

Report To: **PENSION FUND MANAGEMENT PANEL/ADVISORY PANEL**

Date: 17 November 2017

Reporting Officer: Emma Mayall - Pensions Policy Manager

Subject : **PENSIONS ADMINISTRATION UPDATE**

Report Summary: This report provides an update on recent administration activities, in particular:

- Key work and projects progressed over the last quarter
- Work planned for the next quarter
- Comments on current workloads and performance

It also confirms that a review is to be undertaken of the work currently carried out by the administration section. This is to ensure the structure and workload of the section is fit for purpose going forward.

Recommendation(s): It is recommended that the Panel note the report.

Financial Implications:
(Authorised by the Section 151 Officer) There are no direct financial implications arising from this report.


Legal Implications:
(Authorised by the Solicitor to the Fund) There are no direct legal implications to consider.

Risk Management: There are no key risks to highlight.

ACCESS TO INFORMATION: **NON-CONFIDENTIAL**

This report does not contain information that warrants its consideration in the absence of the Press or members of the public.

Background Papers: Further information can be obtained by contacting Emma Mayall, Greater Manchester Pension Fund, Guardsman Tony Downes House, 5 Manchester Road, Droylsden

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1. BACKGROUND AND INTRODUCTION

- 1.1 This report provides a brief update on the work and some of the projects being undertaken within the administration section over recent months and those expected over the next quarter. It provides information about current workloads and performance levels.
- 1.2 The report also confirms that a wide-ranging review is to be undertaken of the work currently carried out by the administration section. This is to ensure the structure and workload of the section is effective going forward. Some statistics on changes in membership, workload and resource over a number of years are provided to illustrate some of the drivers for the review.

2. WORK AND PROJECTS UNDERTAKEN OVER THE SECOND QUARTER

Death Grant procedures - review project

- 2.1 An operational review of the procedures in place for processing casework where a death grant payment is due began in April. Work is continuing on this project and the first meeting of the Death Grant Decisions Board took place in early October.
- 2.2 This project is due to be completed by the end of the year and the Pensions Administration Working Group will receive a final update report at their January meeting.

First Bus Transfer

- 2.3 Work on this project, which involves the transfer of members from West Yorkshire and South Yorkshire Pensions Funds to GMPF, has also continued over the last quarter.
- 2.4 The Secretary of State made his Direction Order in August to effect the transfer of responsibility for First Bus members to GMPF with effect from 1 November 2017.
- 2.5 The data for West Yorkshire Pension Fund members was successfully transferred to the GMPF Altair database at the end of October ready for those pensioner members to be paid for the first time by GMPF on 16 November. The transfer of data from South Yorkshire Pensions Authority was transferred in early November, ready for pensioners to be paid at the end of the month.
- 2.6 Letters and bulletins were sent to First Bus contributing members and pensioner members in August and September to inform them that the transfer of responsibility will be taking place. Pensioner members were written to again in October to confirm that the transfer was proceeding as planned. Deferred members will be written to in late November once the transfer of all data to GMPF has taken place.
- 2.7 Data cleansing work will need to be carried out on the data to ensure member records are complete and accurate and any missing data identified and obtained. This work will be carried out over the coming months.

Guaranteed Minimum Pension (GMP) Reconciliation

- 2.8 This large-scale project involves comparing and reconciling GMP data that HMRC holds against the data that GMPF holds.
- 2.9 A project team to manage and carry out the work involved was set up in July and work began on reconciling data, creating mismatch lists and sending queries to HMRC from August onwards.
- 2.10 This long-term project is expected to run until December 2018. Regular progress updates will continue to be provided to the Pensions Administration Working Group.

Communications Strategy

- 2.11 A review of the whole area of communications is a business plan item for the administration section for this year.
- 2.12 Work on developing a communications strategy in order to set out a vision of what the Fund wishes to achieve with its communications to members and other stakeholders has continued and a further update will be provided the Pensions Administration Working Group at their January meeting.

Pension Savings Statements

- 2.13 Work began in August on providing pension savings statements to all those members who exceeded the annual allowance during 2016/17.
- 2.14 612 fund members exceeded the annual allowance limits in 2016/17 and statements were issued to these members by 6 October 2017. Members will need to self-assess if they are required to pay a tax charge in accordance with HMRC rules.

General Data Protection Regulations (GDPR)

- 2.15 These new regulations will come into effect in May 2018. Preparation and planning work for this project began in August, with the main aim being to ensure the Fund is compliant with these regulations before they come into force.
- 2.16 A core project team has been formed and initial work stream and milestone plans have been put together. Work on this project continues.

3. WORKED PLANNED FOR THE NEXT QUARTER

- 3.1 The main projects and key items of work for the next quarter are expected to be as follows:
- Issue of any late or revised annual benefit statements to contributing members
 - Completion of the First Bus transfer work
 - Completion of the death grant procedural review
 - Continuation of GMP reconciliation work
 - Progress on the GDPR project
 - Review of business continuity and disaster recovery arrangements
 - Communications work
 - Upgrade of Altair payroll module

4. COMMENTS ON CURRENT WORKLOADS AND PERFORMANCE

- 4.1 The volumes of casework received and performance against in-house targets during August and September has remained reasonably consistent.
- 4.2 The section continues to meet the majority of target standard times with all but five KPIs being within the 90% standard or higher in September. See **Appendix 1**.

5. REVIEW OF ADMINISTRATION WORKLOADS AND STRUCTURE

- 5.1 It is intended that a wide-ranging review of the administration section and its workloads be carried out over the coming months. This is to ensure the section is well placed to manage work effectively going forward.
- 5.2 There are several drivers for the review, with the main ones being to ensure that:

- the service and information provided to members and employers meets their expectations and is accessible to all whilst providing value for money;
- sufficient resource is allocated to delivering the service we provide and that officers are fully equipped to deliver on the expectations set; and
- the administration section continues to meet the relevant statutory obligations and that accurate, informative and timely management information regarding performance is provided to the relevant stakeholders.

5.3 **Appendix 2** provides a number of graphs and charts illustrating some of the key changes in membership, workloads and resource over various periods that provide a starting point for analysing relevant data.

5.4 Further updates will be provided as work on this review as it progresses.

6. RECOMMENDATION

6.1 It is recommended that the Panel note the report.