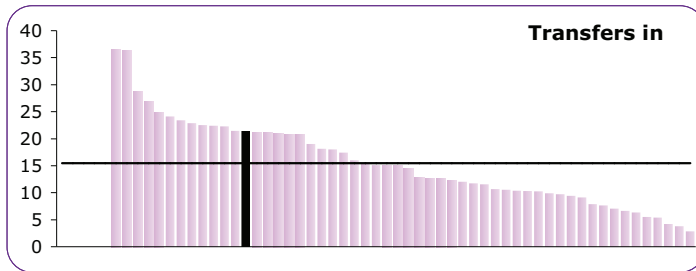
Active members

20,807

Provision of estimates

	No.	'000	Avg
Retirements - Normal	1,011	49	48
Retirements - Redundancy/efficiency	716	34	48
Transfers in	419	20	21
Transfers out	443	21	13
Transfers intra	na	na	8
Link ups	na	na	7
Concurrent Employments	na	na	5
Refunds	na	na	4
Frozen refunds	na	na	1
Preserved benefits	83	4	15
AVCs, ARCs etc	8	0	4
Divorce cases	107	5	6
Deaths in service	na	na	0
Death of pensioners	na	na	0

NUMBER OF ACTUAL EVENTS (per '000 active members)



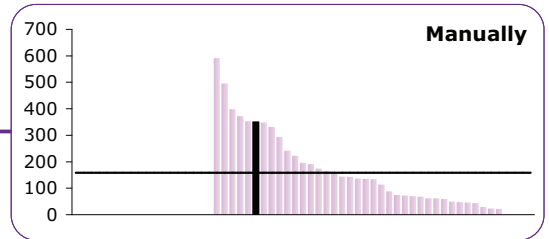
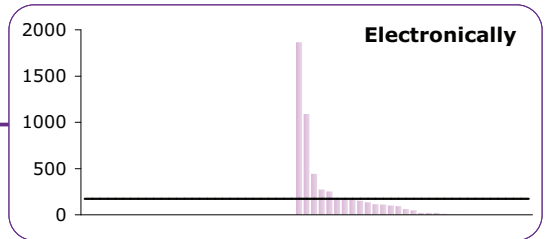
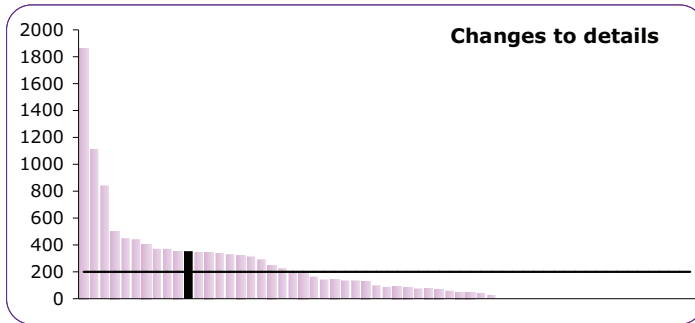
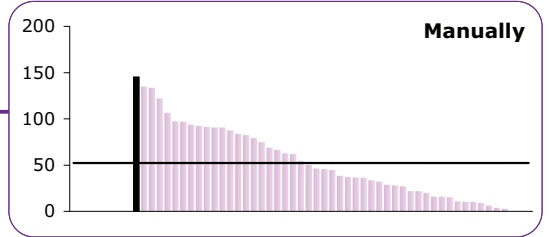
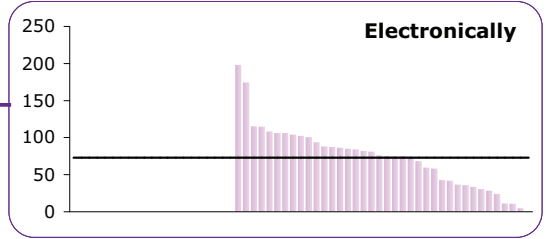
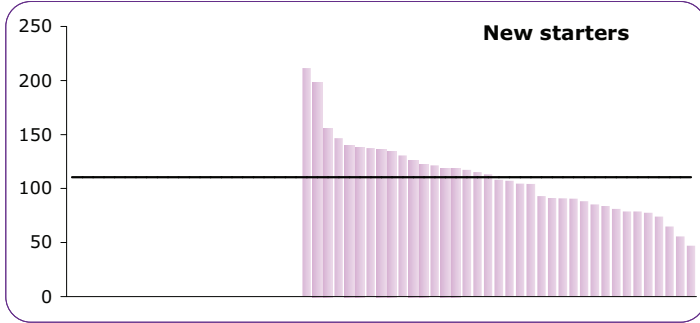
Active members

20,807

Actual calculations

	No.	'000	Avg
Retirements - Normal	451	22	26
Retirements - Redundancy/efficiency	141	7	11
Transfers in	444	21	15
Transfers out	478	23	10
Transfers intra	na	na	14
Link ups	275	13	14
Concurrent Employments	na	na	13
Refunds	57	3	8
Frozen refunds	67	3	4
Preserved benefits	2,336	112	91
AVCs, ARCs etc	42	2	2
Divorce cases	8	0	1
Deaths in service	16	1	1
Death of pensioners	335	16	21

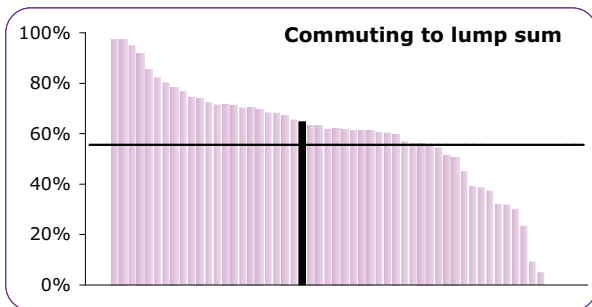
ACTUAL CALCULATIONS (per '000 active members)



Active members
20,807

RETIREMENTS

Retirements commuting to lump sum

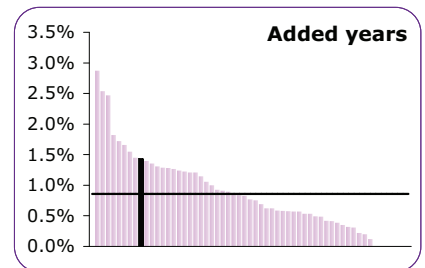
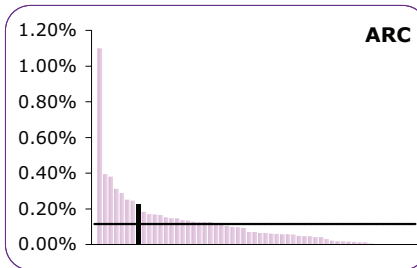
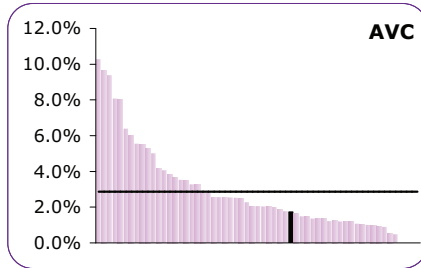


Retirements commuting to lump sum		
Number	% total	Avg
568	65%	56%

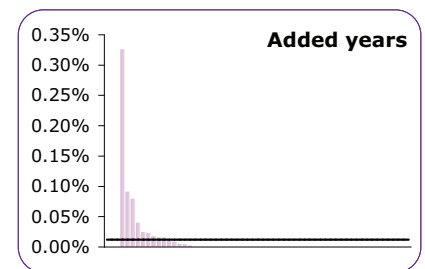
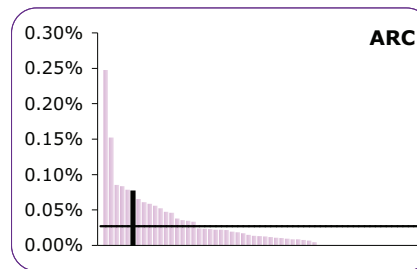
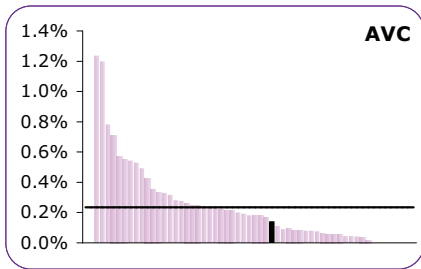
Actual calculations			
	No.	'000	Avg
New starters	3,021	na	110
- electronically	na	na	73
- manually	3,021	145	52
Changes to details	7,306	351	201
- electronically	na	na	172
- manually	7,306	351	159

AVCs, ARCs and Added years

% Currently contributing



% New contributors this year



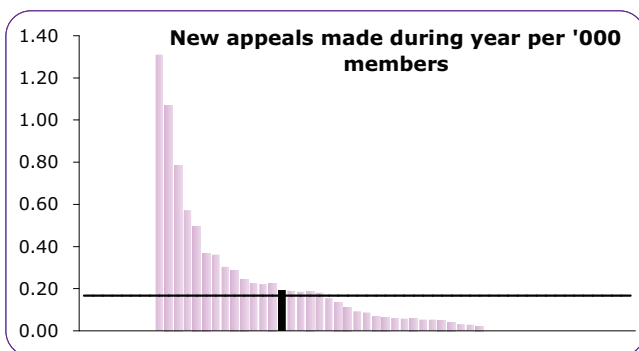
Contributors to AVCs and ARCS

	No.	%	Avg
Currently contributing			
- AVC	360	1.7%	2.9%
- ARC	47	0.2%	0.1%
- Added years	299	1.4%	0.9%
Total	706	3.4%	3.8%
New contributors this year			
- AVC	29	0.14%	0.23%
- ARC	16	0.08%	0.03%
- Added years	-	0.00%	0.01%
Total	45	0.22%	0.26%

Active members

20,807

APPEALS



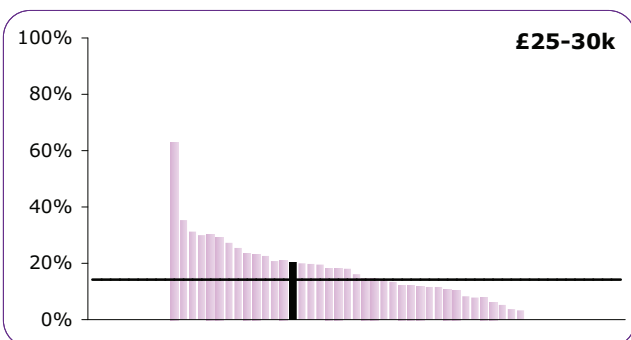
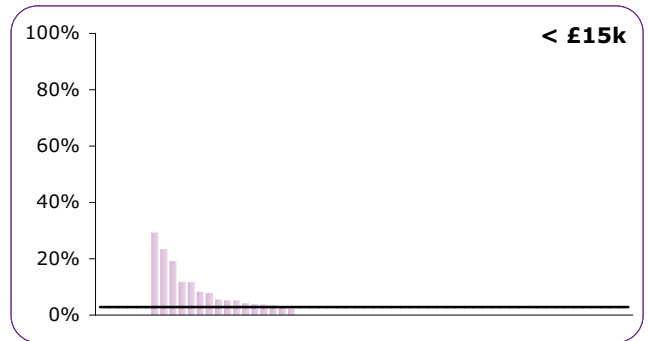
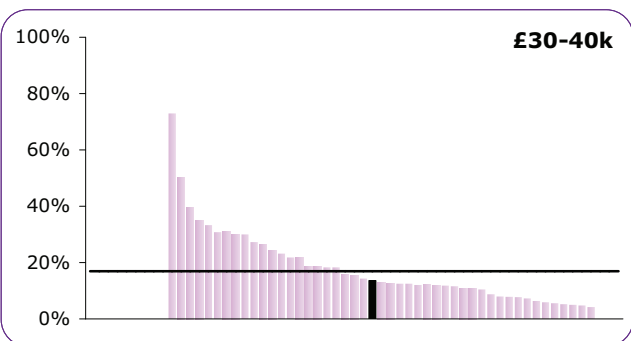
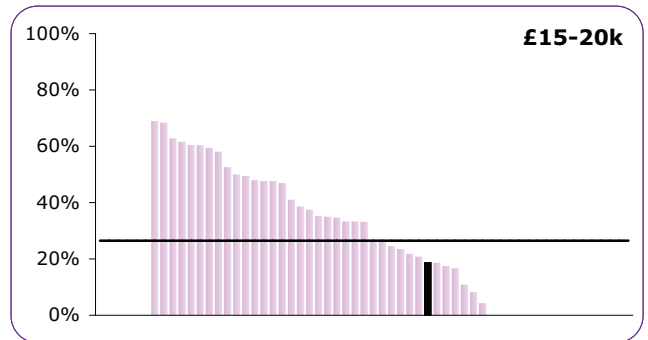
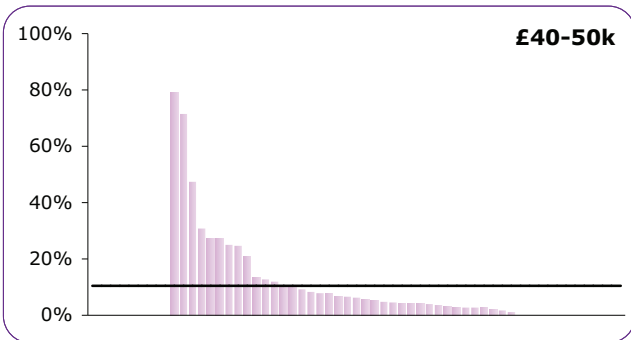
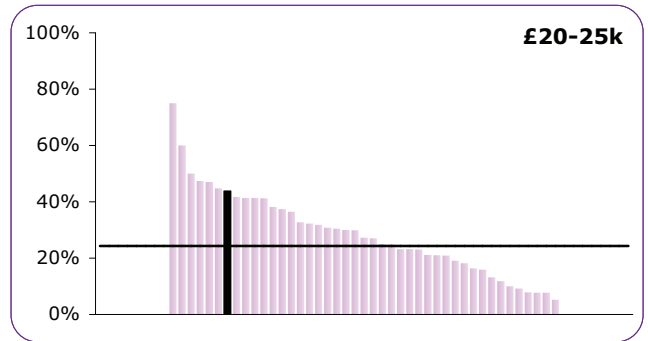
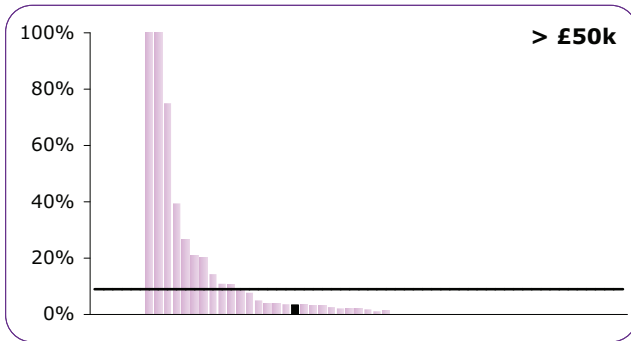
Number of appeals

	No.	Per '000 members	Avg Club*	total
In progress at start of year	0	0.00	0.09	80
New appeals during year	4	0.19	0.17	200
In progress at end of year	1	0.05	0.08	66
1st stage				
Total	3	0.14	0.24	134
Won	3	100%	87%	111
Lost	0	0%	13%	23
2nd stage				
Total	1	0.05	0.14	92
Won	1	100%	78%	70
Lost	0	0%	22%	22

*Club total: This shows the total for all the Benchmarking Club members 2011.

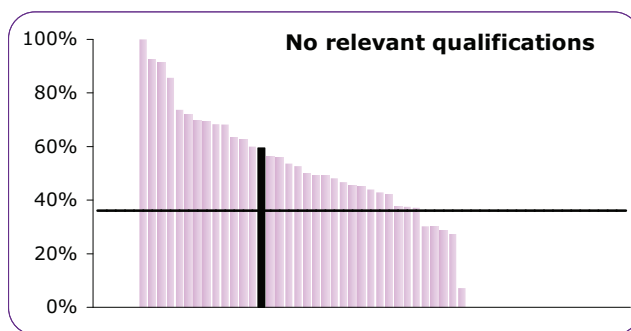
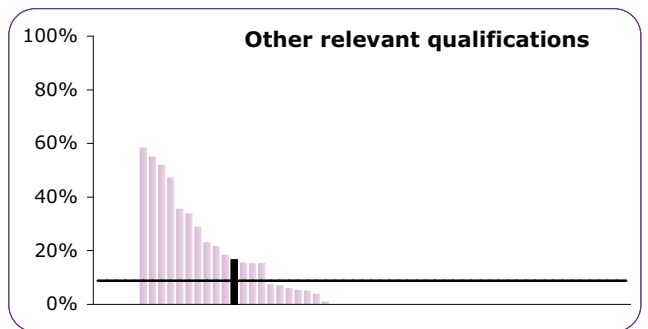
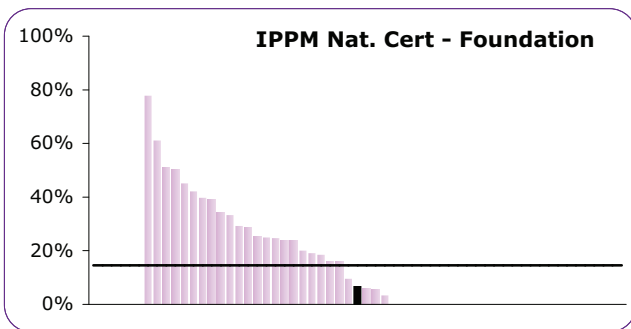
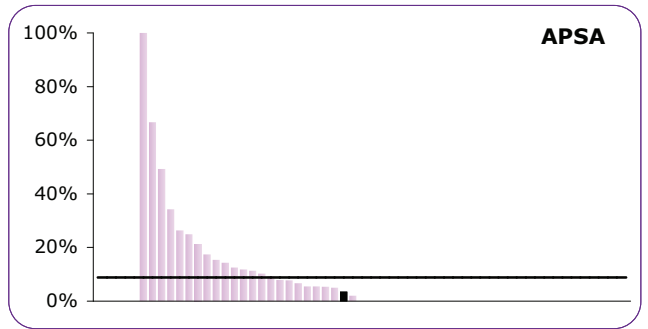
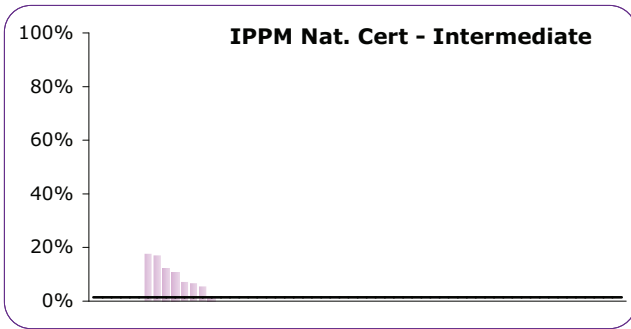
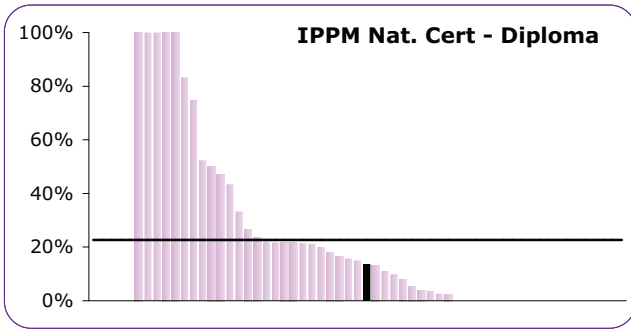
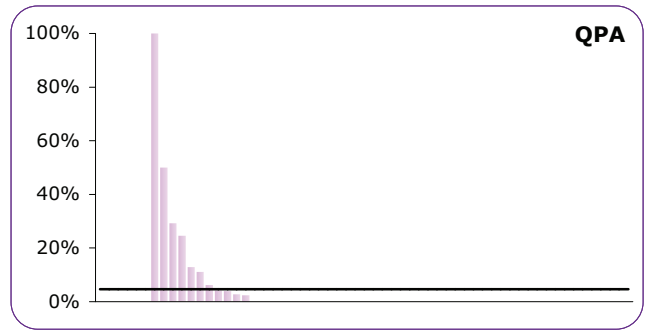
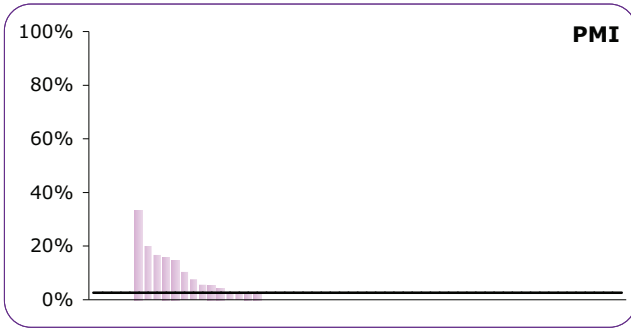
SECTION 4 - STAFF RELATED MEASURES

STAFF PAY



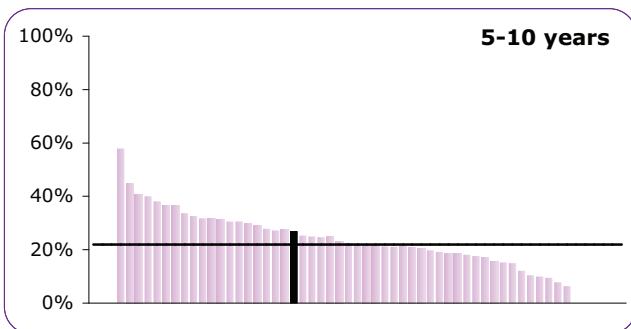
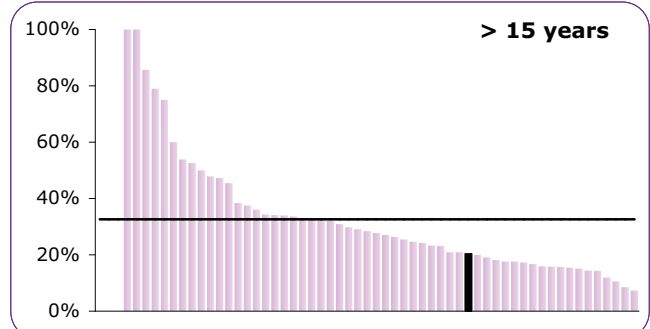
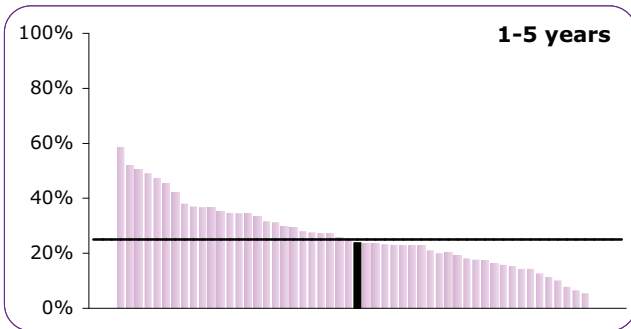
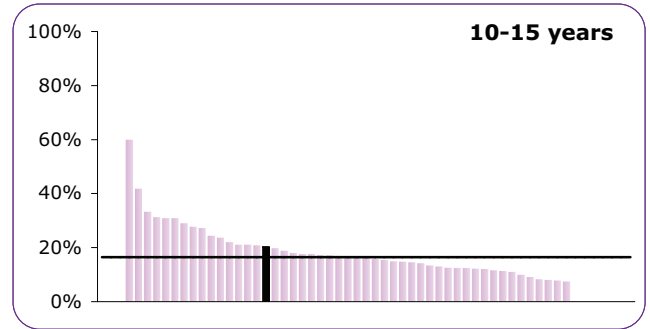
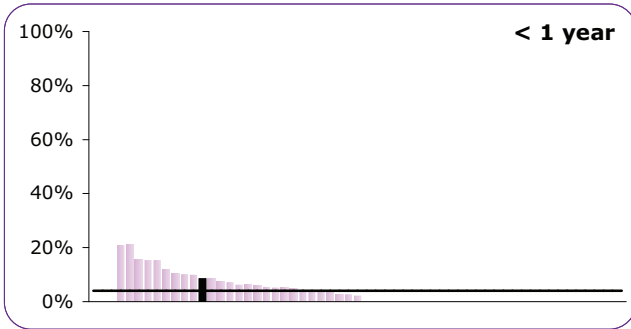
Staff pay	FTE	%	Avg
> £50k	1.0	3%	9%
£40-50k	0.0	0%	10%
£30-40k	4.0	14%	17%
£25-30k	6.0	20%	14%
£20-25k	12.9	44%	24%
£15-20k	5.5	19%	26%
< £15k	0.0	0%	3%
Total	29.4		

STAFF QUALIFICATIONS



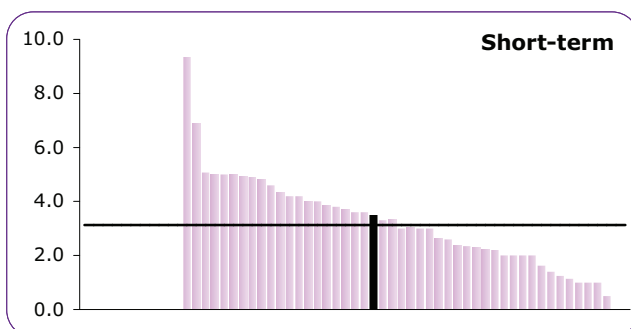
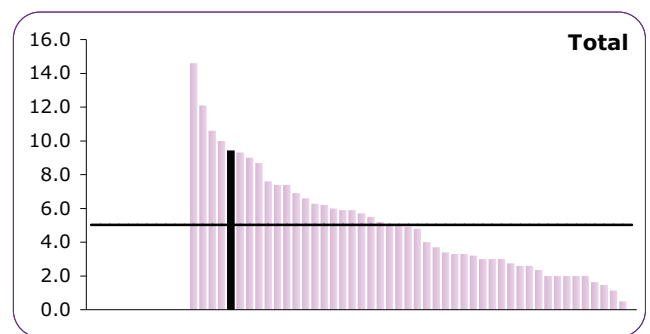
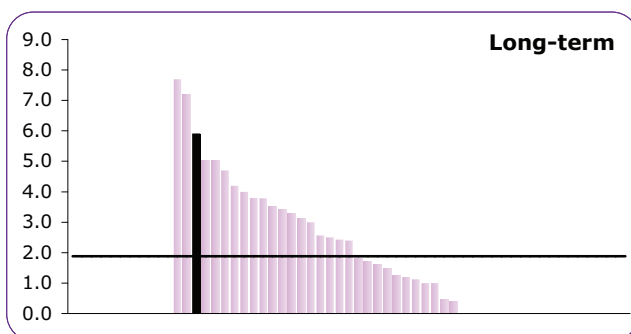
Staff qualifications			
	FTE	%	Avg
PMI	0.0	0%	3%
IPPM Nat. Cert - Diploma	4.0	14%	23%
IPPM Nat. Cert - Intermediate	0.0	0%	1%
IPPM Nat. Cert - Foundation	2.0	7%	15%
CIPP Foundation Degree	0.0	0%	0%
QPA	0.0	0%	5%
QPSPA	0.0	0%	1%
APSA	1.0	3%	9%
Other relevant	4.9	17%	9%
No relevant	17.5	60%	36%
Total	29.4		

STAFF PENSIONS EXPERIENCE



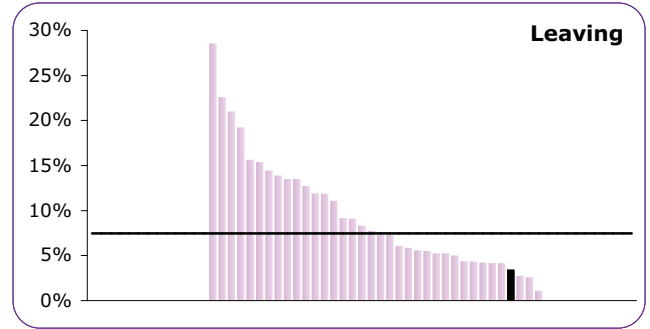
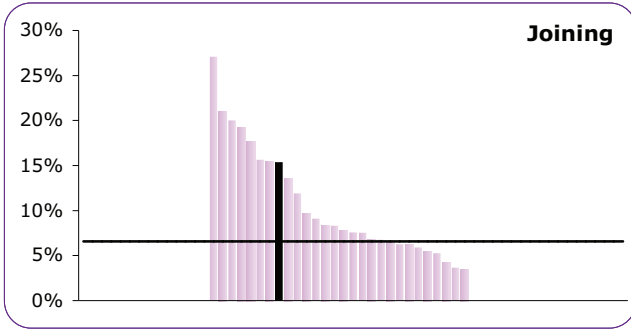
Staff experience			
	FTE	%	Avg
< 1 year	2.5	9%	4%
1-5 years	7.0	24%	25%
5-10 years	7.9	27%	22%
10-15 years	6.0	20%	16%
> 15 years	6.0	20%	33%
Total	29.4		

SICKNESS ABSENCE - Lost days per FTE employee



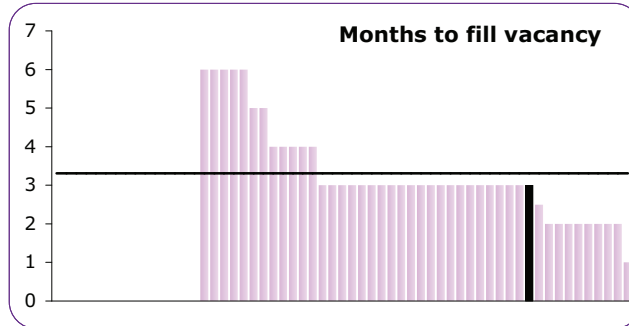
Sickness absence		
	Days/FTE	Avg
Long-term sickness	5.9	1.9
Short-term sickness	3.5	3.1
Total	9.4	5.0

STAFF TURNOVER



Staff turnover

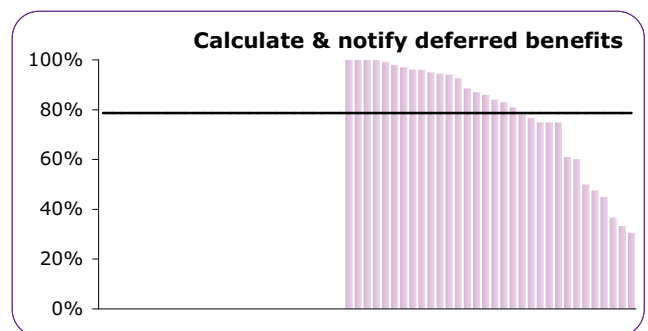
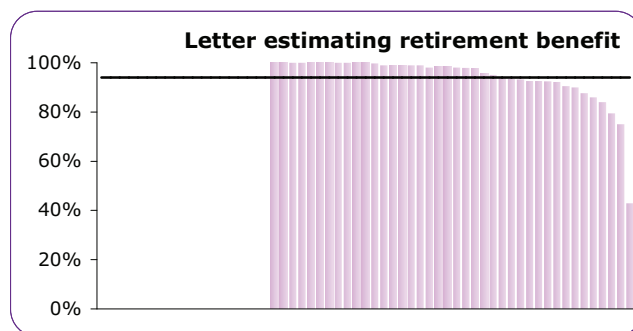
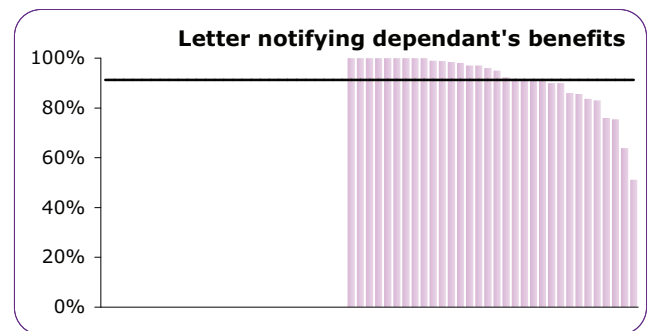
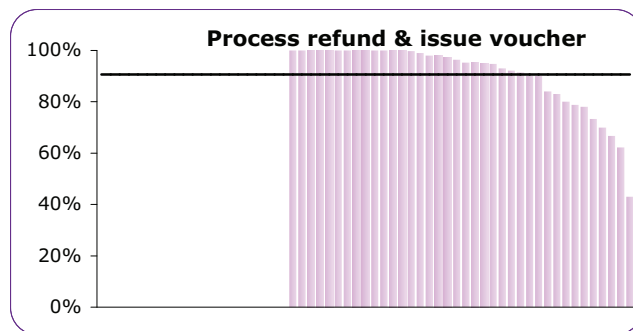
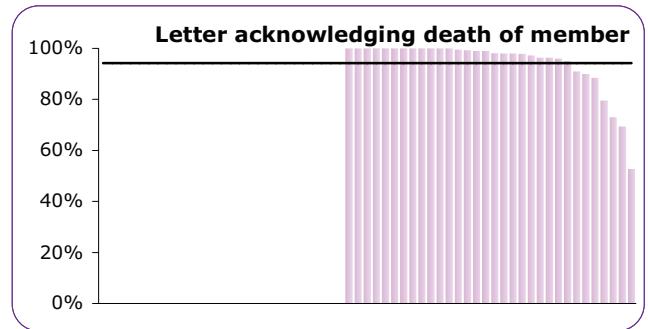
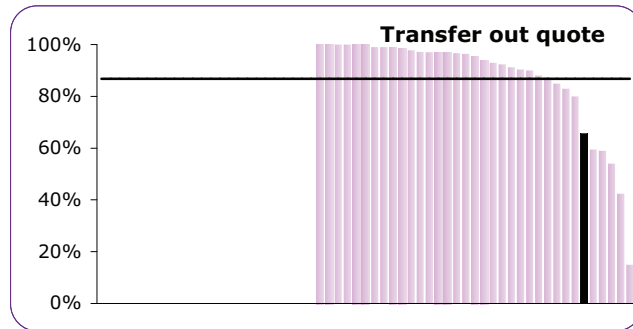
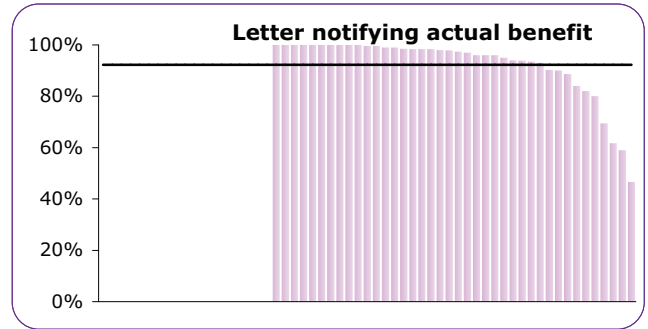
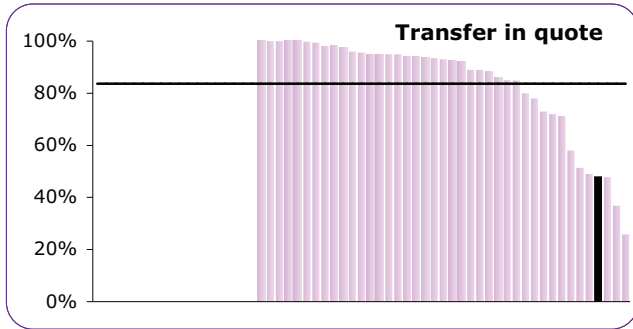
	FTE	%	Avg
Total Section FTE	29.4		
Joining Section	4.5	15.3%	6.6%
Leaving Section	1.0	3.4%	7.5%



Average time to fill vacancy

Months	Avg
3.0	3.3

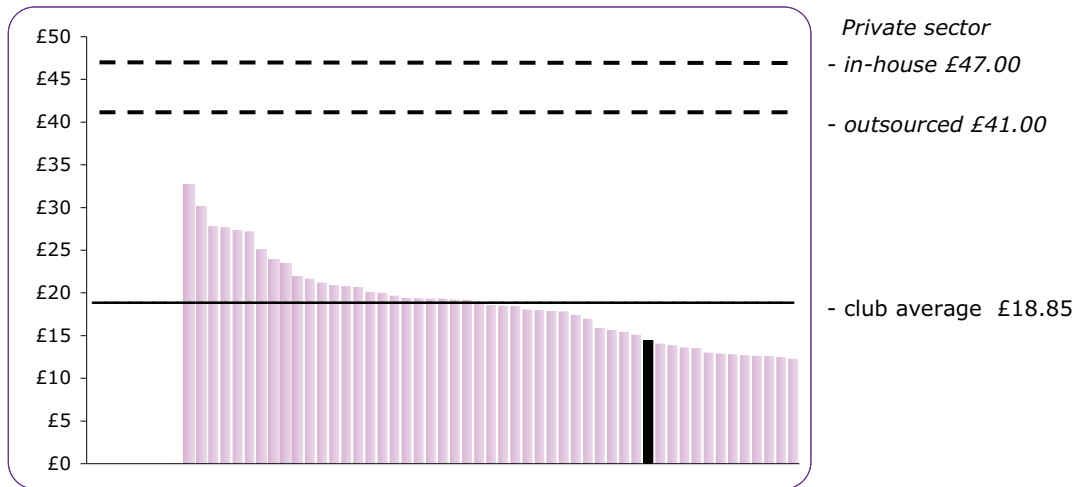
SECTION 5 - INDUSTRY STANDARD PI's



Industry Standard PI's	Target	Achieved	Avg
Letter detailing transfer in quote	10 days	47.9%	83.7%
Letter detailing transfer out quote	10 days	65.7%	86.8%
Process refund and issue payment voucher	5 days	na	90.6%
Letter notifying estimate of retirement benefit	10 days	na	94.0%
Letter notifying actual retirement benefit	5 days	na	92.3%
Letter acknowledging death of member	5 days	na	94.2%
Letter notifying amount of dependant's benefits	5 days	na	91.3%
Calculate and notify deferred benefits	10 days	na	78.6%

SECTION 6 - COMPARISON WITH PRIVATE SECTOR

LGPS ADMIN COST PER MEMBER (EXCLUDING PAYROLL COST)



Costs		£'000
Admin cost	866	
Payroll cost	97	
Adjusted cost	769	

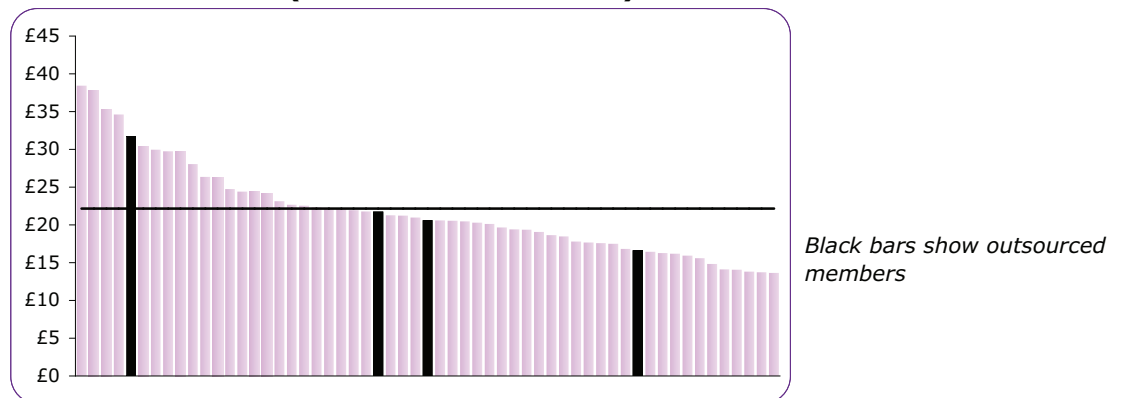
Cost/member £14.46

Members				
	No.	%	Avg	private
Active	20,807	39%	39%	34%
Deferred	16,914	32%	29%	34%
Retired	11,206	21%	23%	32%
Total	53,163			

COMPARISON OF OUTSOURCED/IN-HOUSE MEMBERS

Total members with data:	59
Outsourced members:	4

LGPS ADMIN COST PER MEMBER (INCLUDING PAYROLL)



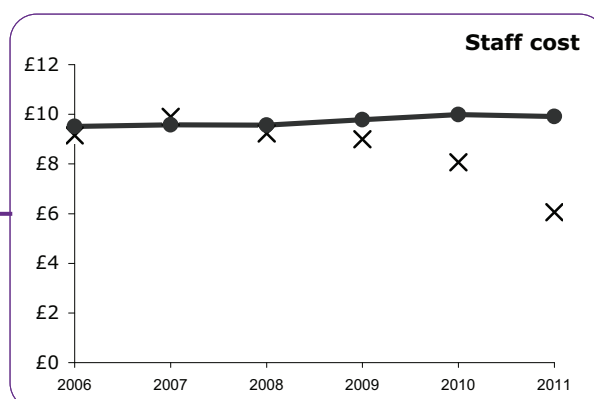
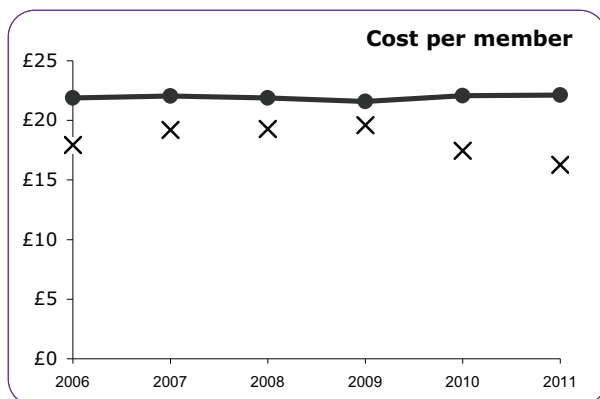
Admin cost per member:	
Buckinghamshire	£16.28
Club average	£22.14
Outsourced average	£22.66
In-house average	£22.10

Source: Capita Hartshead Annual Pension Scheme Admin Survey 2010
Data for funds over 10,000 members

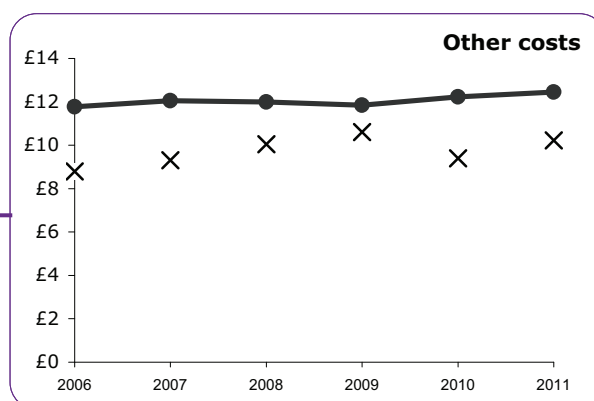
SECTION 7 - TIMESERIES

The 2011 averages are the actual club averages.

For previous years, the averages shown here are scaled up or down from the 2011 figure based on the average rate of change in each year. This is calculated using data from members who supplied figures in consecutive years, otherwise the simple average in each year would be distorted by changes in the composition of the club from year to year.



KEY:
 Club average
 Buckinghamshire



Time series analysis						
	2006	2007	2008	2009	2010	2011
Members	37,792	42,846	46,062	48,473	50,340	53,163
Net cost (£'000)	678k	823k	888k	950k	879k	866k
Cost per member	£17.95	£19.21	£19.27	£19.60	£17.47	£16.28
Average	£21.88	£22.04	£21.88	£21.58	£22.07	£22.14
Staff cost	£9.15	£9.90	£9.23	£8.99	£8.07	£6.06
Average	£9.52	£9.57	£9.57	£9.79	£9.99	£9.91
Other costs	£8.79	£9.31	£10.05	£10.61	£9.40	£10.22
Average	£11.78	£12.05	£11.99	£11.84	£12.22	£12.45