

Recruitment – June 2021 Update

Context

The North East Scotland Pension Fund has grown significantly over recent years not only in asset value but in complexity.

The main Fund has regained the losses in asset value due to COVID and has increased in value by over £1bn in less than 12 months, and the Transport Fund has gone through significant change with the merger of the Strathclyde Transport Fund and the completion of the Buy in.

Scale:

NESPF	£5.7bn
ACCTF	£100m
Buy in	£230m
Membership	70,000 people
Member annual record updates	985,000
Employers	48

Organisation of Fund Activities:

1 x Pension Manager, supported by 1 x Operations Manager

6 Core Teams

- Investments
- Accounting
- Governance & Communications
- Benefits Administration
- Employer Relations
- Systems

Staffing Changes and Recruitment:

Over the last 18 - 24 months we have added additional posts to address workload pressures and also succession planning in certain areas of the Fund, namely Governance, Accounting and Investments.

Staffing Changes Approved	Approved March 2019
Investments	1 x Senior Pension Officer 1 x Asst Pension Officer
Accounting	1 x Senior Pension Officer
Governance & Communications	1 x Senior Pension Officer
Benefits Administration	No Changes
Employer Relations	No Changes
Systems	No Changes

*Appointed or Awaiting Start Date; Awaiting Candidate Shortlist

Through natural turnover and promotion a number of other posts have been subject to recruitment exercises. A summary of vacancies is shown below:

Current vacant posts.

- 1. Senior Pension Officer, Investment.**
Preferred candidate has been identified following interview and an offer made, awaiting a final decision from candidate and start date.
- 2. Pension Officer, Investment.**
With People & Organisation and in progress, expecting to shortlist and undertake interviews shortly.
- 3. Assistant Pension Officer, Investment.**
With People & Organisation and in progress, expecting to shortlist and undertake interviews shortly.
- 4. Senior Pension Officer, Governance.**
With People & Organisation and in progress, expecting to shortlist and undertake interviews shortly.
- 5. Pension Officer, Governance.**
Successful candidate will be starting on 12 July.

New Staffing Challenges

The Pension Committee noted the recommendations of the Administration Review at its meeting in March 2021, this included a range of actions to improve process, procedure and backlogs and was to be taken forward over the next 12-18 months.

An appendix with key points and performance data arising from this is included in this update for ease of reference.

As part of the administration review the Fund wanted to ensure that it was suitably resource in the benefits administration team, for years the Fund has experienced backlogs of tasks within that team which has been frustrating for all involved and we have addressed the issue in various ways over the years via different projects and overtime however unfortunately the backlogs keep coming.

The outcome of the review is that we have identified the requirement for additional posts and with these and the improvements and changes we are looking to make will mitigate those backlogs.

Furthermore, succession planning is essential within the Fund, the additional posts we have added and are looking to add will be vital within the next couple of years. The Fund needs to ensure the vast knowledge and experience of the most senior officers is imparted to provide continuity and protect the members, the Fund and the Administering Authority.

Due to the specialist nature of the Fund it is challenging to recruit experienced Local Government Pension Scheme personnel. The Fund has had a culture to train and promote from within, a strategy and approach supported by the Council, but due to recent events the Fund is now lacking in depth and given the increasing workload and complexity we require to add the additional posts to support the Fund in service delivery and ultimately deliver a more efficient Fund.

Officers are looking for the Fund to support 3 x Trainee Pension Officer, Benefits Administration; and 1 x Pension Officer, Training and Development.

The training & development post is to support the internal training program we run for the benefit administration team and given we have highlight the need for three additional posts the training & development team will be essential in ensuring that program continues.

Two Senior Pension Officer posts are sought to support the managers of those teams to ensure full usage of the systems we have in place, while delivering enhanced reporting and following the completion of large and complicated projects over the last 18 months (including the merger, buy in and new office) support to employers on a range of ongoing, complex matters is vital to the effective operation of the Fund.

Officers are therefore requesting that the Committee give consideration to some additional resources to address these specific issues, and to progress a workplan of improvement, while still delivering business as usual and implementing the likes of GMP and McCloud obligations.

The posts that we would like to recommend to the Committee in June are as follow:

1 x Senior Pension Officer, Employer Relationship Team

1 x Senior Pension Officer, Systems

1 x Pension Officer, Training & Development

3 x Trainee Pension Officer, Benefits Administration

We have included an updated organisation chart, below, with the Green and Blue posts showing the areas of attention are in different parts of the structure, the green representing approved posts recruited or in the process of recruitment and the blue are the additional posts we are seeking approval for.

Capacity for Improvement:

The following are just some of the future service improvement/Transformation plans that will be included in the revised Pension Service Business Plan that will be presented to the June Committee.

Many of these have been in the business plan for the last couple of years, the Fund requires additional resources to take these to completion and not just stand still.

No	Section	Description	Outcome	Timetable
1	Fund	Committee/Management Reporting	Review all reporting and deliver greater management reporting	2021/22
2	Accounting	Technology lead efficiencies	Interface between Global Custodian and the Funds financial system providing straight through processing	2021/22
3	Accounting	Financial System	Fund specific financial system, providing further efficiencies	2021/22
4	Benefit Administration	Benefit System	Ensuring full utilisation of existing system to drive service delivery (Altair)	Ongoing
5	Benefit Administration	Benefit Administration review	To ensure best practice delivering an efficient service	2021/22
6	Employer Relationship	Triennial Actuarial Valuations	Funding level, contributions set	2020/21
7	Employer Relationship	Buy in	Remove Pensioner liability risk, deliver ongoing contractual arrangements	Complete/ongoing
8	Employer Relationship	Technology lead efficiencies	Ensuring full utilisation of existing systems to drive service delivery (I connect and Pfaroe. Ensuring data quality and accurate assessment of liabilities	Ongoing
9	Governance	Investment Consultant Tender	Efficient and independent advice	2021
10	Governance	Ltd Companies	To enhance recruitment and retention capabilities and In-house investment capabilities	2021/22
11	Governance	Communications	Continued development of new website which went live in July 2020	Ongoing
12	Investment	Investment Strategy review	Strategy to align with funding requirements	2021/22

13	Investment	In-house investment	Improve In-house capabilities, driving costs down and improve returns	2022/23
14	Investment	Consolidation of banking requirements	Increased efficient management of cash providing improved governance and potential returns	2022/23
15	Investment	ESG	Best practice, Policy update	Ongoing
16	Systems	Technical Support	Development of staff to deliver technology lead efficiencies	Ongoing
17	Systems	Robotics	To deliver automation for standard repetitive processes	2022/23
18	Systems	Accommodation	Delivery of a secure and efficient environment	Complete
19	Systems	Reporting	Implementation of new solution to enhance administration reporting and output	2021/22

North East Scotland Pension Fund

