



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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**Item 8**

19th March 2025

### Administration Update

#### Purpose of Report:

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

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

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## 1 Strathclyde Pension Fund Office (SPFO)

Total administration staff in post at 31<sup>st</sup> December 2024 was 84 (FTE 79). This includes 2 modern apprentices. 8 Pension Officers were recruited during December. As part of this recruitment exercise: 3 existing Modern Apprentices were successful in gaining permanent employment; and 5 external candidates were due to commence during February.

SPFO is continuing with hybrid working. Current arrangement 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 287,645 to **289,446** over the quarter. Membership increased in all categories. This is a change to the recent trend where active membership has been decreasing. Figures this quarter were heavily influenced by the transfer in of 760 members (250 active, 210 deferred, 300 pensioner) as part of tranche 1 of an exercise to consolidate all Scottish Fire & Rescue's LGPS membership into SPF.

Main changes contributing to the net increase of 1,801 were:

- **3,720** new records (*3,178 last quarter*)
- **840** retirements (*1,277 last quarter*)
- **526** refunds (*409 last quarter*)
- **1,568** deferred (*890 last quarter*)
- **474** deferred into payment (*423 last quarter*)
- **813** deaths (*1,009 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 7,715 members of the Scottish teachers' superannuation scheme.

## 3 SPFO Performance

Over **73,000** processes were completed in the quarter to 31st Dec 2024 (*last quarter 60,000*). 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%	93.6%	90.4%
Deferred retirals processed for due date	95%	97%	98%
Retirement lump sums paid on retirement date	95%	91%	83%
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	3,720	15	95.0	100	1 month	100
Refunds	526	7	90.0	99.8	n/a	n/a
Deferred	1,568	10	90.0	66	2 months	77
Retiral Estimates	333	20	80.0	55.6	2 months	98.5

### 3.3 Customer Satisfaction

	Refunds	Retirals
Forms issued	526	1,314
Responses	268	352
Response rate (%)	51	26.8
Satisfaction Rating (%)	90	85.6
Target	80.0	90.0
2023/24 full year (%)	77.6	86.1

Response rate for both retirals and refunds have improved this quarter. 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	5	5	4	100	60
Waiting time telephone	1	5	1	100	100
Quality of information	1	5	5	100	0
*Other	1	5	19	0	100

Waiting time telephone – 2 <sup>nd</sup> stage	1	20	2	100	100
Process delay- 2 <sup>nd</sup> stage	1	20	4	100	0

\* member not happy with transfer options. A complex case that took a full investigation. This was the reason for delay in providing response to the complaint.

### 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 97,000+ pensioner members. Payroll was run and paid each month without incident.
- 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. An additional 678 deferred options were issued this quarter.

## 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> Oct 2024</b>	<b>143</b>
New employers	0
Exiting employers	1
<b>Total employers at 31<sup>st</sup> Dec 2024</b>	<b>142</b>

There was one employer exit this quarter which is summarised below.

Employer	Background	Exit Status
<b>Sanctuary Scotland</b>	Sanctuary Scotland (or its predecessor, Cumbernauld Housing Association) had been an admitted body in SPF since 2000 and had 4 scheme members at the date of the 2023 actuarial valuation.	Sanctuary became an exiting employer at 31 <sup>st</sup> December 2024. An exit credit will be paid in line with Regulation 61.

## 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	99	99

There were 5 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 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.

Oct	Nov	Dec	Total	Total Expected	Target	Achieved	Last Quarter
123	121	121	365	429	100%	85%	86%

SPFO will continue to work closely with employers to ensure data is submitted by the due date.

## 5 Digital Communications

Improving and increasing SPFO's digital delivery is a key priority. Digital uptake as at 31st December 2024 is summarised as follows.

Customer Engagement	2024/25		2023/24
	Actual	Target	Actual
Total signed up for <a href="#">SPFOnline</a>	145,781	146,000	135,568
Logged in during YTD	93,537	77,000	69,945
Weekly visits to: <a href="http://www.spfo.org.uk">www.spfo.org.uk</a>	7,267	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:

SPF's annual newsletter, Pension News, was issued to **86,224** pensioners.

- 51% were issued via SPFOnline with notification via email;
- 37% were issued via SPFOnline with notification by letter; and only
- 12% were issued hard copy.

Life Certificates were issued to **1,089** overseas pensioners to verify their existence.

- **79%** were issued via SPFOne with notification via email;
- **10%** were issued via SPFOne with notification by letter; and only
- **11%** were issued hard copy.

There was also an option to upload the signed certificate online.

## 6 Scheme Developments

### 6.1 Budget 2024 - Consultation on Inheritance Tax on Pensions

As announced in its 2024 Autumn Budget, the Government launched a technical [consultation on Inheritance tax on pensions: liability, reporting and payment](#).

A joint response was submitted on behalf of Strathclyde Pension Fund and the other Scottish LGPS funds.

The main highlights of the technical response are:

- the administrative and reporting burden placed on Pension Scheme Administrators would be hugely disproportionate to the actual impact of the change in terms of tax liability;
- proposed timescales are likely to be unachievable in many instances; and
- clarification is required in various areas.

The consultation closed on 22 January 2025. The proposed changes are due to take effect from 06 April 2027.

## 7 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
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Fund's Responsible Investment strategy.

*What are the potential equality impacts as a result of this report?* N/a

*Please highlight if the policy/proposal will help address socio economic disadvantage.* N/a.

### **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:**

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.

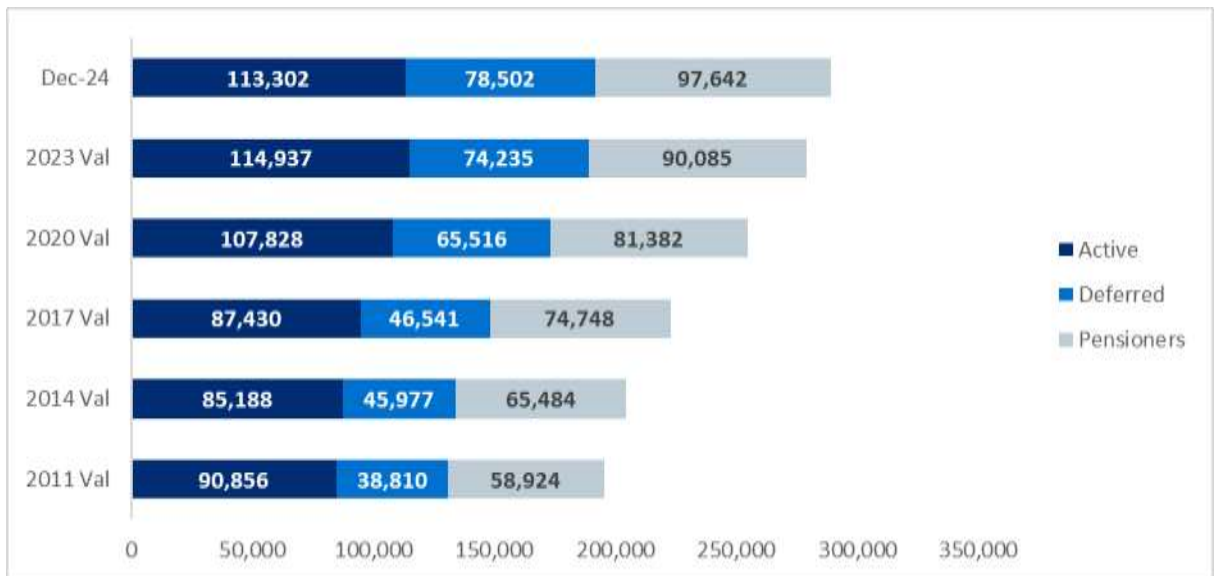
## **Appendices**

### **Appendix 1 Membership – Additional Analysis**

## Membership – Additional Analysis

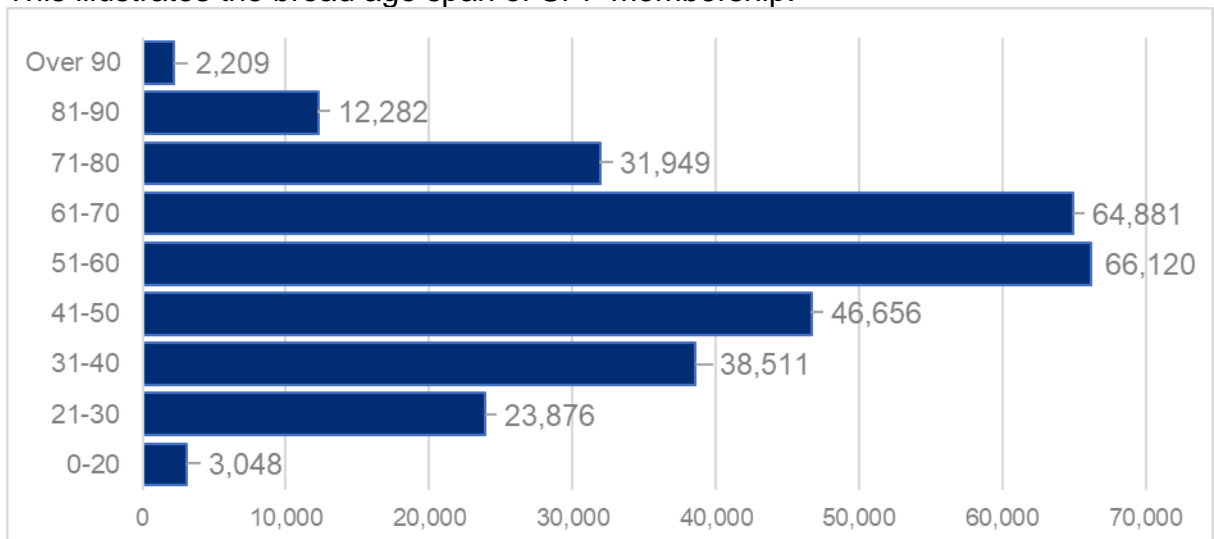
### Longer-Term Trends

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 consistent decrease in active membership each quarter but there has been an increase this quarter from 112,872 to 113,302.



### Total Members by Current Age

This illustrates the broad age span of SPF membership.



### Average Age of Members

