

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

Date: 23 March 2018

Reporting Officer: Sandra Stewart - Director of Pensions
Emma Mayall - Pensions Policy Manager

Subject : **PENSIONS ADMINISTRATION UPDATE**

Report Summary: This report provides a summary of the work of the administration section over the last twelve months and the key tasks planned for the next year. In particular, it covers:

- Achievements and key initiatives
- Analysis and statistics
- Future objectives

Recommendation(s): That the Panel note the report and the intention to attain PASA Accreditation which is the gold standard for high-quality pensions administration within the next 6 months.

**Financial Implications:
(Authorised by the Section 151 Officer)** One of the key objectives of the administration section is to provide value for money, delivering a service that is both meeting its member's needs and its legal obligations whilst doing so in an efficient and cost-effective way.


**Legal Implications:
(Authorised by the Solicitor to the Fund)** Whilst striving to deliver a value for money service, GMPF must ensure compliance with the LGPS regulations and other relevant statutory guidance. It must also have regard to The Pension Regulator's Code of Practice and guidance.

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 of the Pensions Administration section over the last twelve months.
- 1.2 Analysis and statistics of the Fund's membership and its employers is provided, along with details of the section's performance levels.
- 1.3 The report also confirms the key objectives set for the next twelve months.

2. ACHIEVEMENTS OVER THE LAST TWELVE MONTHS AND KEY INITIATIVES

- 2.1 Over the last twelve months, the Administration section has completed a number of projects and begun a number of key initiatives to ensure GMPF delivers a modern, efficient and value for money administration service. These are summarised in the table below:

PROJECT INITIATIVE /	COMMENTS
First Bus Transfer	The administration part of this project, which involved transferring the benefits of over 5000 members from the West Yorkshire Pension Fund and South Yorkshire Pensions Authority to GMPF, was completed successfully and on time. All new pensioner members were paid by GMPF for the first time in November 2017 and data cleansing was carried out on all records to ensure accuracy and compliance by March 2018.
Guaranteed Minimum Pension Reconciliation	Work on this large-scale project continues and is on course to be completed by the December 2018 deadline. This project involves reconciling over 253,000 data mismatches generated by comparing the Guaranteed Minimum Pension (GMP) data held by HMRC against GMPF's own records. Phase 1 of this project was completed at the end of February 2018, with work on phase 2 now commencing.
Year-end processes and the move to monthly returns	A number of improvements to the year-end pay and contribution returns exercise were made last year, including the application of a new escalation process and holding training webinars for employers. Development work has continued and further improvements have been put in place ready for 2017/18 year-end. In addition, discussions with the service's main software provider around electronic data transfer have continued and developments are planned that will enable GMPF to receive monthly returns from employers in the near future. This will be a key project for the section over the next twelve months.
Employer support	Support for employers has continued to increase and regular meetings or conference calls have been held with all large employers including all ten Local Authorities and the National Probation Service. Monthly bulletins continue to be issued by e-mail every month to provide employers with key information, reminders and updates on pension matters and an employer focus group was held earlier in the year that has helped to inform all aspects of employer support work.
Business continuity plan and disaster recovery provision	Work began in the autumn to revise the Fund's disaster recovery provision, in conjunction with Tameside MBC IT department. Options to ensure the Fund's IT infrastructure is hosted on modern and resilient platforms located in a high specification data centre are currently being explored.
TPR and Data cleansing	Work to ensure that GMPF meets the requirements of The Pensions Regulator (TPR) Code of Practice has continued. A new project was established in January 2018 to review all aspects of TPR compliance

	and explore new areas for improvement. In addition, GMPF has been working with colleagues at South Yorkshire Pension Authority to improve our methods of data cleansing, and with its main software provider to produce standard common and conditional data quality reports, the output of which can be reported to TPR annually.
Member communication	The Fund has continued to provide face-to-face support to members through holding regular roadshows, seminars held in conjunction with one of its partners, Prudential, and through its key stakeholder event 'Shaping Your Future' conference held in October. Feedback for all of these events was very positive and all have been very well attended. A Helpline service, member's website and Twitter feed continue to provide members with informative and topical information, alongside responding to individual member queries. Annual Benefit Statements and Pensions Savings Statements were issued on time. Work on developing a three-year communications strategy has also been undertaken.
GDPR	General Data Protection Regulations (GDPR) will come into effect in May 2018. Work to ensure the Fund is compliant is well underway, with all staff having received training and all processes being data mapped. Work will continue throughout the year to ensure steps are taken to further improve compliance and minimise risk.
Staff training and development	A staff training and development project was successfully completed ensuring that all induction, training and future progression plans were in place for all administration staff. All Managers have completed the Tameside MBC STRIVE leadership course. All Team Leaders and Senior Pensions Officers either have completed or are scheduled to attend, the STRIVE Aspiring Leaders course. Officers have also been working with the Fund's main software supplier on the development of on-line training modules. Finally, a Star awards recognition initiative is being put together to recognise and reward staff and teams that go 'above and beyond' when delivering the service.

Pensions Administration Standards Association (PASA) accreditation

- 2.2 The Pensions Regulator and the Department for Work and Pensions (DWP) have both identified that good administration can be demonstrated by independent accreditation. PASA Accreditation recognises the organisations in our industry who have evidenced compliance with the PASA Standards.
- 2.3 Attaining PASA Accreditation is the gold standard for high-quality pensions administration.
- As a PASA Accredited organisation we will:
- Achieve public recognition of the quality of our operation and our commitment to continuous improvement;
 - Gain a means to help trustees and clients discharge their fiduciary responsibilities, by "locking-in" to a recognised and credible framework;
 - Demonstrate that the performance and capabilities of our administration service are in line with those of the highest-quality organisations providing pensions administration services;
 - Differentiate yourself in the market and for our employers and members;
 - Build a high-performing pensions administration team through the PASA framework and guidance.
- 2.4 Officers are currently liaising with colleagues at PASA, an organisation that exists to promote and improve the quality of pension administration services for UK pension schemes.

2.5 PASA introduced an independently assessed accreditation programme to recognise high standards of administration and GMPF will be working with PASA over the coming months in order to attain this accreditation.

3. MEMBERSHIP, EMPLOYER AND PERFORMANCE ANALYSIS AND STATISTICS

3.1 Detailed analysis of the Fund's membership profile, employer profile and administration performance levels are provided in **Appendix 1**.

3.2 Overall, membership of the Fund continues to grow. The trends in membership levels seen in recent years also continues as anticipated, with auto-enrolment having an impact of the number of contributing members, and the First Bus Transfer leading to a slightly higher than expected increase in the number of pensioners.

3.3 The number of new employers also continues to increase in line with that seen in recent years, with the majority of admissions being due to schools converting to academies.

3.4 Administration performance has also continued to improve, with the measurements against 28 key performance indicators improving for over half compared to the figures for the previous year.

3.5 Workloads from month to month can be volatile and the teams have excelled at agile working and collaboration in order to effectively deal with changes in volume. Temporary and flexible 'Data Quality Teams' have been used successfully to undertake one-off project workloads, such as those generated by the First Bus transfers and the GMP reconciliation project.

4. FUTURE OBJECTIVES

4.1 The key business plan objectives outlined below have been set for 2018/19 in order to reflect the work GMPF is doing to improve and transform how it delivers services to its members and other stakeholders.

SUMMARY TITLE	OBJECTIVES
Structure review and staff engagement	To review and revise the structure of the administration section to ensure it is best placed to manage current and anticipated future workloads and projects. In addition, to ensure that all members of the team are fully engaged to deliver the best possible service.
Employer support	To improve the support provided to all fund employers, including improved communication, training, website and reference material and exchange of information
Member communication	To improve and develop our communication methods and increase our use of on-line tools (such as MSS and on-line videos)
Altair developments and workflow reform	To maximise use of the Altair administration system, to ensure processes are as efficient as possible and enabling an excellent service to be provided to members. In addition, to review and reform the use of Altair workflow, to take advantage of system developments and improve management data output.

Move to monthly pay and contribution returns	To investigate a switch from receiving annual pay and contribution returns from employers to receiving them monthly, with a view to implementing this at some point in the future.
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4.2 A number of existing projects will continue into 2018/19, including the following key projects that are currently underway:-

- GDPR
- Disaster Recovery and Business Continuity Planning
- The Pensions Regulator and data quality
- GMP Reconciliation

4.3 In addition, the following three new projects will be established:-

- 2018 Year-end processing
- Preparation for the 2019 Valuation
- Tax and Pension Savings Statements

5. CONCLUSION

5.1 A number of key projects and initiatives have been completed successfully over the last twelve months. Several other projects are underway and will be completed over the next twelve months.

5.2 GMPF will be working towards obtaining PASA accreditation over the coming months in order to gain independent recognition for its high standards of administration.

5.3 Membership and employer levels both continue to grow in line with expectations.

5.4 Overall, administration performance continues to improve and this is reflected in the analysis against 28 key performance indicators.

5.5 Business planning objectives have been set for the next twelve months with the aim of further improving and transforming GMPF's administration services.

6. RECOMMENDATION

6.1 As set out at the front of the report..