



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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

Item 6

11th September 2024

Administration Update

Purpose of Report:

To update the Committee on pensions administration activity and to present a summary of performance to 30th June 2024.

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

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1 Strathclyde Pension Fund Office (SPFO)

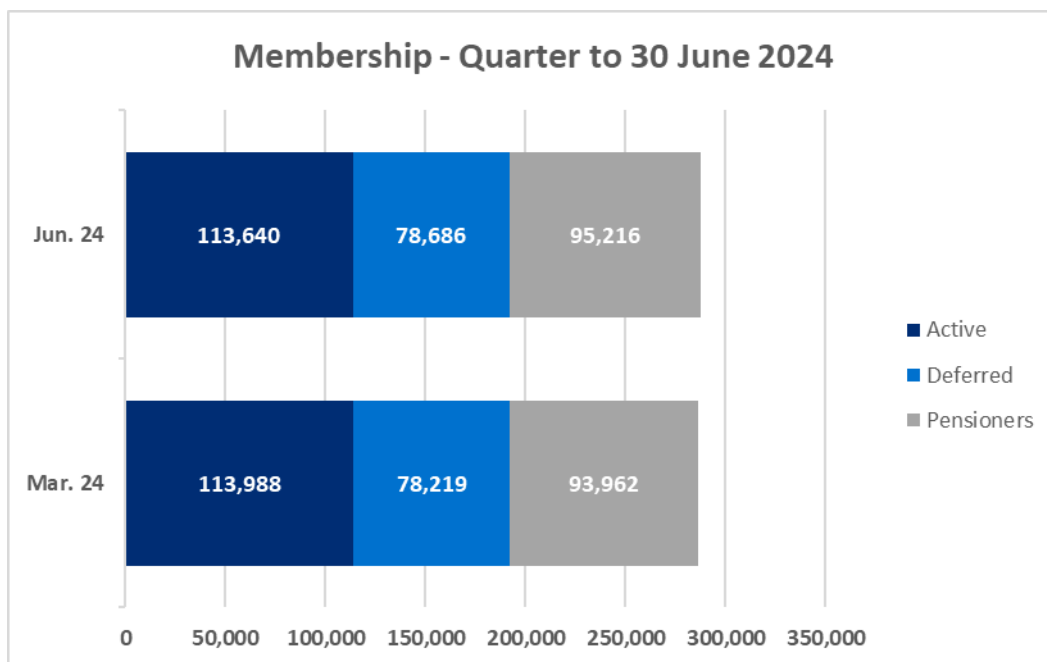
Total staff in post at 30th June 2024 was 96 (FTE 89.6). This includes 4 modern apprentices. Workplan baseline is 105.

Some vacancies remain with further recruitment planned in due course. SPFO is continuing with hybrid working. Current arrangement is for 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 286,169 to **287,542** over the quarter. There was again a slight decrease in active membership.

Main changes contributing to the net increase of 1,373 were:

- **4,000** new records (*3,698 last quarter*)
- **1,114** retirements (*873 last quarter*)
- **452** refunds (*476 last quarter*)
- **1,126** deferred (*1,162 last quarter*)
- **556** deferred into payment (*392 last quarter*)
- **977** deaths (*1,002 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 7,815 members of the Scottish teachers' superannuation scheme.

3 SPFO Performance

Over **47,000** processes were completed in the quarter to 30th June 2024 (*last quarter 48,000*). 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%	94.8%	95.3%
Deferred retirals processed for due date	95%	97.1%	99%
Retirement lump sums paid on retirement date	95%	87.7%	91.9%
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	4,000	15	95.0	100	1 month	100
Refunds	542	7	90.0	98.9	n/a	n/a
Deferred	904	10	90.0	76	2 months	88.9
Retiral Estimates	524	20	80.0	65.8	2 months	99.5

In addition to individual retiral estimates, 391 calculations were processed in bulk as part of potential voluntary/early retirement exercises. (2,269 last quarter).

3.3 Customer Satisfaction

	Refunds	Retirals
Forms issued	452	1,670
Responses	29	299
Response rate (%)	6.4	17.9
Satisfaction Rating (%)	84.8	87.0
Target	80.0	90.0
2023/24 full year (%)	77.6	86.1

Response and satisfaction rate for both categories has improved this quarter. Target was achieved for refunds but not for retirals.

3.4 Complaints

Category	No.	Days to Respond		Achieved (%)	Upheld (%)
		Target	Actual (Average)		
Process delay	8	5	5.2	75	63
Waiting time - correspondence	2	5	2.5	100	100
*Other	3	5	3	100	33

*Other category comprised:

1. Next of kin not happy as an invoice was raised for an overpaid pension (in line with normal procedure).
2. Member not happy with lack of breakdown for backdated pension amount.
3. Waiting time for transfer value, waiting for new guidance due to McCloud Remedy.

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 90,000+ pensioner members. Payroll was run and paid each month without incident.
- Some transactions did not achieve target this quarter as priority was given to processing transfers out that had been suspended waiting for new McCloud guidance. These were cleared successfully, avoiding the need to report any breach to the Pensions Regulator (TPR).
- The trend of increased numbers of retirals seen in 2023/24 continued this quarter.
- 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 Apr 2024	146
New employers	1
Exiting employers	1
Total employers at 30th Jun 2024	146

There was one new admission this quarter.

Employer	Background	Admission Category
USSA (University of Strathclyde Students Association)	USSA is the recognised representative body for the c.24,000 matriculated students at the University of Strathclyde (UoS). USSA is constituted under the charters of the UoS and is a registered Scottish charity and incorporated as a company limited by guarantee in 2017. USSA is also known as Strathclyde Students' Union or Strath Union. USSA employs a variable number of staff, around 100 of whom have previously been admitted to participate in the LGPS on the mistaken understanding that they were employees of UoS. UoS is an admitted body of SPF with around 2,000 LGPS members.	USSA has now been admitted as a separate employer. The admission agreement is restricted to USSA's existing LGPS members. The employing body is a body within the meaning of schedule 2 part 2 paragraph 1(a) of the regulations. UoS is a party to the admission agreement and has provided a guarantee for all liabilities.

There was one employer exit this quarter.

Employer	Background	Exit Status
Flourish House	Flourish House had been an admitted body in SPF since 2001. And had 8 scheme members at the date of the 2023 actuarial valuation.	Flourish House became an exiting employer on the retirement of the last contributing scheme member at end June 2024. An exit credit agreement was completed and an exit credit paid to the employer in line with regulation 61.

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.

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

There were 9 incidences of late payments this quarter. None had any material cash flow impact.

4.3 Employer *i-Connect* Submissions

Employers are required to submit regular electronic data 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 employers.

Apr	May	Jun	Total	Total Expected	Target	Achieved	Last Quarter
130	124	127	381	438	100%	87%	88%

SPFO will continue 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 30th June.

5 Digital Communications

Improving and increasing SPFO's digital delivery is a key priority. Digital uptake as at 30th June 2024 is summarised as follows.

Customer Engagement	2024/25		2023/24
	Actual	Target	Actual
Total signed up for SPFOnline	138,824	146,000	135,568
Logged in during the year	7,687	77,000	69,945
Weekly visits to: www.spfo.org.uk	7,897	9,000	8,825

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. For example:

Annual Benefit Statements (ABS) were issued during June to all contactable deferred members:

- 72% were issued via SPFOnline with notification via email;
- 25% were issued via SPFOnline with notification by letter; and only
- 3% were issued hard copy.

Since the ABS were issued:

- 40% of registered deferred members have logged in to SPFOnline;
- Reminder emails have been issued to those who have not logged in;
- 5% of deferred members that were notified by letter have now registered; and
- surveys have been issued to capture feedback.

1,716 address changes and 1,368 nomination updates have also been completed, presumably as a response to the statements.

Work also commenced on issuing active member statements by the statutory timescale of 31st August.

6 Policy and Resource Implications

Resource Implications:

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

Council Strategic Plan: SPF supports all Missions within the Grand Challenge of: ***Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.*** The LGPS is one of the key benefits which enables the Council to recruit and retain staff.

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 climate impacts as a result of this proposal?</i>	N/a.
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<i>Will the proposal</i>	N/a.
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*contribute to
Glasgow's net zero
carbon target?*

**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.

8 Recommendation

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

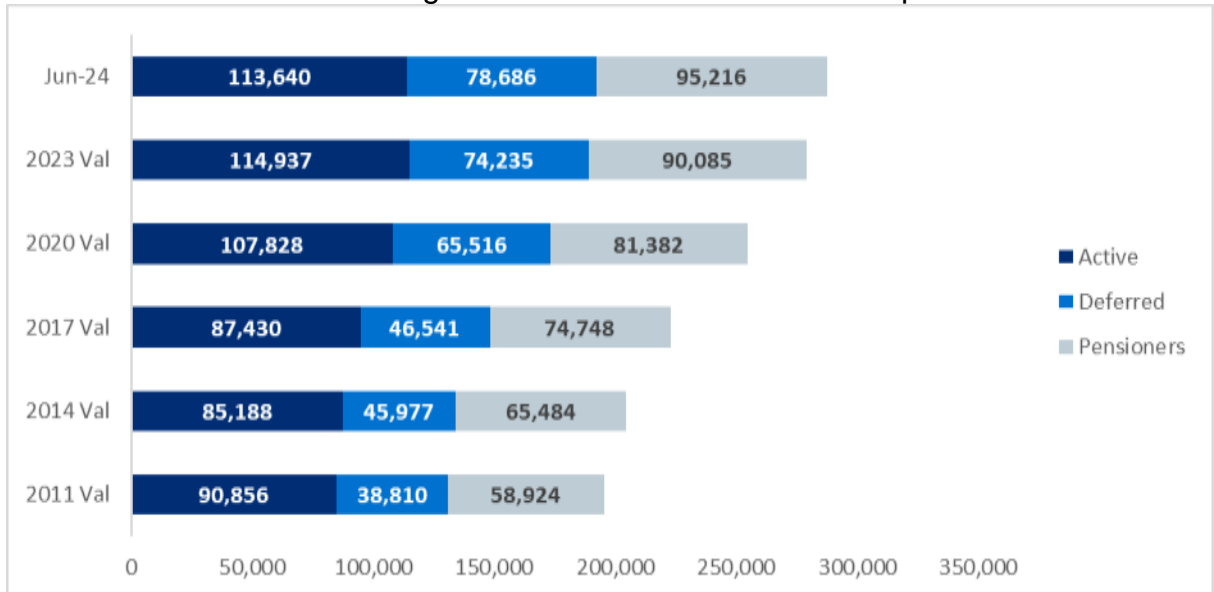
Appendices

Appendix 1 Membership – Additional Analysis

Membership – Additional Analysis

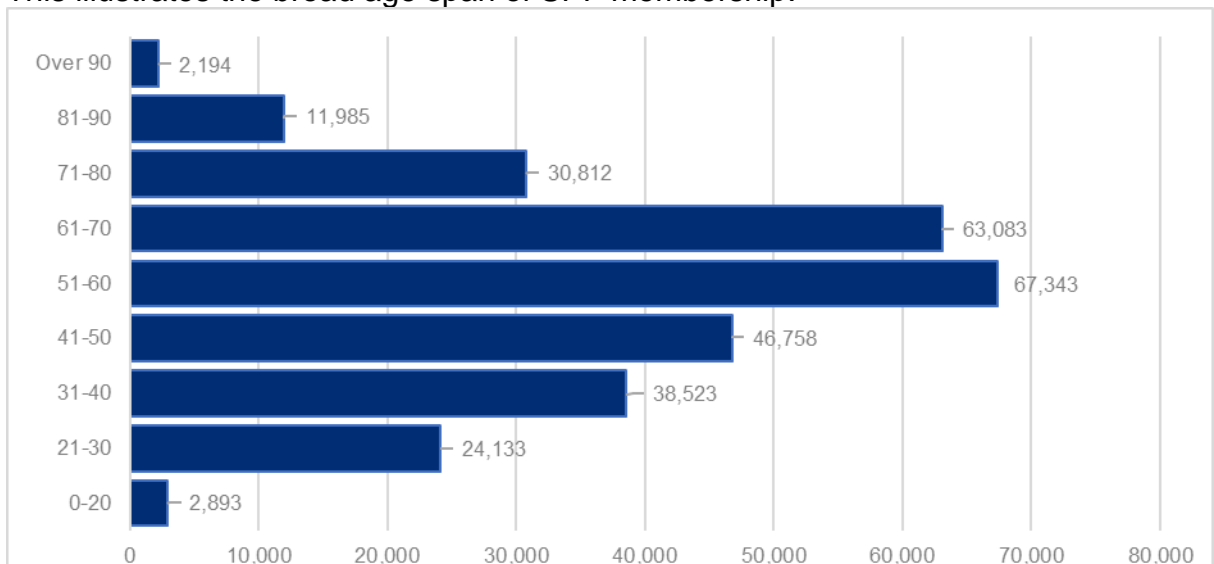
Longer-Term Trends

This chart shows movement in membership since the 2011 actuarial valuation. Active membership reduced initially, but the trend had been a steady increase in all membership categories since 2011. Since the 2023 valuation there has been a slight decrease in active membership.



Total Members by Current Age

This illustrates the broad age span of SPF membership.



Average Age of Members

