



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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

Item 10

3rd March 2021

Administration Update

Purpose of Report:

To update the Committee on pensions administration activity and present a summary of performance to 31st December 2020.

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 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.

The balance has changed regularly to reflect current restrictions and guidance, operational requirements, individual staff circumstances, and availability of equipment. From December, staff presence in the office has reduced markedly as a result of further tightening of restrictions and a successful roll-out of new laptops to all staff.

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 December 2020 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%	96.6%	93.9%
Retirement lump sums paid on retirement date	95%	94.2%	95.0%

556 retirals were processed during the quarter (728 in the same quarter 2019).

3.2 Other Transactions

Transaction	Volume	SPFO			Statutory	
		Target		Actual	Deadline	Actual
		Days	%	%		%
New Starts	3,370	15	95.0	71.8	1 month	100
Refunds	659	7	90.0	94.1	n/a	n/a
Deferred	1,078	10	90.0	41.2	2 months	76.5
Retiral Estimates	445	20	80.0	87.6	2 months	99.1

3.3 Customer Satisfaction

	Refunds	Retirals
Forms issued	659	556
Responses	151	143
Response rate (%)	22.9	25.7

Satisfaction Rating (%)	87.1	90.4
<i>2019/20 full year (%)</i>	<i>84.4</i>	<i>90.7</i>

3.4 Complaints

Category	Volume	Days to Respond		Achieved (%)
		Target	Actual (Average)	
Waiting Time-Correspondence	1	5	5	100%
Procedure	2	5	4	100%
Process Delay	2	5	3	100%
Quality Of Information	2	5	5	100%
Other (AVC/Methods of contract)	2	5	3	100%
Other (AVC) Stage 2.	1	20	11	100%

3.5 Performance Commentary

Performance over the quarter was generally satisfactory 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, partly attributable to a period of catch-up after resource being diverted in previous quarters to manage the year-end and actuarial valuation exercises;
- customer satisfaction was high and few complaints were received (albeit some customer dissatisfaction may not have been captured through these processes);
- there were no material breaches of regulations requiring to be reported to the Pensions Regulator.

4 Employer Performance

Employer Performance for the quarter to 31st December 2020 is summarised as follows.

4.1 Errors From Year End Returns

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

	30 December 2020		30 December 2019	
	Members	(%)	Members	(%)
Record status matched	108,197	99.5	106,203	98.6
Missing new start data	152	0.1	359	0.4
Missing leaver data	388	0.4	1,114	1.0
Total	108,737	100	107,676	100

The combined error rate of **0.5%** is lower than at this point in 2019 when the rate was **1.4%**. A combined year-end target of **<1.5%** was agreed in the 2020/21 Business Plan. This target has now been achieved – earlier than in any previous year.

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%	92%

5 Issues with AVCs (Additional Voluntary Contributions)

Following a large-scale system upgrade in November 2020, the Fund's AVC provider, Prudential, experienced some technical issues. This has resulted in a backlog of work in:

- getting employer payments allocated to individual AVC member records; and
- disinvesting AVCs when members retire.

SPFO made a formal complaint to Prudential in January and has received assurances that resolving these issues remains their highest priority and this has been escalated to the highest possible level to ensure it is receiving the attention and care required. Each member will receive a response to the concerns about delays and full investigations will be completed to ensure members are not financially disadvantaged by Prudential's delays.

SPFO will continue to press Prudential to ensure the matter is fully resolved.

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

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 2017-22 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.

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.

Sustainability Impacts:

Environmental: No impact

Social, including opportunities under Article 20 of the European Public Procurement Directive: No impact

Economic: No impact

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

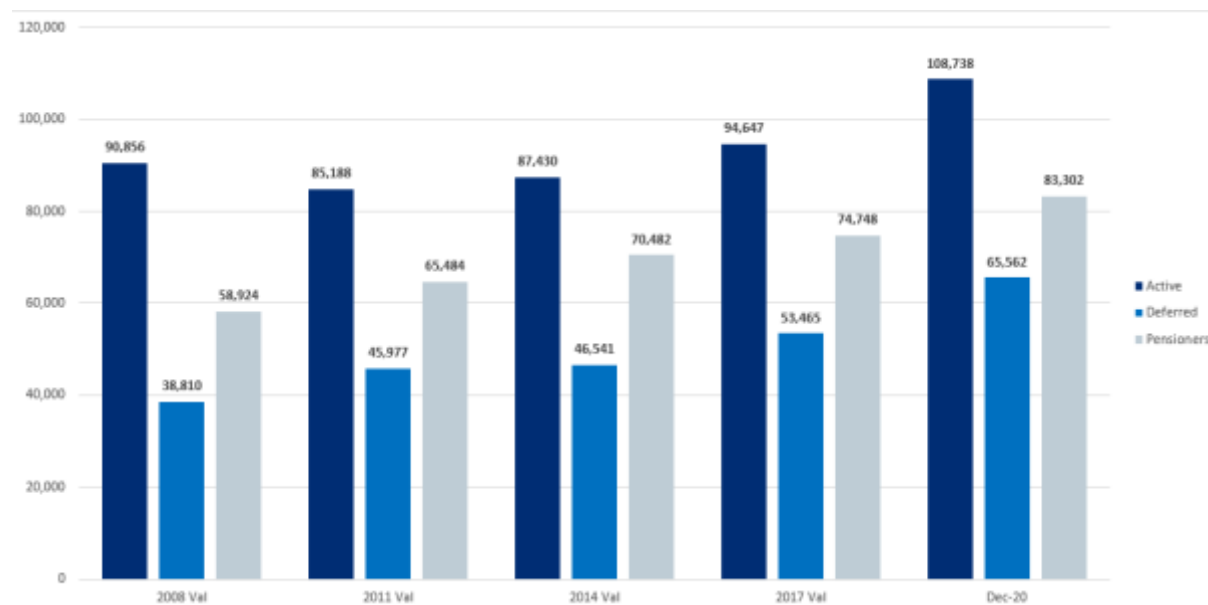
Local Government Pension Scheme (LGPS)

The following table summarises the movement in scheme membership during the quarter to 31st December 2020.

MEMBERSHIP ANALYSIS Strathclyde Pension Fund				
STATUS	TOTAL at 01 Oct 2020	TOTAL OFF	TOTAL ON	TOTAL at 31 Dec 2020
Active	108,538	1,748	1,948	108,738
Deferred / Undecided Leavers	65,587	1,171	1,146	65,562
Pensioners	82,837	480	945	83,302
TOTAL	256,962	3,399	4,039	257,602

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

Membership Analysis at 31st December 2020



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 8,629 members of the Scottish teachers' superannuation scheme.

Participating Employers

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

Total employers at 30th Sep 2020	167
New employers	0
Exiting employers	0
Total employers at 31st Dec 2020	167

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 December is summarised as follows.

Measure	2020/21		2019/20
	Actual	Target	Actual
Total extract returns	23	100%	23
Total online returns	86	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	91,296	84,000	83,659
Weekly visits to: www.spfo.org.uk	7,555	7,700	7,259

