



**Glasgow City Council**

**Strathclyde Pension Fund Committee**

**Report by Director of Strathclyde Pension Fund**

**Contact: Linda Welsh, Pension Scheme Manager, Ext: 77463**

**Item 5**

**10th September 2025**

### **Administration Update**

#### **Purpose of Report:**

To update the Committee on pensions administration activity and to present a summary of performance to 30th June 2025.

#### **Recommendations:**

The Committee is asked **to NOTE** the contents of this report.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

#### **PLEASE NOTE THE FOLLOWING:**

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## 1 Strathclyde Pension Fund Office (SPFO)

Total administration staff in post at 30<sup>th</sup> June 2025 was 88 (FTE 83.4). This includes 2 modern apprentices.

SPFO operates a hybrid working arrangement. Current requirement is for all staff members to be in the office a minimum of two days a week.

## 2 Membership

Scheme membership is summarised as follows.

### 2.1 Local Government Pension Scheme (LGPS)



Total membership increased from 290,802 to **293,243** over the quarter. Membership increased in all categories. This is a change to the recent trend where active membership has been decreasing. Active membership growth is expected to continue for at least a further quarter as some major employers have an automatic enrolment re-enrolment date. After that, the likely trend is uncertain.

Main changes contributing to the net increase of 2,441 were:

- **4,174** new records (*3,630 last quarter*)
- **1,082** retirals (*843 last quarter*)
- **506** refunds (*558 last quarter*)
- **1,717** deferred (*1,949 last quarter*)
- **262** deferred into payment (*411 last quarter*)
- **884** deaths (*894 last quarter*).

Some additional analysis of scheme membership is set out in **Appendix 1** for information.

### 2.2 Teachers Compensation

In addition to its statutory function of administering the LGPS, SPFO also acts as a payroll agent for compensatory added years' payments to **7,623** members of the Scottish teachers' superannuation scheme.

### 3 SPFO Performance

Performance for the quarter is summarised as follows.

#### 3.1 Payments

SPFO Payments	SPFO Target	Achieved	Last quarter
Pensions payroll run on time	100%	100%	100%
New retirals processed for due payroll date	95%	96.3%	93.6%
Deferred retirals processed for due date	95%	87%	97%
Retirement lump sums paid on retirement date	95%	95%	91%
Deferred lump sums processed for due date	95%	100%	100%

#### 3.2 Other Transactions

Transaction	Volume	SPFO			Statutory	
		Target Days	%	Actual %	Deadline	Actual %
New Records	4,174	15	95.0	100	1 month	100
Refunds	506	7	90.0	97.4	n/a	n/a
Deferred	1,717	20	85.0	55.2	2 months	67
Retiral Estimates	333	20	80.0	69	2 months	98.2

#### 3.3 Customer Satisfaction

	Refunds	Retirals
Forms issued	506	1,344
Responses	25	327
Response rate (%)	4.9	24.3
Satisfaction Rating (%)	82.4	87.2
Target	80.0	90.0
2024/25 full year (%)	86.9	86.5

Target was achieved for refunds but slightly below for retirals.

#### 3.4 Complaints

Category	No.	Days to Respond		Achieved (%)	Upheld (%)
		Target	Actual (Average)		
Process delay	2	5	4	50	0
Waiting time correspondence	2	5	3	100	0
Quality of information	1	5	1	100	0
*Other	1	5	4	100	0
Quality of information – 2 <sup>nd</sup> stage	1	20	9	100	100

\* Potential beneficiary not happy with the process for the paying a death grant.

### 3.5 Performance Commentary

Performance over the quarter was mixed:

- SPFO's overriding administration priority is to ensure that the monthly pensions payroll is run and payments are received on time by the 100,000+ pensioner members. Payroll was run and paid each month without incident.
- Performance was negatively impacted by: an increase in new records due to automatic enrolment taking place throughout the year; temporary unavailability of the member portal *SPFonline* due to a cyber security incident experienced by GCC; and work on development priorities including testing a new member portal platform *Engage*, preparation for the Pensions Dashboard, and re-designing annual benefit statements to include McCloud underpin information.
- Some transactions did not achieve target, in particular, deferred options and estimates. This was due to a mixture of resourcing issues and clearing deferred backlog cases. A total of 1,717 deferred options were completed during the quarter. Of these, 1,209 were current cases, and the target was achieved for these.

## 4 Employers

### 4.1 Participating Employers

The table below shows the number of employers participating in the Fund. Employers include the 12 Local Authorities in the West of Scotland, whose employees constitute around 70% of the active membership.

<b>Total employers at 1<sup>st</sup> April 2025</b>	<b>141</b>
New employers	0
Exiting employers	2
<b>Total employers at 30<sup>th</sup> June 2025</b>	<b>139</b>

There were two employer exits this quarter which is summarised below.

Employer	Background	Exit Status
<b>Renfrewshire Carers Centre</b>	Renfrewshire Carers Centre had been an admitted body in SPF since 1999 and had 22 scheme members at the 2023 valuation.	Renfrewshire Carers Centre became an exiting employer at 30th June 2025.
<b>Strathclyde University</b>	Strathclyde University had been an admitted body in SPF since 1947 and had 1,096 scheme members at the date of the 2023 actuarial valuation.	Strathclyde University became an exiting employer at 31 <sup>st</sup> May 2025.

Further details of the exit arrangements are included in the separate funding Update report.

## 4.2 Employer Payments to SPFO

Employers are required to pay contributions to SPFO by 19<sup>th</sup> of the month after they are deducted from payroll.

All Employers	Target (%)	Actual (%)	Last Quarter
Contributions received by SPFO by due date	100	97	98

There were 7 instances of late payments this quarter. None had any material impact.

## 4.3 Employer *i-Connect* Submissions

Employers are required to submit regular electronic data returns via *i-Connect* no later than 19<sup>th</sup> of the month following the reporting period. The table below summarises the number of valid returns received on time from the Fund's employers.

April	May	June	Total	Total Expected	Target	Achieved	Last Quarter
124	130	124	378	422	100%	90%	88%

SPFO continues to work closely with employers to ensure data is submitted by the due date. All year-end submissions were received by the statutory deadline of the 30<sup>th</sup> June.

## 5 Digital Communications

Improving and increasing SPFO's digital delivery is a key priority. Digital uptake as at 30th June 2025 is summarised as follows.

Customer Engagement	2024/25		2024/25
	Actual	Target	Actual
Total signed up for <a href="#">SPFOnline</a>	148,581	146,000	147,122
Logged in during YTD	29,459	110,000	111,612
Weekly visits to: <a href="http://www.spfo.org.uk">www.spfo.org.uk</a>	10,385	9,000	7,960

SPFOnline is a portal which allows members to view and amend their pension records and carry out illustrative pension calculations. Increasingly, it is also being developed to provide member information and documentation, and to allow member transactions to be completed online.

## 6 50 years and counting

To mark SPF's 50<sup>th</sup> anniversary in May, a short survey was issued to all SPFO online registered members with a survey, asking the question "*What does Strathclyde Pension Fund mean to you?*". More than 6,600 responses were received. Each response was read, and all SPFO staff were involved in a process which led to the 75 best entries being selected. Each prize winner received £50. The responses provided valuable insights into what members value and want from SPFO. A number of them will be featured in this year's member newsletters and at the 50 Years and Counting event in September. They will also help to inform messaging in future SPF communications.

## **7 Scheme Developments**

### **7.1 Normal Minimum Pension Age**

The UK Government has announced future changes to the Normal Minimum Pension Age (NMPA). The NMPA is the earliest age from which pension schemes can allow members to access their workplace or personal pensions for reasons other than ill-health. The NMPA will increase from age 55 to age 57 with effect from 6 April 2028

The Scottish Ministers intend to launch a consultation later in 2025 on proposed changes to the LGPS(S) Regulations. These proposals include increasing the earliest age at which LGPS(S) benefits can be accessed from 55 to 57, effective from 6 April 2028. The consultation will also consider:

- whether members with a PPA of 55 for all their LGPS(S) benefits should be able to access those benefits from age 55 after 5 April 2028
- whether members with a PPA on transferred-in benefits should be able to access those transferred-in benefits earlier than the rest of their LGPS(S) benefits.

Responses to the consultation will be reviewed before any amendments are made to the regulations to reflect the treatment of protected pension ages. The changes will not affect when LGPS(S) members can access benefits on ill health grounds.

### **7.2 Inheritance Tax (IHT) Changes**

On 21 July 2025, HM Treasury (HMT) published its [response to the consultation on inheritance tax \(IHT\) changes](#). (At the Autumn Budget 2024, the Government had announced that for deaths after 5 April 2027 death benefits would be included in the value of a person's estate for IHT purposes, and that pension scheme administrators (PSA) would be responsible for reporting and paying any IHT due on pensions to HMRC.)

HMT consulted on the processes for these changes between 30 October 2024 and 22 January 2025. Following significant concerns raised by the LGA and the pensions industry, HMT has amended its proposals. The key changes are:

- all death-in-service benefits from registered pension schemes will be excluded from the value of an individual's estate for IHT purposes;
- personal representatives (PRs), and not PSAs, will be responsible for reporting and paying any IHT due on pension benefits;

- PSAs will have new duties to support PRs in paying IHT on pension benefits; and
- to support PRs and beneficiaries who may struggle to pay IHT on pensions, the Government will offer multiple payment options. These include allowing pension beneficiaries to instruct PSAs to pay IHT in respect of pensions on their behalf – though the pension beneficiaries remain liable for the IHT.

## 8 Policy and Resource Implications

### Resource Implications:

<i>Financial:</i>	None.
<i>Legal:</i>	None.
<i>Personnel:</i>	None.
<i>Procurement:</i>	None.

<b>Council Strategic Plan:</b>	SPF supports all Missions within the Grand Challenge of: <b><i>Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.</i></b> The LGPS is one of the key benefits which enables the Council to recruit and retain staff.
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### Equality and Socio-Economic Impacts:

<i>Does the proposal support the Council's Equality Outcomes 2021 - 25</i>	Equalities issues are addressed in the scheme rules which are the responsibility of Scottish Government, in the Fund's Communications Policy which has been the subject of an Equalities Impact Assessment, and in the Fund's Responsible Investment strategy.
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<i>What are the potential equality impacts as a result of this report?</i>	N/a
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<i>Please highlight if the policy/proposal will help address socio economic disadvantage.</i>	N/a.
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### Climate Impacts:

<i>Does the proposal support any Climate Plan actions? Please specify:</i>	N/a. Monitoring report. Strathclyde Pension Fund's Climate Change strategy is being developed in line with Item 34 of the Council's Climate Action Plan.
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<i>What are the potential</i>	N/a.
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*climate impacts as a  
result of this proposal?*

*Will the proposal  
contribute to  
Glasgow's net zero  
carbon target?* N/a.

**Privacy and Data  
Protection impacts:**

Are there any potential  
data protection impacts  
as a result of this report  
Y/N No.

If Yes, please confirm that  
a Data Protection Impact  
Assessment (DPIA) has  
been carried out N/a.

**9 Recommendation**

The Committee is asked to note the contents of this report.

**Appendices**

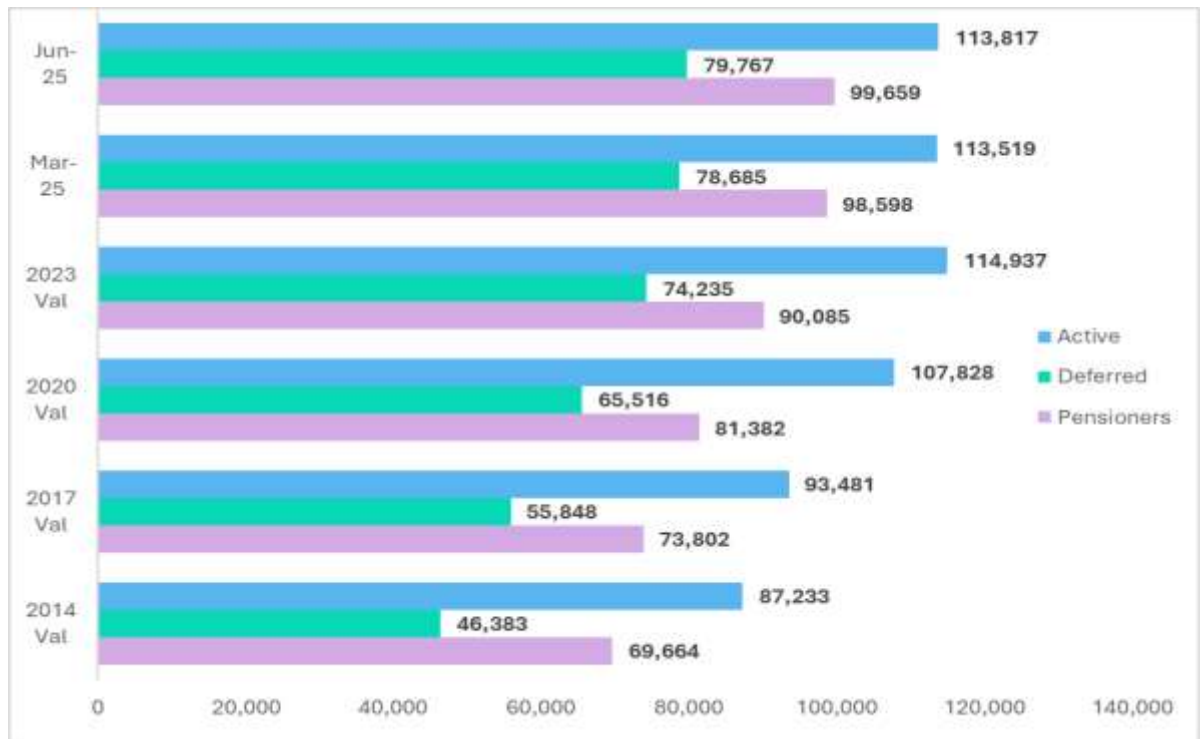
**Appendix 1 Membership – Additional Analysis**



## Membership – Additional Analysis

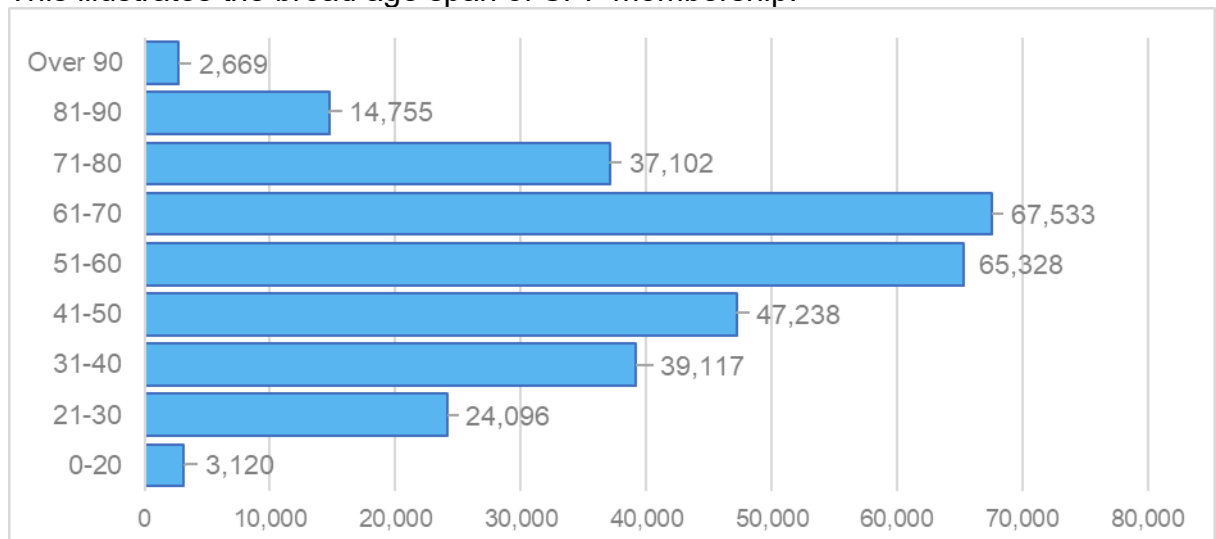
### Longer-Term Trends

This chart shows the movement in membership since the 2014 actuarial valuation. All categories of membership increased steadily between the 2014 and 2023 actuarial valuations. Since then, the trend appears to have changed: active membership reduced for 2 consecutive years (in spite of an influx of new members in 2024/25 from SFRS consolidation); deferred and pensioner membership have continued to grow, as has total membership. Active membership growth resumed this quarter as a result of auto enrolment, but the future trend is uncertain.



### Total Members by Current Age

This illustrates the broad age span of SPF membership.



Average Age of Members

