



Pensions Committee

10 December 2014

Report title	Service plan monitoring 2014/15 Quarter Two	
Originating service	Pension Services	
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Recommendation(s) for action or decision:

The Committee is recommended to note:

1. Performance against the Fund's key performance indicators as at the end of the second quarter;
2. The forecast outturn against operating budgets as at the end of the second quarter, which is an under spend of £274,000.

1.0 Purpose

- 1.1 The purpose of this report is to update the Committee on performance against key performance indicators (KPIs) and the forecast outturn for the year against operating budgets as at the end of the second quarter.
- 1.2 The KPIs and operating budgets were approved by the Committee on 26 March 2014 as part of the Service Plan 2014-2019, a full copy of which can be found on the Fund's website: www.wmpfonline.com.

2.0 Performance against medium term plan

- 2.1 The eight key priorities in the Service Plan are detailed in Appendix 1, which represents a summarised update of activities. The Pensions Committee received a detailed report on the individual priorities in the 'Assurance Framework – Supporting the Annual Governance Statement' in March 2014.
- 2.2 Activities against the plan continue in line with objectives. An abridged summary of performance against KPI's is included in Appendix 2.
- 2.3 Performance against some pension administration objectives has deteriorated due to the large increase in manual calculations required while LGPS 2014 system upgrades were being developed by our software provider. It is expected that performance will improve to former levels once the upgrades have been completed; this has begun to occur with some objectives during the last quarter.

3.0 Forecast outturn against operating budget 2014/2015

3.1 The following table sets out the forecast outturn compared with the Fund's operating budget as at the end of the second quarter.

Budget Heading	Approved Budget 2014/15 £000	Forecast 2014/15 £000	Forecast Variance £000
Employees	4,513	4,081	(432)
Premises	344	346	2
Transport	69	70	1
Communications and Computing	740	772	32
Investment Management and Advice	11,398	11,507	109
Other	2,062	2,076	14
Support Services	523	523	-
Service development	350	350	-
Total Expenditure	19,999	19,725	(274)
Miscellaneous Income	(530)	(530)	-
Net Expenditure	19,469	19,195	(274)

3.2 Budgets have been forecast using a combination of reviewing spend to date and considering plans for the remainder of the financial year. A prudent approach has been taken in forecasting the cost of those plans, and the figures set out above are therefore likely to be subject to change by year-end.

3.3 The forecast under spend has arisen primarily on staffing budgets, due to a number of posts being held vacant, or in the process of being recruited to, during the year to date.

3.4 The other significant variance is on investment management and advice, for which an over spend of £109,000 is forecast. However, since this is heavily influenced by investment performance, this is particularly subject to change during the remainder of the year.

3.5 The Fund, like all public sector bodies, continues to review its operating costs and procedures, with many key operational processes having been reviewed under the LEAN programme and efficiency gains made.

4.0 Financial implications

4.1 The financial implications are discussed in the body of the report.

5.0 Legal implications

5.1 This report contains no direct legal implications for the Authority.

6.0 Equalities implications

6.1 This report has no equalities implications.

7.0 Environmental implications

7.1 This report has no environmental implications.

8.0 Human resources implications

8.1 The report has no human resources implications.

9.0 Corporate landlord implications

9.1 This report has no corporate landlord implications.

10.0 Schedule of background papers

- Pension Fund Business Plan 2014-19, Report to Pensions Committee, 26 March 2014
- WMPF Medium-term Financial Plan Update and 2014/15 Operating Budget, Report to Pensions Committee, 26 March 2014
- Service Plan Monitoring 2014/15, Report to Pensions Committee, 24 September 2014