



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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Item 12

2nd June 2021

Administration Update

Purpose of Report:

To update the Committee on pensions administration activity and present a summary of performance to 31st March 2021.

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 SPFO - COVID-19

Throughout the period of COVID-19 disruption, SPFO's service has been delivered through a combination of:

- office-based staff; and
- staff working from home.

From December 2020, the majority of staff have been working from home. A small presence has been required in the office for printing and mail. The call center is now fully operational from home. With the current restrictions due to lift in June operational requirements will be reviewed again.

2 Service Priorities

SPFO's overriding business continuity priority is to ensure that the monthly pensions payroll is run and payments are received on time by the 90,000+ pensioner members. In line with guidance previously issued by The Pensions Regulator (TPR), new retirements and processing of deaths continue to be prioritized ahead of other transactions.

3 SPFO Performance

Performance for the quarter to 31st March 2021 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%	97.9%	96.6%
Retirement lump sums paid on retirement date	95%	97.2%	94.2%

749 retirals were processed during the quarter (654 in the same quarter 2020).

3.2 Other Transactions

Transaction	Volume	SPFO		Statutory	
		Target		Deadline	Actual
		Days	%		%
New Starts	3,350	15	95.0	100	100
Refunds	481	7	90.0	95.8	n/a
Deferred	1,990	10	90.0	61.2	74
Retiral Estimates	512	20	80.0	96.7	99.6

3.3 Customer Satisfaction

	Refunds	Retirals
Forms issued	481	749
Responses	255	89
Response rate (%)	53.1	11.9
Satisfaction Rating (%)	87.9	91.4
2019/20 full year (%)	84.4	90.7

3.4 Complaints

Category	Volume	Days to Respond		Achieved (%)
		Target	Actual (Average)	
Waiting Time- Correspondence	4	5	3.5	75%
Process Delay	5	5	3.2	80%
Quality Of Information	2	5	4.5	50%
Delay in paying death benefits.	2	5	3.5	100%
Procedure - Stage 2	1	20	4	100%

3.5 Performance Commentary

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

- payroll has continued to be run and paid each month without incident;
- priority transactions have been processed in line with or above target;
- other payments and transactions continued to be processed throughout the period, albeit with some delays- particularly to deferred member notifications; members over 55 or who have requested a transfer out are prioritized to minimize the impact of this;
- customer satisfaction was high and few complaints were received;
- there were no material breaches of regulations requiring to be reported to the Pensions Regulator, though one potentially significant overpayment of a pension was identified and reported to internal audit.

4 Employer Performance

Employer Performance for the quarter to 31st March 2021 is summarised as follows.

4.1 Errors From Year End Returns

The table below summarises progress in resolving errors in employers' year end returns.

	31 March 2021		31 March 2020	
	Members	(%)	Members	(%)
Record status matched	108,956	99.6	107,492	99.1
Missing new start data	118	0.1	306	0.3
Missing leaver data	284	0.3	687	0.6
Total	109,358	100	107,499	100

The combined error rate of **0.4%** is lower than at this point in 2020 when the rate was **0.9%**. A combined year-end target of **<1.5%** was agreed in the 2020/21 Business Plan. This target was achieved earlier in the year and has been reduced to **<1%** for 2021/22.

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, and only a very small incidence from other employers.

4.3 Monthly Data Submissions

Employers are required to provide a monthly submission of new member details to SPFO. The table below summarises the performance of the local authorities during the quarter.

Oct	Nov	Dec	Total	Total Expected	Target	Achieved	Last Quarter
11	12	12	35	36	95%	96%	96%

5 Scheme Developments

5.1 2017 Review of Employer Cost Cap Background

During 2018, based on 2017 actuarial data, GAD commenced a review of the cost of the scheme in comparison to the employer cost cap put in place when it was introduced in 2015.

Outcome

During April, GAD produced draft results of the 2017 Cost Cap valuation. Cost of benefits had increased by 0.2% (after allowance for McCloud remediation). So there was no breach of the cost cap and no further action is required.

5.2 TPR Code of Practice

The Pensions Regulator has issued a draft [Single Code of Practice](#) for consultation. TPR felt that the existing format of multiple separate codes created duplication, was difficult to navigate and caused some confusion about which codes applied to which schemes. The current Public Service Code (Code 14) will, in due course, be replaced by this single code for all schemes. SPF will work out any implications when the final version is published – probably towards the end of this year.

6 Membership and Other Statistics

Some analysis of scheme membership, scheme employers and digital service delivery is included in Appendix 1.

7 Policy and Resource Implications

Resource Implications:

Financial: None

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

Council Strategic Plan: Strathclyde Pension Fund aligns with the theme of a well governed city.

Equality and Socio-Economic Impacts:

<i>Does the proposal support the Council's Equality Outcomes 2017-22</i>	Equalities issues are addressed in the Fund's Responsible Investment strategy, in the scheme rules which are the responsibility of Scottish Government and in the Fund's Communications Policy which has been the subject of an Equalities Impact Assessment.
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<i>What are the potential equality impacts as a result of this report?</i>	No specific equalities impacts.
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<i>Please highlight if the policy/proposal will help address socio economic disadvantage.</i>	Not applicable.
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Sustainability Impacts:

<i>Environmental:</i>	No impact
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Social, including opportunities under Article 20 of the European Public Procurement Directive:	No impact
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<i>Economic:</i>	No impact
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Privacy and Data Protection impacts: None

8 Recommendation

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

Appendices

Appendix 1

Membership and Other Statistics

Membership and Other Statistics

Membership

Local Government Pension Scheme (LGPS)

The following table summarises the movement in scheme membership during the quarter to 31st March 2021.

MEMBERSHIP ANALYSIS Strathclyde Pension Fund				
Status	<i>Total at 01 Jan 2021</i>	Total Off	Total On	Total at 31 Mar 2021
Active	109,160	1,746	1,945	109,359
Deferred / Undecided Leavers	65,445	1243	1,132	65,334
Pensioners	83,318	522	889	83,685
Total	257,923	3,511	3,966	258,378

The chart below shows movement in membership since the 2008 actuarial valuation.

Membership Analysis at 31st March 2021



Teachers Compensation

In addition to its statutory function of administering the Local Government Pension Scheme, SPFO also acts as a payroll agent for compensatory added years' payments to 8,588 members of the Scottish teachers' superannuation scheme.

Participating Employers

The table below shows the number of employers participating in the Fund.

Total employers at 31st Dec 2020	164
New employers	0
Exiting employers	0
Total employers at 31st Mar 2021	164

Employers include the 12 Local Authorities in the west of Scotland, whose employees constitute around 80% of the active membership.

Digital Delivery

Digital capabilities have been critical to service delivery during the period of COVID-19 disruption.

i-Connect

I-Connect is an automated solution to the management of data transfer between scheme employers and SPFO. Employer use of *i-connect* as at end March is summarised as follows.

Measure	2020/21		2019/20
	Actual	Target	Actual
Total extract returns	24	100%	23
Total online returns	91	100%	75

SPFOnline

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

Customer Engagement	2020/21		2019/20
	Actual	Target	Actual
Total signed up for SPFOnline	96,147	84,000	83,659
Weekly visits to: www.spfo.org.uk	6,933	7,700	7,259