Suffolk County Council

PENSIONERS NEWSLETTER

Issue number 39 **October 2012**

NATIONAL FRAUD INITIATIVE

Please note that all local authorities are required, under Part 2A of the Audit Commission Act 1998, to provide the Audit Commission with certain data about their employees and pensioners.

The data is used by the Audit Commission as part of the National Fraud Initiative to check data held on various computer systems for the prevention and detection of public sector fraud. There is, of course, no suggestion that our pensioners are involved in fraud.

You are being informed about this process so that we conform to current legislation on the disclosure of information.

Further information is available on the Suffolk County Council website:

http://www.suffolk.gov.uk/assets/suffolk.gov.uk/Your%20Council/FOI/Fair%20Processing%20Notice%202012%20Final.pdf

However, if you do have any questions, you should contact Peter Frost, Interim Head of Audit Services, on 01473 264247, who can also provide hard copies of information available on our website.

SUFFOLK GREENER HOMES INSULATION 2012

As part of the ambition to make Suffolk the Greenest County, the County and District / Borough Councils of Suffolk are working with accredited and trusted local companies to provide free insulation to all residents in Suffolk (subject to survey, access and existing levels of insulation) called The 'Warm as Toast' Greener Homes scheme.

Over a quarter of homes in Suffolk do not have adequate cavity wall or loft insulation and residents may be paying more to heat their home than is necessary.

By getting your home fully up to spec with cavity wall insulation and the recommended 12 inches (30cm) of loft insulation, your home can be warm as toast.

According to figures from the Energy Saving Trust, cavity wall insulation can typically reduce fuel bills by £135 per year, whilst loft insulation typically can reduce bills by £175.

This Council backed scheme will donate £15 to a school, sports club, charity or community group of your choice for every domestic loft or cavity wall insulated as part of this scheme. If a home has both cavity wall and loft insulation installed, the cash-back is doubled to £30.

Over 200 different schools, clubs and community groups in Suffolk have registered to receive your cash-back donation. To date this scheme has raised over £3,500 for good causes in Suffolk!

Frequently Asked Questions

Q. Where does the funding come from for the free insulation?
A. Funding is provided under the three year Carbon Emissions Target Reduction Scheme (CERT) through the Department of Energy and Climate Change (DECC).

It is worked out on the probable carbon dioxide (CO_2) emissions reduction through energy saving that the installed measures will produce. DECC placed an obligation on all domestic energy suppliers to promote energy efficiency measures to their customers thus reducing those customers household carbon footprint.

The approved installers receive this funding from the energy suppliers to carry out these measures at no direct cost to the customer. CERT has a target of making an annual net saving 4.2 million tonnes of CO_2 by the end of the programme.

Q. How do I know if I've got cavity walls?
The majority of houses built after 1930 have cavity walls.

It is very rare for houses built before 1920 to have cavity walls, while most houses built after 1985 will have been constructed with cavity wall insulation built in. The simplest way to tell if your house has cavity or solid walls is usually by looking at the pattern of the brickwork. In a cavity wall, all of the bricks are 'stretchers' i.e. all long-ways on.
Walls without a cavity have a mixture of stretcher and 'header bricks' i.e. they look like half a brick. The headers can usually be seen in continuous rows, with a number of stretcher rows between them.

If the walls of your house are rendered, the thickness of the wall can be used as an indication of their construction. It is usually easiest to measure this at a window or doorway. A cavity wall is around 30cm wide (two 4.5 inch bricks and a 2.5 inch cavity) while a solid wall is around 23cm wide (a 9 inch header brick without a cavity.

Q. Who can register to receive the community cash-back?
Any school, charity or constituted not for profit organisation like sports clubs, Scouting groups, WI, Rotary groups can register with the scheme via www.greensuffolk.org/insulation

You can check which schools and groups have already registered or if you know of a school or group that hasn't registered, persuade them to do so via www.greensuffolk.org/insulation

Q. After I contact the council what happens next?
Suffolk Greener Homes will arrange for a qualified surveyor from one of their local accredited and trusted installers to visit the property at a mutually convenient time to undertake a free no obligation survey. The surveyor will advise you what measures can be installed and the company will, depending on the survey, arrange a date with you for the work to take place.

Q. How long do installations take?
Installations generally take around half a day and involve minimal disruption to the resident.

Q. Is the work guaranteed?
Once the work has been carried out, it will be covered by a 25 year CIGA guarantee. CIGA are a cavity wall guarantee agency. They provide an independent 25 year guarantee which is governed by a council who supplies the materials with support from trade associations and government bodies.

Q. I rent my property, do I qualify?
Normally you'll be allowed with the landlord's permission. You are advised to call the Greener Homes hotline (0845 6037686).

Q. I live in a flat, do I qualify?
It depends. You are advised to call the Greener homes hotline (0845 6037686). You may have to get the insulation installed for the whole block, which means seeking agreement from all your neighbours.

Q. Where can I find more information
Telephone 0845 603 7686 (local all-rate) between 9am and 5pm; Monday to Friday or apply on-line at www.greensuffolk.org/toast

WILL AID

Will Aid is a special partnership between the legal profession and nine of the UK's best-loved charities.

Every November, participating solicitors waive their fee for writing a basic Will. Instead, they invite their clients to make a donation to Will Aid. Each year, thousands of people use the Will Aid scheme. They not only gain peace of mind by writing their Will, they help fund life-changing charity work at the same time.

Why you need a Will

In a 2012 Will Aid poll, nearly half of all respondents mistakenly thought their estate would go to their partner when they died. In fact, the only way to be absolutely certain that your money and possessions go to the people you want is by having an up-to-date Will.

If you have young children, it's even more important to make sure you have a Will so that you can make provision for their guardianship if anything happened to you.

Here's how Will Aid works:

Solicitors across the UK donate their time to support the Will Aid charities.

Instead of paying a fee for writing a basic Will, you are invited to make a donation to the Will Aid charities. Suggested minimum donations are £40 for a codicil, £90 for a single Will or £135 for a pair of mirror Wills.

In other words, Will Aid makes your Will more affordable while helping to raise vital funds for charity.

Once you've taken care of your loved ones, it also gives you a wonderful opportunity to think about leaving a gift to charity in your Will. Any gift you leave to our Will Aid charities, large or small, can make a lasting impact on the lives of vulnerable people in the UK and around the world.

More Information

If you are interested, please book your Will Aid appointment as soon as possible. Will Aid solicitors are in great demand during November, so the sooner you book the better!

In order to find your nearest participating solicitor visit http://www.willaid.org.uk/ or phone 0300 0300 013

PENSION FUND ANNUAL MEETING PENSIONER REPRESENTATIVE REPORT

Last year, I used the analogy of a new boy in class to describe my first experience as your representative attending the Pension Fund Annual meeting. Continuing with that theme, if I were to write the end of term report for your Fund for the past year, it would be something like: "*Little Johnny has found the last year very hard. He has made little progress in some areas and in others his performance has slipped backwards. He will have to work much harder in the coming year if he is to regain some of the ground he has lost. About average overall. Good at sports, however*".

This year's meeting was a pretty gloomy affair. Councillor Bellfield (Chair of the Pension Fund Committee) set the mood from the outset: it had been a very difficult year for investments generally, with a double-dip recession and the crisis in the Eurozone affecting the equity markets particularly. The Pension Fund Committee had undertaken a comprehensive review of its investment strategy, and some changes had been made to its fund managers as a consequence.

He also spoke about his personal views on ethical investment following questions in the recent past from the BBC: this had last been discussed by the committee itself a couple of years ago. Their view then, and his own view now, was that no restraints should be placed on the investment managers. The difficulty, he said, was deciding where to draw the line on such a policy, and the realisation that a change in policy would adversely affect the levels of investment return without materially affecting morality in the world markets anyway. You may have your own views on this topical issue.

Geoff Dobson (Head of Strategic Finance SCC) added some detail to the general picture (figures in **bold** are the comparative figures for 2010-2011):

- The value of your Pension Fund has grown very little in the past 12 months. It now stands at £1,556m **(£1,523m)**.

- The number of employee scheme members has fallen again by a further 3%, mainly due to the reduced workforce. The last two years has seen a 10% overall reduction in employee scheme members.

- Over the year, income from pension contributions had reduced slightly by £3m to £91m, but benefits paid rose by £6m to £74m. The scheme was still cash flow positive, though.

- Investment income for the year was a disappointing £28m, representing only 1.7% (**7.2%**). Looked at over the longer term, the fund's performance was better at 5.3% per year over 10 years, but even this was still below target.

- The funding level (i.e. the value of the pension fund's assets as a proportion of its liabilities) had fallen to 72% at March 2012 (**84% at March 2011**) On the plus side, this funding level still exceeded the local authority average for 2011-2012 (at 66%). However, the picture for 2013 was not promising.

- The next formal actuarial valuation of the fund was due in 2013. It was anticipated that there would be a further increase in the fund deficit, an increased cost of the ongoing service but a potential positive impact on employer contributions arising from the expected changes to the Local Government Pension Scheme 2014.

- The Pension Fund Committee's investment strategy sought to reduce risk to the Fund's assets by diversifying investments. The 2011-12 asset allocations were: corporate bonds 11%; gilts 7%; property 10%; cash 2%, alternatives 5%; currency 2%, UK equities 22% and overseas equities 41%.

It was this last factor, i.e. a 63% exposure to equities, which had worked against the fund's investment managers in the last year, as this had been a very volatile and difficult market. Future investment strategy will reduce exposure to equities from 63% to 45% overall.

- As well as diversifying investments, to further reduce risk the fund's assets were managed by 10 different companies (Millennium, Legal & General, Alliance Bernstein, etc.) each of which had their own performance benchmarks set, against which the committee regularly measured their performance.

As a result of performance monitoring, some changes to investment managers had been made during the past year.

Azad Zangana (Schroders) failed to lighten the mood. Looking into the crystal ball for the coming year, he expected the austerity versus growth debate to rage; another recession in the Eurozone; Europe's sovereign debt crisis may reach a dangerous stage; Greece could leave the Euro one weekend in the second quarter of 2013; markets losing confidence in the banking system; the UK economy would be adversely affected by any recession in the Eurozone; inflation would bottom out at around 1% for 12 months or so then rise to 2% and beyond; no change in interest rates until 2014. His summary: "The outlook is not looking great".

Nicola Dinnie (State Street Investment Analytics) reported on Suffolk's performance. She confirmed it had been a difficult year for Suffolk's fund, as with all local authority pension funds. Asset allocation by the committee had had no real impact on the performance of the fund's investments; the principal impact had arisen from the stock selections made by the investment managers in a difficult year for equities.

The Pension Fund Committee, though, had reacted to this and had made changes during the year to a number of investment managers where their individual performances had fallen short of benchmarks. It is perhaps reassuring to note that two thirds of local authority pension funds are falling short of their investment benchmarks, too.
So far as our own local pensions administration was concerned, Lynn Wright reported a 20% increase in retirements, but more than 30% fewer movements into and out of the authority.

Much thought is being given to the implementation of the Local Government Pension Scheme 2014, currently out for consultation, but of course any changes will not affect the pension benefits received by those already retired.

So, in summary then, a loud and strong message that this last year had been tough, and there is little sign of things improving in the year ahead.

Despite this, the Pension Fund Committee had acted promptly and with prudence to make the best of a bad job, and Suffolk continues to be in the pack with other local authorities, all of whom have been suffering.

As your representative, I came away somewhat depressed, but buoyed up by the prospect of (probably) at least a good value deal on Greek holidays next year. I may even have some drachmas lurking in a drawer somewhere…

Ken Seager QFSM
Pensioner Representative

PENSION PAY DAYS

Just a reminder about your pay days:
If you are in receipt of a local government pension or a teachers compensatory pension (your personal number will begin with **S50**) you are paid monthly in arrears. If you are a fire pensioner (your personal number will begin with **S51**) you are paid in advance.

Your payment dates for the next six months will be as follows:

S50	**S51**
30 November 2012	30 November 2012
31 December 2012	31 December 2012
31 January 2013	1 February 2013
28 February 2013	1 March 2013
28 March 2013	28 March 2013
30 April 2013	1 May 2013

CONTACT DETAILS: - If you have any questions or concerns about the pension you receive from Suffolk County Council, please write to The Pensions Team, Finance, Constantine House, 5 Constantine Road, IPSWICH, IP1 2DH. email: pensions@csduk.com. Telephone 08456 053000. Or visit our webpages: www.suffolk.gov.uk/pensions