

# ITEM NO: 14(c)

<b>Report To:</b>	<b>Pension Fund Management Panel</b>
<b>Date:</b>	5 March 2010
<b>Reporting Officer:</b>	Peter Morris, Executive Director of Pensions
<b>Subject:</b>	<b>PENSION FUND LEGAL DEEDS SCANNING PROJECT</b>
<b>Report Summary:</b>	This report evaluates the case for and proposes the electronic scanning of existing and new deeds held within the Pension Fund Legal Strongroom including an online hosting service.
<b>Recommendations:</b>	That approval be given to invite tenders for the electronic scanning of existing and new deeds held within Pension Fund Legal Strongroom to include an on-line hosting service for a 5 year period.
<b>Policy Implications:</b>	No change in policy is required.
<b>Financial Implications: (Authorised by the Borough Treasurer)</b>	Estimated at Year 1 - £40,000 and following years on-line hosting/maintenance £20,000 per annum.
<b>Legal Implications: (Authorised by the Solicitor to the Fund)</b>	Procurement of the contractor to provide the services envisaged will be conducted in accordance with the Procurement Standing Orders contained within the Tameside MBC Constitution.
<b>Risk Management:</b>	Having the original deeds held within Pension Fund Legal Strongroom electronically scanned will significantly enhance the Business Continuity/Disaster Recovery arrangements in accordance with a recommendation contained in a recent review of Pension Fund Legal undertaken by the TMBC Internal Audit/Risk Management Unit.
<b>ACCESS TO INFORMATION:</b>	<b>NON CONFIDENTIAL</b>
	<b>This report does not contain information which warrants its consideration in the absence of the Press or members of the public.</b>
<b>Background Papers</b>	Any enquiries should be directed to Ray Grainger, Head of Pension Fund Legal on 0161-342-3435 or email : <a href="mailto:ray.grainger@tameside.gov.uk">ray.grainger@tameside.gov.uk</a>

## **PENSION FUND LEGAL DOCUMENT SCANNING PROJECT**

### **1. BACKGROUND**

- 1.1 Pension fund Legal (PFL) is one of the five in-house service units which together comprise the Pension Service (Fund). A strongroom is located within PFL's office (PFL Strongroom) which contains all the original title deeds and documentation emanating from the various legal transactions entered into by the Fund. The documents relate predominantly to the Fund's various property holdings, but also comprise a wide variety of other documents e.g. fund manager appointments, actuary appointments, share certificates arising from private equity investments, admission agreements, various contracts for works/services etc. In total there are currently approximately 5,000 original documents held within the PFL Strongroom (the volume of documents is constantly changing as assets are disposed of and new assets are acquired, contractual arrangements terminate and new contracts are put in place).
- 1.2 All of the Fund's Service Units, as "clients" of PFL have access to the documents held within PFL Strongroom and periodically documents are borrowed and returned later.

### **2. PROPOSED IMPROVEMENT**

- 2.1 It is proposed that tenders be invited from contractors to initially undertake electronic scanning of all the documents currently held within the PFL Strongroom and thereafter to provide a maintenance facility, which will comprise the scanning of new documents and an on-line electronic hosting service comprising the establishment and subsequent maintenance of a secure website and the issue and cancellation of passwords to be used selectively by internal staff employed by the Fund and a limited number of external advisers. Following scanning the original documents will continue to be retained by PFL and it is not intended that they be destroyed.

### **3. BENEFITS OF A PFL STRONGROOM ON-LINE FACILITY**

- 3.1 When all documents within the PFL Strongroom have been scanned and the on-line hosting service has been established the following improvements would be generated:
- 3.2 Password protected easy on-line access to the PFL Strongroom for a selective number of staff within all the Fund Service Units who would be able to read documents on-line and would also be able to attach documents to electronic mail.
- 3.3 Password protected limited access could be granted to pre-agreed external service providers e.g. to managing agents engaged by the Head of Property Investments and to the external manager of GMPVF all of whom require a regular facility to view and take copies of documents.
- 3.4 Internal photocopying time/cost will be significantly reduced (external service providers with access can choose whether to print documents and if so this would be at their own cost).
- 3.5 If required documents can be viewed whilst off-site – useful when attending external meetings or if home-working.
- 3.6 Reduces the possibility of documents being removed from the PFL Strongroom and mislaid or mis-filed.
- 3.7 Will greatly improve the system of distribution both internally and externally of copies of completed documents.

- 3.8 When disposing of property assets considerable time and cost will be saved in preparing the legal “package” which currently involves a considerable amount of document and plan photocopying/collating and also incurs a postage/courier charge. If all documents are scanned it would be possible to send out the legal “package” electronically.
- 3.9 Enhancement of business continuity/disaster recovery arrangements – from a risk perspective, although within PFL the strongroom facility is maintained within a locked room with a fire door, there is nevertheless still the risk of damage by fire or some other disaster and, if an event was to occur, it would take a considerable amount of Fund resource in order to reconstitute documents contained within the PFL Strongroom. Throughout the period of any reconstitution exercise there would be a significant impact on the Fund’s ability to trade its assets and to deal with day-to-day issues with any third parties where this requires reference to the various documents currently held within the PFL Strongroom. Undertaking the project would be consistent with recommendations contained in a recent review of Pension Fund Legal undertaken by the TMBC Internal Audit Risk Management Unit.
- 3.10 Reduction of document storage requirements – other Fund Service Units currently hold photocopied versions of certain documents held within PFL strongroom. Following scanning and the provision of on-line access, the need to store copy documents will be significantly reduced and the attendant storage space could either be relinquished or put to an alternative use.

**4. COST OF IMPLICATIONS OF ELECTRONIC SCANNING AND ON-LINE HOSTING OF DOCUMENTS HELD WITHIN PFL STRONGROOM DURING A FIVE YEAR PERIOD**

Cost Estimate

(a)	Initial Scanning of documents held within PFL Strongroom over say 12 month period including transport cost plus cost of software licences	£40,000
(b)	On-line hosted and managed service	£17,000 per annum
(c)	Ongoing scanning of ‘new’ documents	£3,000 per annum

**5. RECOMMENDATION**

That approval be given to invite tenders for the electronic scanning of existing and new documents held within PFL Strongroom to include an on-line electronic hosting service for a 5 year period.