Item 3

7th September 2022

Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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

Administration Update

Purpose of Report:

To update the Committee on pensions administration activity and present a summary of performance to 30th June 2022.

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**:*

Any Ordnance Survey mapping included within this Report is provided by Glasgow City Council under licence from the Ordnance Survey in order to fulfil its public function to make available Council-held public domain information. Persons viewing this mapping should contact Ordnance Survey Copyright for advice where they wish to licence Ordnance Survey mapping/map data for their own use. The OS web site can be found at <http://www.ordnancesurvey.co.uk> "

If accessing this Report via the Internet, please note that any mapping is for illustrative purposes only and is not true to any marked scale

1 Strathclyde Pension Fund Office (SPFO)

Total staff in post at end June was 84 (FTE 76.8).

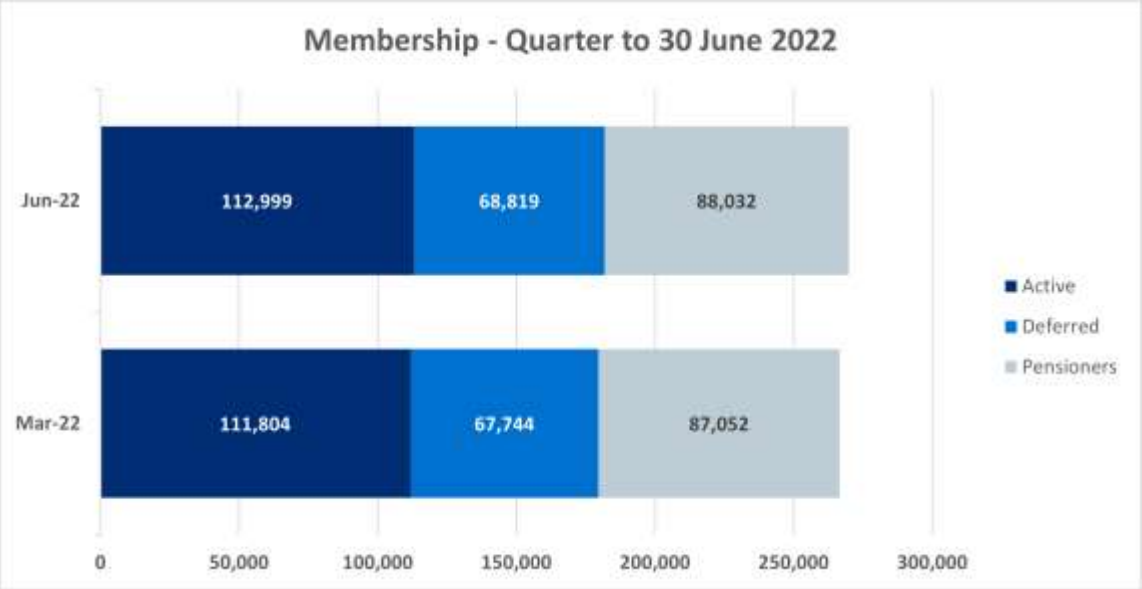
Implementation of a revised structure is ongoing: 10 posts have been filled during 2022 to date; and recruitment for a further 8 (one service manager, 7 senior pensions officers) is planned for July/August.

SPFO is continuing with a hybrid working pilot. Current arrangement is for staff members to be in the office a minimum of two days a week.

2 Membership

Membership is summarised as follows.

2.1 Local Government Pensions Scheme (LGPS)



Total membership increased from 266,600 to 269,850 over the quarter. All categories increased.

Main changes contributing to the net increase of 3,250 were:

- **4,648** new starts (*3,804 in the same quarter 2021*)
- **939** retirals (*760 in the same quarter 2021).*
- **400** refunds (*314 in the same quarter 2021).*
- **1,344** deferred (*1,648 in the same quarter 2021).*
- **945** deaths (*854 in the same quarter 2021).*

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

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 over 8,000 members of the Scottish teachers' superannuation scheme.

3 SPFO Performance

Over **42,000** processes were completed in the quarter to 30th June 2022 (*previous quarter **33,000**).*
Performance for the quarter to 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%**	**97.6%**	***97.6%***
Retirement lump sums paid on retirement date	**95%**	**94%**	***96.5%***

3.2 Other Transactions

Transaction	Volume	SPFO			Statutory	
		Target		Actual	Deadline	Actual
		Days	%	%		%
New Starts	**4,648**	**15**	**95.0**	**100**	**1 month**	**100**
Refunds	**400**	**7**	**90.0**	**98.9**	**n/a**	**n/a**
Deferred	**1,344**	**10**	**90.0**	**90.3**	**2 months**	**94.9**
Retiral Estimates	**646**	**20**	**80.0**	**93.7**	**2 months**	**96.1**

3.3 Customer Satisfaction

	Refunds	Retirals
Forms issued	**400**	**939**
Responses	6	14
Response rate (%)	1.5	1.5
Satisfaction Rating (%)	**56.6**	**92.9**
Target	**80.0**	**90.0**
2021/22 full year (%)	*85.3*	*90.8*

The refund and retiral processes have recently moved online. This has resulted in a very low survey response rate. A revised survey format and process will be introduced in future to address this.

3.4 Complaints

Category	No.	Days to Respond		Achieved (%)	Upheld (%)
		Target	Actual (Average)		
Procedure	**1**	**5**	**5**	**100**	**100**
Processing Delay	**7**	**5**	**7.6**	**28.6**	**100**
Correspondence Delay	**4**	**5**	**6.7**	**75**	**100**
Quality of Information	**3**	**5**	**5.7**	**66.7**	**100**
Other	**2**	**5**	**10.5**	**0**	**100**

3.5 Performance Commentary

Performance over the quarter was generally very good.
In particular:

- SPFO's overriding administration priority is to ensure that the monthly pensions payroll is run and payments are received on time by the 90,000+ pensioner members. Payroll was run and paid each month without incident;
- all transactions were processed in line with or above target;
- there were no material breaches of regulations requiring to be reported to the Pensions Regulator**.**

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 80% of the active membership.

Total employers at 1st April 2022	**159**
New employers	0
Exiting employers	1
Total employers at 30th June 2022	**158**

There was 1 employer exit this quarter.

Employer	**Exit Date**	**Status**
West of Scotland Racial Equality Council	30th April 2022	Exit agreement signed. Exit payment to be settled in 12 annual instalments**.**

4.2 Employer Payments to SPFO

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

Local Authority Employers	**Target (%)**	**Actual (%)**	***Last Quarter (%)***
Contributions received by SPFO by due date	**100**	**100**	*100*

There were no late payments from Local Authority employers.

4.3 Employer *i-Connect* Submissions

All employers were live on the data portal, i-*Connect,* by 31st March 2022. Employers are required to submit regular electronic returns via *i-Connect* no later than 19th of the month following the reporting period. The table below summarises the number of valid returns received on time from the Fund's local authority employers.

Local Authority Employers i-connect submissions							
Apr	**May**	**Jun**	**Total**	**Total Expected**	**Target**	**Achieved**	***Last Quarter***
7	7	6	**20**	**36**	**100%**	**56%**	***N/A***

For many employers this is a new way of submitting member data. Clearly there is still work to do to ensure that timely submissions are made, but the current position still represents a huge improvement on the previous process of annual, year-end submissions. SPFO will continue to work closely with employers to ensure that the data being submitted is of an acceptable quality and submitted by the due date.

4.4 Data Completeness

Incidence of missing records as at 30th June is summarised in the table below.

	30 June 2022		***30 June 2021***	
	Members	**(%)**	***Members***	***(%)***
Record status matched	**112,081**	**99.2**	***108,965***	***99.4***
Missing new start data	50	0.04	*139*	*0.1*
Missing leaver data	868	0.76	*498*	*0.5*
Total	**112,999**	**100**	***109,602***	***100***

Data cleansing for onboarding of employers to *i-Connect* resulted in an increase in legacy missing leaver data. SPFO will continue to engage with employers to clear this. The combined error rate is **0.8%.** A combined year-end target of <**0.5%** was agreed in the 2022/23 Business Plan.

5 Digital Communications

Improving and increasing SPFO's digital delivery of communications is a key priority. Digital uptake as at 30th June 2022 is summarised as follows.

Customer Engagement	**2022/23**		***2021/22***
	Actual	**Target**	***Actual***
Total signed up for *SPFOnline*	**113,319**	**118,000**	***108,955***
Weekly visits to: www.spfo.org.uk	**7,363**	**7,400**	***7,333***

SPFOnline is a portal which allows members to view and amend their pension records and carry out illustrative pension calculations.

Deferred member Annual Benefit Statements were issued during June: **59%** by email; only **3.5%** hard copy. Work also commenced on issuing active member statements by the statutory timescale of 31st August;

6 Policy and Resource Implications

Resource Implications:

Financial:	None
Legal:	None
Personnel:	None
Procurement:	None

Council Strategic Plan:	Strathclyde Pension Fund aligns with the theme of a well governed city.
Equality and Socio-Economic Impacts:	
Does the proposal support the Council's Equality Outcomes 2021 - 25	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.
What are the potential equality impacts as a result of this report?	No specific equalities impacts.
Please highlight if the policy/proposal will help address socio economic disadvantage.	Not applicable.
Climate Impacts:	
Does the proposal support any Climate Plan actions? Please specify:	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.
What are the potential climate impacts as a result of this proposal?	N/A.
Will the proposal contribute to Glasgow's net zero carbon target?	N/A.
Privacy and Data Protection impacts:	None

7 Recommendation

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

Appendices

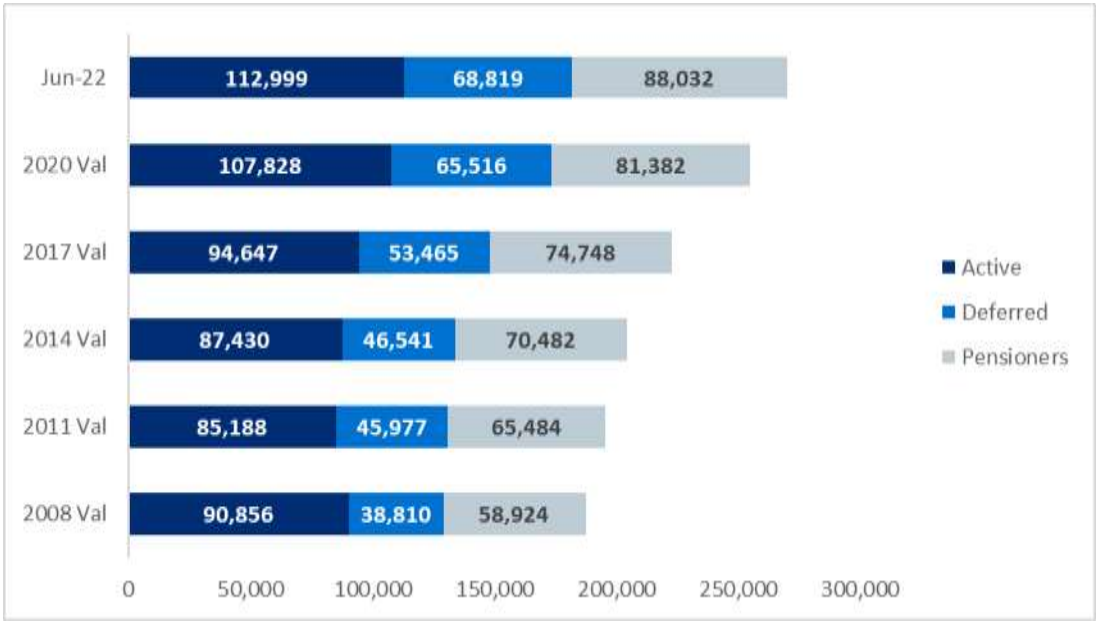
Appendix 1 Membership – Additional Analysis

Appendix 1

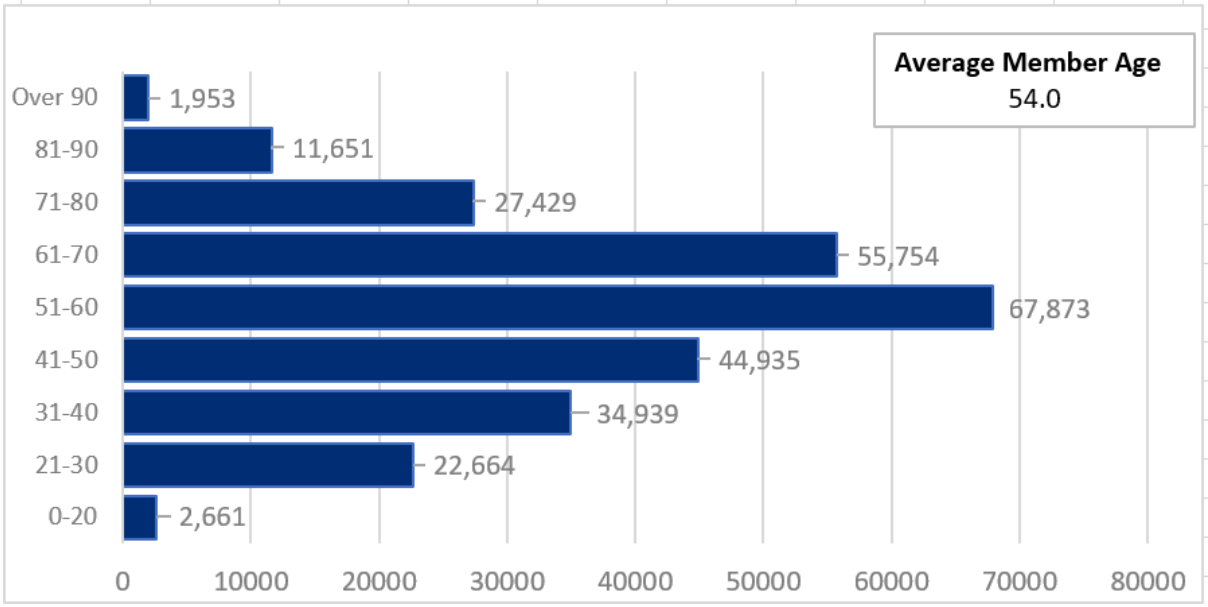
Membership – Additional Analysis

Longer Term Trends

This chart shows movement in membership since the 2008 actuarial valuation. Active membership reduced initially, but the trend has been a steady increase in all membership categories since 2011.



Total Members by Current Age



Average Age of Members

