



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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Item 6

13th September 2023

Administration Update

Purpose of Report:

To update the Committee on pensions administration activity and to present a summary of performance to 30th June 2023.

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)

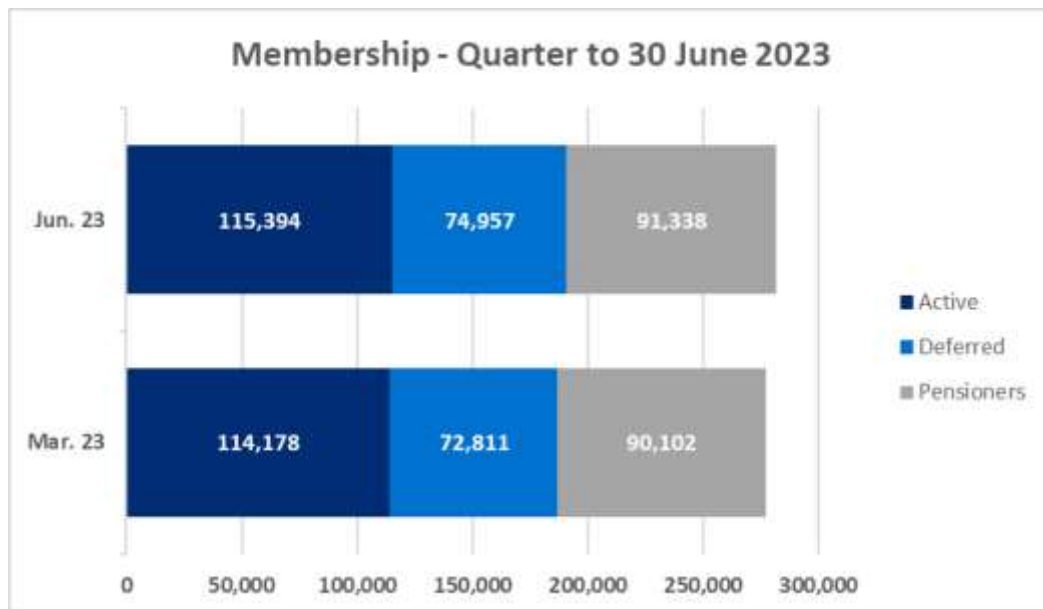
Total staff in post at end June was 91 (FTE 85). Workplan baseline is 105.

Implementation of a revised structure is almost complete; some vacancies remain with recruitment ongoing. 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 Pensions Scheme (LGPS)



Total membership increased from 277,091 to 281,689 over the quarter. All categories increased.

Main changes contributing to the net increase of 4,598 were:

- **5,401** new starts (*4,648 in the same quarter 2022*)
- **798** retirements (*646 in the same quarter 2022*)
- **507** refunds (*400 in the same quarter 2022*)
- **1,626** deferred (*1,344 in the same quarter 2022*)
- **551** deferred into payment (*508 in the same quarter 2022*)
- **843** deaths (*865 in the same quarter 2022*).

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

3 SPFO Performance

Over **48,000** processes were completed in the quarter to 30th June 2023 (previous quarter **46,000**).

Performance for the quarter is summarised as follows.

3.1 Payments

SPFO Payments	SPFO Target	Achieved	2022/23
Pensions payroll run on time	100%	100%	100%
New retirals processed for due payroll date	95%	96.8%	97%
Deferred retirals processed for due date	95%	82.1%	N/A
Retirement lump sums paid on retirement date	95%	78.9%	93%
Deferred lump sums processed for due date	95%	100%	N/A

This is the first quarter SPFO has reported deferred into payment retirals.

3.2 Other Transactions

Transaction	Volume	SPFO			Statutory	
		Target Days	%	Actual %	Deadline	Actual %
New Starts	5,401	15	95.0	100	1 month	100
Refunds	507	7	90.0	99.2	n/a	n/a
Deferred	1,626	10	90.0	78.6	2 months	96.1
Retiral Estimates	706	20	80.0	94.1	2 months	99.9

3.3 Customer Satisfaction

	Refunds	Retirals
Forms issued	507	1,349
Responses	33	286
Response rate (%)	6.5	21.2
Satisfaction Rating (%)	75.8	85.5
Target	85.0	90.0
2022/23 full year (%)	86.3	90.0

Performance was a little below target this quarter.

SPFO continues to try to find new ways to improve the response rates.

3.4 Complaints

Category	No.	Days to Respond		Achieved (%)	Upheld (%)
		Target	Actual (Average)		
Process delay	2	5	1.5	100	100
Process delay (2 nd stage)	1	20	10	100	100
Quality of information	1	5	4	100	100
Procedure	1	5	4	100	100
*Other	3	5	4.5	100	0

*The other complaints included:

- one member who was not happy about a response to a previous service enquiry; and
- one member who was unhappy that the employer contributions were not refunded with their own refund.

3.5 Performance Commentary

Performance over the quarter was mostly good, but with some exceptions:

- 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;
- most transactions were processed in line with target, though some delays were experienced with deferred notifications and processing of retirements;
- intensive work was required during the quarter to provide a complete and accurate data set to Hymans Robertson for the actuarial valuation exercise; and
- 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 31st Mar 2023	152
New employers	1
Exiting employers	0
Total employers at 30th June 2023	153

There was one new admission this quarter.

Employer	Background	Admission Category
Atalian Servest	Atalian is to provide cleaning and janitorial services to the Scottish Police Authority (SPA) under a contract effective from April 2023. The contract resulted in a number of staff transferring their employment from Churchill Central Services (CCS) which previously held the SPA contract and became an admitted body in SPF in 2020.	Atalian is an admission body within the meaning of Schedule 2 Part 2 paragraph 1(d) of the Regulations by virtue of the contract between the SPA, a Scheme Employer, and Atalian. SPA is a party to the admission agreement and has provided a guarantee in respect of Atalian's liabilities within SPF.

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 (%)
Contributions received by SPFO by due date	100	98

There were 8 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 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.

April	May	June	Total	Total Expected	Target	Achieved
129	143	128	400	459	100%	87%

One employer failed to submit its year-end file before the statutory deadline of 30th June. A statutory breach notice was issued.

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.

5 Digital Communications

Improving and increasing SPFO's digital delivery is a key priority. Digital uptake as at 30th June 2023 is summarised as follows.

Customer Engagement	2023/24		2022/23
	Actual	Target	Actual
Total signed up for SPFOOnline	127,665	135,000	122,293
Weekly visits to: www.spfo.org.uk	4,668	7,700	7,602

SPFOOnline 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:

- Deferred member Annual Benefit Statements were issued during June: 55% were issued via SPFOOnline with notification via email;
- 42% were issued via SPFOOnline with notification by letter; and only
- 3% were issued hard copy.

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

6 Scheme Developments

McCloud Judgement Remedy Consultation

During July, Scottish Government issued draft regulations on the McCloud remedy for the Scottish LGPS for consultation. The consultation is largely focused on technical aspects of scheme administration such as aggregation and transfers. SPFO provided a technical response which supports the approach taken in respect of the above areas. The full consultation can be viewed [here](#)

7 Policy and Resource Implications

Resource Implications:

Financial: None.

Legal: None.

Personnel: None.

Procurement: 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:

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? 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.

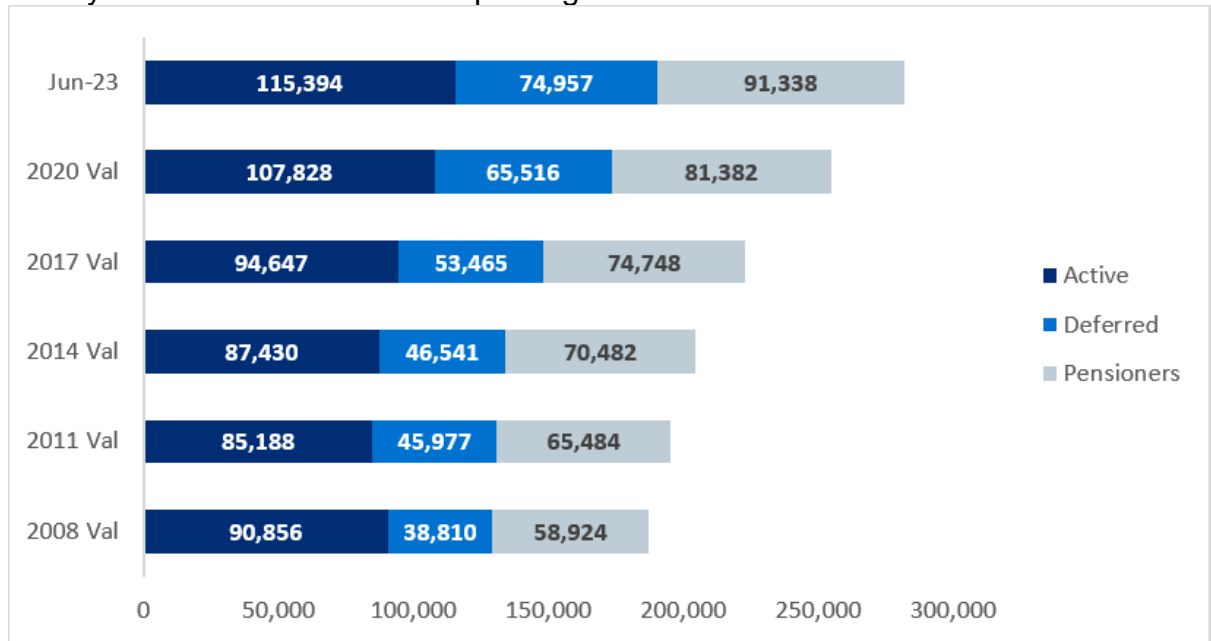
Appendices

Appendix 1 Membership – Additional Analysis

Membership – Additional Analysis

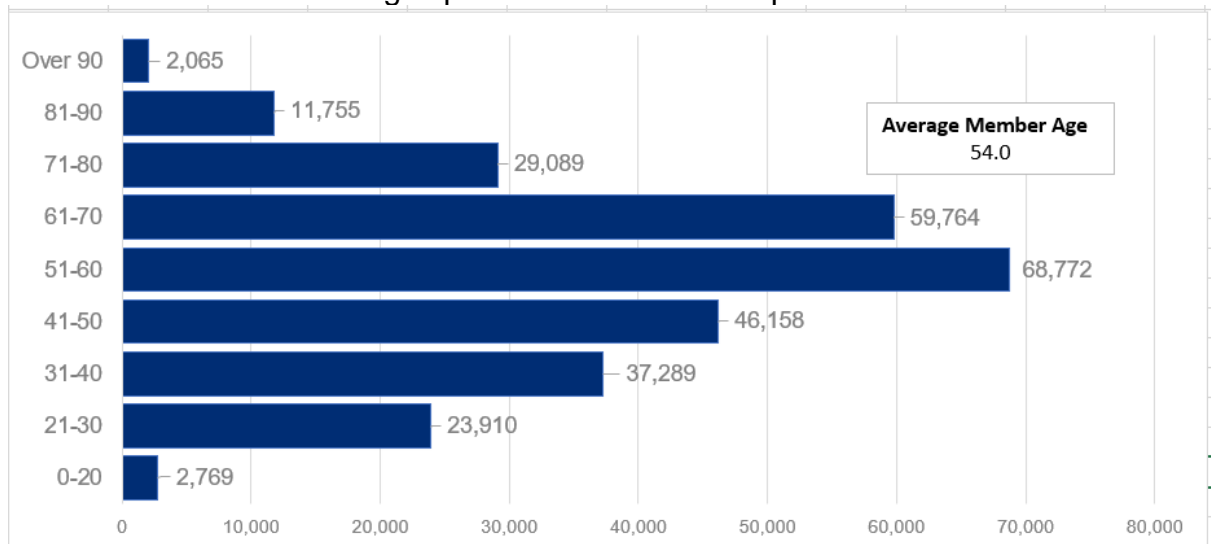
Longer-Term Trends

This chart shows movement in membership since the 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

This illustrates the broad age span of SPF membership.



Average Age of Members

