

Social Housing Pension Scheme



Annual Review for the
year to 30 September 2001

The SHPS Pensions Committee

Top row:

Joy Uings

Finance Manager,
People First Housing Association

Nick Horne

Managing Director,
Knightstone Housing Association

Colin Small

Finance and Planning Director,
Touchstone Housing Association

Ian Wheeler

Care Manager,
Granta Housing Society

Edward Russell

Pensioner

Stephen Duckworth

(Nominated by the NHF)

Bottom row:

Tiyani Behanzin

Director,
Ash-shahada Housing Association

Alister Green

Chief Executive,
Bield Housing Association

Not in picture:

Hugh Jones

(Nominated by the WFHA)



“A leading Scheme offering high quality benefits and good value”

SHPS is the established leading UK pension scheme for housing associations and other social landlords. Welcome to our annual review.

It has been a challenging year for many pension schemes. In SHPS significant progress has nonetheless been made both to consolidate our core benefits and funding arrangements and to further develop the Scheme. Key features of the year included:

- an 11.4% growth in membership, bringing total membership to 34,777
- sound investment performance over a difficult period (2.2% ahead of the market benchmark)
- a positive independent ‘Value for Money’ appraisal of The Pensions Trust
- an increase of 16.3% in contributions
- the conclusion of a new Service Agreement with The Pensions Trust.

Against a background of major increases in work volumes and complexity, good progress has been made with The Pensions Trust to improve the administration of SHPS. Our new Service Agreement sets out clear performance standards which will be closely monitored. Customer care programmes are being developed, and communication with members and employers improved. The benefits of these measures, together with the valued commitment of the SHPS team, will become increasingly evident during 2002 and thereafter.

Finally, I thank fellow Committee members for their time freely and willingly given. At the year end Denis Gullis and Ruth Mills retired. A special thanks to Denis, who served on the Committee for 16 years, including 5 as Chair. We warmly welcome Tiyani Behanzin, Colin Small and Ian Wheeler as newly elected members from October 2001.



Alister Green
Chair, SHPS Pensions Committee

“The developments implemented in the last twelve months represent significant improvements to our customer service”



Service Initiatives

Several important initiatives were introduced that will have a significant impact on the quality of service provided to members. These include:

- A dedicated telephone number direct to our Customer Service Team **0845 608 5252**
- The introduction of a 'twilight team' – working evenings on core administration functions
- The introduction of 'focus days' – an initiative where the team focuses on the completion of key areas of outstanding work
- New in-depth staff training and development programmes
- Open administration days for employers
- Review of processes.

Our priority now is to continue to enhance our working practices and to further improve the level of customer service we provide to all our members.



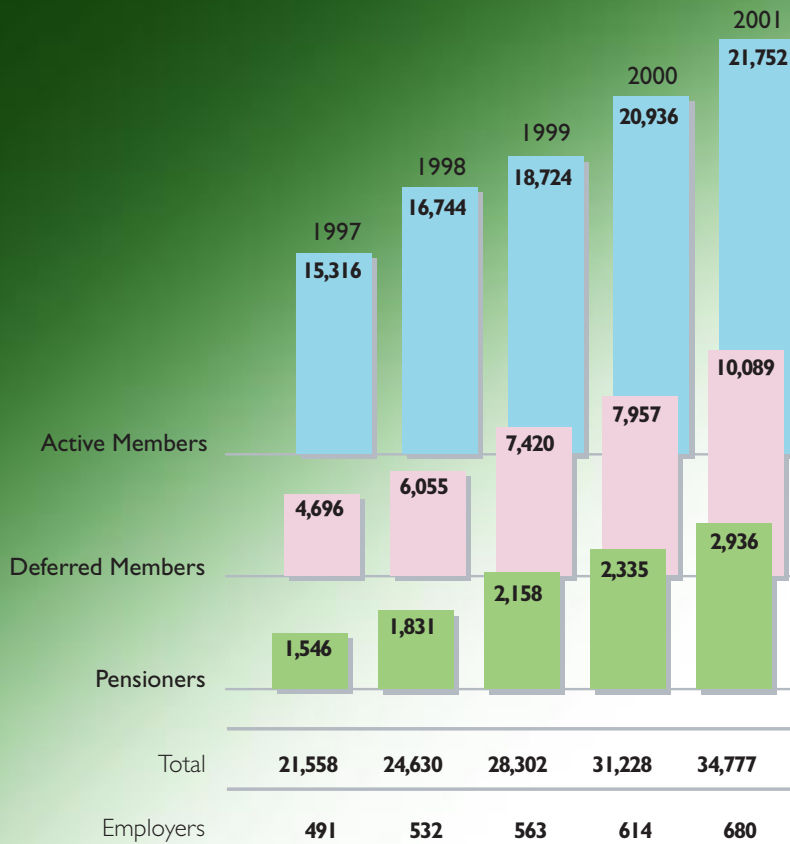
Scheme Benefits

The Social Housing Pension Scheme offers you a range of benefits including:

- A pension payable from retirement for the rest of your life, related to your salary at retirement
- Retirement age of 65, with the option to take early retirement from age 50
- An immediate pension if you retire due to ill health (in defined circumstances)
- Pension increases in retirement in line with inflation up to 5%
- Partner's and/or children's pensions if you die before or after retirement
- A lump sum payment to your nominee(s) if you die after leaving the Scheme but before you start to receive your pension, or if you die within five years of retiring
- Life assurance (of three times your pensionable earnings) if you die whilst contributing to the Scheme
- The option to exchange some pension for a tax-free lump sum – you may choose the amount (within limits) that best suits your needs.



“The SHPS Fund has seen excellent growth both in terms of membership and performance”



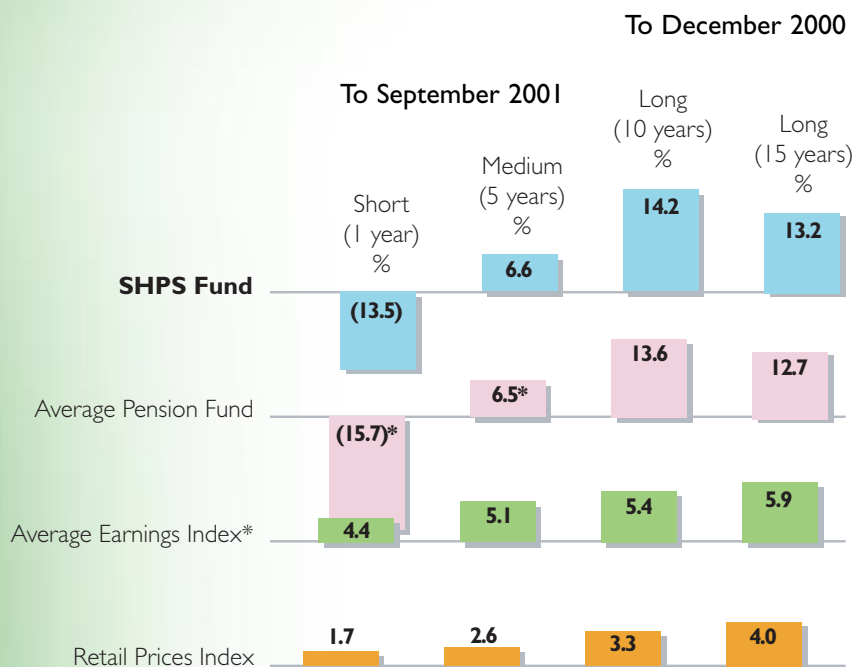
Membership of the Scheme

Throughout the year, 66 social housing organisations joined the Scheme. These include:

- East Thames Housing Association
- Passmore Urban Renewal
- Court Housing Association Berkshire Ltd
- Braunstone Community Association.

Investment Results

The table shows the investment performance of the Social Housing Pension Scheme over the 12 months to 30 September 2001 and the longer term.



* Figures are provisional

Performance over the short term, although 2.2% better than the average pension fund, was disappointing. However, over the first 3 months of the current year, a return of approximately 6.6% has been achieved (1 October to 31 December 2001).

Performance over the medium and long-term compares favourably with the average pension fund.

The Committee will continue to monitor the investment performance of the Scheme.

Fund Statement

For the year ended 30 September 2001

The Social Housing Pension Scheme is an integral part of The Pensions Trust. This statement summarises the transactions of the Scheme and its proportionate share of expenses, investment return and investment. The figures shown in the statement have been

extracted from the audited accounts of The Pensions Trust which were approved by the Trustees on 13 December 2001. *This summary report is not intended to be a financial statement within the terms defined by SORP (Statement of Recommended Practice for Pension Schemes.)*

	2001	2000
	£000	£000
Contributions paid by members and employers	58,391	50,194
Transfers in	8,454	9,259
Total money in	66,845	59,453
Benefits paid (pensions and lump sums)	(12,104)	(9,674)
Payments to leavers	(4,674)	(3,294)
Administrative costs	(2,504)	(2,094)
Total money out	(19,282)	(15,062)
Net additions from dealing with members	47,563	44,391
Return on investments		
Investment income (after management expenses)	9,174	13,902
Change in market value of investments	(111,302)	62,936
Net returns on investments	(102,128)	76,838
Net increase/(decrease) in the Fund during the year	(54,565)	121,229
Net assets of the Scheme		
At the beginning of the Scheme year	716,172	594,943
At the end of the Scheme year	661,607	716,172



Professional Advisers & Bankers

**Actuarial and Investment
Consultants**
Watson Wyatt

Scheme Actuary
Peter Lofthouse of Watson Wyatt

Auditors
KPMG

Solicitors
Mayer, Brown, Rowe and Maw
McGrigor Donald

Bankers
The Royal Bank of Scotland plc

Investment Managers
Barclays Global Investors Ltd
Fidelity Pensions Management
Capital International Ltd

Henderson Investors Ltd
Legal & General
Investment Managers

Property Managers
Insignia Richard Ellis Ltd
Edward Charles & Partners

**Measurers of Investment
Performance**
The WM Company

Custodians
The Northern Trust Company
Mayer, Brown, Rowe and Maw
(for property deeds)

Pension Consultants
SBJ Benefit Consultants Ltd
Hymans Robertson
Financial Services

Administered by



The Pensions Trust

for Charities and Voluntary
Organisations since 1946

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