

**The Highland Council**  
**Pensions Committee – 14 November 2013**

Agenda Item	<b>4</b>
Report No	<b>PC/15 /13</b>

**Pension Fund Administration Update Report**

**Report by Director of Finance**

Summary

The purpose of this periodic report is to update Members on matters relating to the administration of the Highland Council Pension Fund.

**1. Introduction**

- 1.1 The Highland Council is the Administering Authority for the Highland Council Pension Fund.
- 1.2 In addition to the Highland Council, 34 employers (listed in Appendix 1) participate as Admitted Bodies in the Fund.
- 1.3 Participating employers are required to calculate and deduct the appropriate rate of pension contributions from salaries in addition to an employer's contribution in accordance with guidance issued by the Highland Council Pension Section.
- 1.4 These contributions are remitted monthly to the Highland Council Pension Fund. The statutory deadline for payment to be made is the 19<sup>th</sup> of each month.

**2. Pension Contributions Admitted Bodies**

- 2.1 Pension contributions received from employers are checked for accuracy against known parameters and the dates received are recorded and monitored.
- 2.2 Contact is made with an employer in instances where payments are received late or not to the expected value.
- 2.3 Contributions from scheme employers are all being received on time and all contributions are up to date.

**3. Pension Contributions -The Highland Council**

- 3.1 The Pension Committee on 22 August requested confirmation that controls were in place to ensure that pension contributions deducted through the Highland Council Payroll system and paid into the Council's bank account were promptly transferred into the Pension Fund Bank Account.

3.2 Internal Controls are now in place in both the Payroll and Treasury teams to ensure the transfer is made on time and in addition the completed process date is reported to the pension team in line with controls for other employers.

3.3 The late payment of contributions highlighted to the last committee generated interest amounting to £6,364.92 in the Loans Fund. This interest amount has now been credited to the Pension Fund Account.

#### **4. Administration Costs**

4.1 The annual staffing budget for Pensions Administration is £478,515 and for the year to 30 September 2013 was within budget.

#### **5. Actuarial Fees**

5.1 Actuarial fees for specific tasks are agreed as part of the 5-year actuarial contract between the Council and Hymans Robertson, which commenced April 2013.

5.2 Actuaries' fees for pre-arranged work for the period to September 2013 were £12,182. These were checked and approved against the scale charge in the contract.

#### **6. LGPS Reform**

6.1 Members are advised that draft Heads of Agreement relating to the reform of Local Government Pensions Scheme (LGPS) in Scotland in 2015 have recently been issued. Further information on this subject will be loaded to the Pensions Website <http://www.highlandpensionfund.org/lgps-reform.aspx> and it is proposed to bring a more detailed presentation to update members on LGPS reform to the next meeting.

#### **7. Training Opportunities**

7.1 Members are advised of an upcoming LGPS specific training seminar titled 'Reform of the Local Government Pension Scheme in Scotland' being run by the LGPS (Scotland) Investment & Governance Group (a working group of officers from all Scottish LGPS). The seminar is due to be held at Cosla's offices in Edinburgh on Tuesday 17 December. A draft seminar outline is enclosed as appendix 2, and covers a range of topics including administration, governance and investment.

#### **8. Implications**

8.1 There are no resource implications other than those highlighted in paragraphs 4.1 and 5.2.

8.2 There are no legal, equalities, climate change/Carbon Clever or risk implications.

Recommendation

Members are asked to consider the details of this report.

Designation: Director of Finance

Date: 29 October 2013

Author: Charlie MacCallum, Payroll & Pension Manager  
Brian Porter, Finance Manager

**Admitted Bodies in the Highland Council Pension Fund**

Comhairle Nan Eilean Siar  
Stornoway Port Authority  
Cromarty Firth Port Authority  
Inverness Harbour Trust  
Northern Joint Police Board – now Scottish Police Authority  
Valuation Board/ Assessors  
H & I Fire Board – now Scottish Fire Authority  
Highland Opportunities  
Eden Court  
Inverness College  
North Highland College  
Lews Castle College  
The Highland Council  
UHI Millennium Institute  
HOST (Highlands Of Scot Tourist Board)  
Inverness Leisure / CCLL  
Western Isles Tourist Board  
Torvean Golf Club  
Bord Na Gaidhlig (Alba)  
Sight Action (formerly VISH)  
Highland Blindcraft  
HITrans  
Hebridean Housing Partnership (HHP)  
Vacman Cleaning Limited  
Morrison FM  
SPSA Scottish Police Service Authority  
HIE (former LECS)  
SDS (former Careers Scotland)  
Fujitsu  
An Comunn Gaidhealach  
High Life Highland Ltd  
Forth and Oban  
RS Occupational Health  
NHS Highland  
Parklands