

NOTE FOR THE RECORD

PENSIONS ADMINISTRATION OFFICE, THURSO

At the last DSG socio economic sub group meeting Philip Behan announced that Babcock had contracted Aon Hewitt (a pensions company) to undertake a review of the Pensions Administration Office in Thurso with a view to looking at investing in IT, training and development to put the Pensions office in a better position to sustain the current contract and to potentially look at future growth in the longer term.

On 11th November at 1300 representatives of DSG met with:

Andrew Birkett, Group Pensions Manager of Babcock
Richard Stoneham (PAO, Thurso, Manager)
Stuart Heatley, Managing Director, Benefits Administration for Aon Hewitt

The plans for the Pensions office were discussed and the following points were raised:

- Babcock were asked whether they would retain an interest in the Pensions Office in Thurso even if they didn't win the Dounreay site competition. The response was yes - they saw this as a viable business and wanted to grow it.
- Babcock were asked if, in the future, the business did attract new business would they consider a training scheme for school leavers. Richard Stoneham said that traditionally those who were employed in the pensions office were local people. Andrew Birkett said that Babcock were heavily involved in apprenticeships and this could be a consideration for the future.
- We encouraged them to keep CNSRP informed of progress while the review and investments were ongoing.
- HIE encouraged them to also keep in touch if assistance was required.

For your information below is the press release which was distributed yesterday from the CNSRP on the pensions announcement:

REGENERATION PARTNERSHIP WELCOMES SIGNIFICANT NEW INVESTMENT IN PENSIONS OFFICE

The Caithness and North Sutherland Regeneration Partnership has welcomed the significant investment announced by Babcock International Group plc in its Pension Administration Office (PAO) based in Thurso.

As parent company of the PAO, Babcock has engaged leading international pension expert, Aon Hewitt, through a management agreement, to work alongside Babcock in growing and

developing the business. The investment is designed to secure the long-term future of the existing jobs and create a platform for further new job creation in the region.

The aim of the investment is to produce an organisation which can compete even more effectively, both at a national and international level, and which will have the ability to grow with new clients without adversely impacting on existing clients. Additionally, it will implement and support a full training and development programme for existing staff.

Sir Anthony Cleaver, Chairman of the Caithness and North Sutherland Regeneration Partnership said "The Partnership is delighted to see Babcock supporting and growing the Pension Administration Office in Thurso.

"The financial and business services industry is one of the Partnership's key priority areas and Babcock's commitment to ensuring that the Pensions office is equipped for future growth will help sustain the skilled jobs that currently exist and hopefully bring further employment over the coming years."

Andrew Birkett, Group Pensions Manager of Babcock said 'The hardworking nature of the Thurso-based team, their track record for providing a good quality service aided by our partnership with the UK's leading pensions administration provider ,gives the business an undisputable platform from which to grow. Babcock is committed to the local area and it is hoped that the drive to expand the business will have the added benefit of creating further opportunities for local employment.'

Stuart Heatley, Managing Director, Benefits Administration for Aon Hewitt said, "We are delighted to have this opportunity to extend the work Aon Hewitt already undertake for Babcock by including the PAO Thurso. We look forward to introducing a measured programme of transformation in order to build on the high quality service already provided to their existing clients and to scheme members."

John Thurso, MP added "I welcome this important announcement by Babcock. The Pensions Office has demonstrated over many years the high standards and professional service typical of our area. This investment will enable the office to grow and demonstrate to others the potential for locating their support businesses in the Far North."

Ends