

GREATER MANCHESTER PENSION FUND - ADMINISTRATION, EMPLOYER FUNDING AND VIABILITY WORKING GROUP

14 April 2023

Commenced: 11:00

Terminated: 12:00

Present: Councillors North (Chair), Andrews, Butt, Cowen, Cunliffe Drennan, Jabbar, Patrick and Ricci,

Mr Llewellyn, Flatley and Drury

In Attendance: Sandra Stewart Director of Pensions
Emma Mayall Assistant Director of Pensions (Pensions Administration)
Victoria Plackett Head of Pensions Administration
Joanne Littlejohn Employer Services Strategic Lead
Georgia Ryan Developments & Technologies Strategic Lead

Apologies for Absence: Councillor Grimshaw, Massey, Taylor, Quinn and Ryan

Ms Blackburn

Fund Observers John Pantall and John Taylor

31 DECLARATIONS OF INTEREST

There were no declarations of interest.

32 MINUTES

The minutes of the Administration, Employer Funding and Viability Working Group 20 January 2023 were approved as a correct record.

33 ADMINISTRATION STRATEGIC SERVICE UPDATE

Consideration was given to a report of the Director of Pensions / Assistant Director for Administration. The report provided the Working Group with a summary of the strategic improvement administration projects or areas that were being worked on by the Administration, Funding and Accountancy teams.

The Assistant Director for Administration detailed the progress on key strategic business plan items. Work to enhance the functionality and usability of My Pension online continued. Currently, officers were focused on updating the retirement process for contributing members. Work on this project continued to go well and the improved functionality would be rolled out to more processes over the coming months.

Work on the 2022 valuation was now complete, with the Fund's Actuary having issued the Valuation reports and rates and adjustments certificate. This project was therefore now complete. Work on all IT projects continued to go well. Further improvements to the disaster recovery and back up arrangements had been made recently, with work also having progressed on the project to improve cyber security resilience and controls.

The regulations and guidance on McCloud were still awaited. The Government's response to their consultation in 2020 appeared to have been further delayed but was expected imminently. This was

expected to be followed by a consultation on draft regulations, with regulations being made before the summer recess in 2023. This would be very close to the expected implementation date of 1 October 2023. This was likely to create some issues as there would be no opportunity to make pension system amendments in this timeframe. Therefore, manual calculations and amendments were likely depending on the content of the regulations. This project would be a key focus for officers for the next twelve months and beyond once the implications of the final regulations were fully known and understood.

In regard to the Administration Work and Performance, a performance dashboard for quarter 2 (October to December 2022) could be found attached at Appendix 1. Overall, levels of casework and performance against turnaround targets remained relatively consistent. Performance levels remained high and work on projects that support improving the service provided to members had continued.

It was explained that although call and email contact and response times were as expected during the quarter, the figures since January 2023 had been higher than expected and the Customer Services team had struggled to deal with the calls and requests received. Officers had been looking into the issues and at possible solutions and more work on this area would follow in the coming weeks. These issues would be reflected in the statistic for the next quarter.

As covered at the March 2023 Management Panel meeting, there remained several challenges with the work to finalise the accounts for 2021/22. Work was now underway on the project to produce the annual report and account for 2022/23. A year-end closure timetable was in place, and the GMPF Accountancy team was working toward completing the accounts by the end of June with a full draft set of financial statements to be available in the third week of June 2023.

In regard to the compliance with the pension regulators code of practice. It was reported that TPR had recently issued communications confirming that the single code would now be called the General Code of Practice and was likely to be published mid-April 2023. There were no areas of concern to highlight at present. However, TPR had confirmed that the new General Code would differ somewhat to the initial consultation and therefore detailed compliance work would need to be undertaken once the new Code was available.

On the 2 March 2023, the Department for Work and Pensions announced plans for a 'reset' of the Pensions Dashboards Programme, with a further update on the plan for the delivery of pensions dashboards expected before summer recess. It was believed under the 'reset' the framework for dashboards would remain unchanged, although DWP would legislate to provide new connection deadlines and further information on the revised timeline would be made available following an agreement on PDP's updated delivery plan. Officers would continue to monitor the progress of this project closely and consider the impact of the delays on GMPF's dashboard project and resource plans.

One of GMPF's business plan objectives was to work to achieve PASA accreditation. PASA is the Pensions Administration Standards Association and aims to promote and improve the quality of pension's administration services for UK pension schemes. GMPF is already a member of PASA.

Hymans Robertson was supporting the GMPF team with this process by providing project management support. Initial project meetings were held in August and September 2022 and a project management structure was now in place and a gap analysis exercise had been carried out. From this, several work streams had been identified and work was carried out last quarter on identifying all the actions that need to be undertaken. A project highlight report showing high level progress made so far was attached at **Appendix 2**. Originally, the aim had been to try to achieve accreditation by October 2023. However, based on current progress and evaluation of the further work that needs to be undertaken, this has been revised to February 2024.

As reported at the last meeting, a small number of GMPF employers had recently been reviewing their pension provisions and as a result, two GMPF employers had exited the Fund in the last quarter. These employers did not have a guarantor and were not part of an actuarial pool, and

therefore were considered high-risk employers within the Fund. There were also a small number of other employers within the Fund who were currently in the process of reviewing their pension provision and had sought to engage with GMPF on this matter.

Over the last quarter, officers had been reviewing and updating the trustee training policy and creating a new trustee training plan for 2023/24. In the coming weeks, updates would be made to the Governance area of the GMPF website and work would begin on creating new trustee training events to reflect the changes agreed.

RECOMMENDED

That the report be noted.

34 ADMINISTRATION MEMBER SERVICES UPDATE

Consideration was given to a report of the Director of Pensions / Head of Pensions Administration. The report provided the Working Group with a summary of the work and projects being carried out by the Member Services section of Pensions Administration.

It was reported that work had commenced on producing Annual Benefit Statements for 2023 for both contributing members and members with benefits on hold. The statement artwork had now been reviewed and the next stage of the process, to extract the data needed to populate the statements, was underway. Statements for members with benefits on hold would be processed first and uploaded to My Pension accounts by 31 May 2023. Members who had requested paper communications would also receive their Annual Benefits Statement by this date.

It was explained that 'Scheme pays' was a mechanism by which the annual allowance tax charge could be paid by a pension scheme, rather than by the member personally. A tax charge could arise when the annual allowance limit was exceeded. A member could choose to use the scheme pays option, which reduced their future pension entitlement, rather than pay the charge directly to HMRC. Over the last quarter, in the lead up to the voluntary scheme pays deadline of 31 January 2023, 70 scheme pays requests were received from members who had exceeded their annual allowance. These were all processed by the deadline and the details sent to HMRC.

The project to move processes online continued to progress. Work was underway to improve the online process for contributing members who retire.

A key project during the next quarter will be to test and implement bulk processing for members with benefits on hold who leave with different leaving dates (for post 2014 joiners only). This would bring significant efficiencies for the team. The Leaving Members team would continue to work with colleagues across the office to test this new facility.

The 2023 National Fraud Initiative exercise had now begun. This was a bi-annual exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. The exercise was run by the Cabinet Office and was led and coordinated internally by the Tameside MBC Internal Audit team. Reports were received and checks were undertaken to establish if payments were being made in error. The results of this work would be presented to a future meeting.

In regard to pension overpayment recovery, Appendix 1a provided details of all pension overpayment cases reviewed in quarter 3. Confirmation of the total pension overpayment amounts attempting to be recovered as of 28 February 2023 could be found attached at Appendix 1b.

In addition to measuring the performance using key performance indicators, GMPF issues surveys to members to obtain a view of member experience for several key processes. Two surveys were carried out in quarter 3 and the results were subsequently reviewed by the Complaints and Issues Board. Appendices 2a and 2b provided details of the questions asked in the surveys and show the responses received from members. All subsequent actions identified were added to a surveys

action plan, a copy of which was provided at Appendix 2c.

The Working Group were advised that the new retirement process for contributing members, which was due to go live in the next quarter, would take into consideration the feedback provided from the survey detailed in Appendix 2b. Further changes would be made in the coming months after feedback from the next surveys was received.

RECOMMENDED

That the report be noted.

35 ADMINISTRATION EMPLOYER SERVICES UPDATE

Consideration was given to a report of the Director of Pensions / Head of Pensions Administration. The report provided the Working Group with a summary of the work and projects being carried out by the Employer Services area of Pension Administration.

It was reported that there continued to be a significant number of employers applying to join GMPF, with 45 cases currently being progressed. Within these, there were nine employers who could need to apply for admitted body status, however application forms had not yet been received. Work was ongoing with these employers. The team continued to monitor schools that were looking to convert to academy status. There were currently 60 schools considering conversion. There were also nine possible free schools to be created in the Greater Manchester region. A list of all applications ongoing and those applications agreed or closed over the last quarter was attached at Appendix 1. GMPF had admitted 15 employers since the last Working Group meeting, eight of which had backdated effective dates prior to 1 April 2022

A review of the admissions procedure was currently underway to ensure processes were as efficient as possible and employers were admitted more promptly to the Fund going forward.

In regard to monthly data collection, the Employer Data team supported all employers to submit their monthly data return correctly and on time. The number of submissions received on time had been improving each month, with 88 per cent of employers meeting the deadline in January 2023. Work was ongoing with those employers who are not submitting their data on time to provide them with the necessary support to achieve the deadline. The table in Section 1 of the attached **Appendix 2** showed local authority monthly data submission performance from March 2022 to February 2023.

It was explained that it was important that all data submissions were accurate and on time. However, this was particularly important for the March monthly submission as the data provided was used in the Annual Benefit Statements and the Pension Savings Statements for members. A year-end plan was in place to ensure employers understand this, were engaged and fully aware of the data they needed to supply and the deadlines they needed to achieve. Tasks undertaken by GMPF had included issuing a year-end newsletter and providing online training for all employers to attend or watch on demand. The training sessions were attended by 150 individual employer representatives from 78 employers, and a communication was sent to all employers who did not attend advising them to watch the session prior to submitting their March 2023 return.

An improvement project had also begun this quarter to look at how the accuracy of the monthly data received could be improved further and at the efficiencies that could be made to the processes for collecting and reconciling monthly payments. This project forms part of the overarching data improvement work.

It was reported that in regard to data collection for McCloud, although the regulations were still awaited, the team had been working for some time on finding a solution for identifying the missing data needed and for adding this to member records. The Employer Services teams were responsible for undertaking this part of the McCloud project and for ensuring data accuracy was maintained throughout. Communications had been sent to all employers to inform them that the

data collection and verification part of this project was about to commence and to warn them that they would need to conduct some data checks and provide missing data. This work would begin in April 2023.

The Working Group was advised that an indication of the performance of GMPF's larger employers was gained by recording data about the timeliness of new starter and early leaver information, and the number and age of queries that are outstanding with those employers. This data was provided to all local authorities, the Chief Constable of Greater Manchester, and the National Probation Service monthly. Performance data was available in Sections 2, 3 and 4 of the attached **Appendix 2**.

The team was currently producing detailed information for local authorities about their performance. The Year in Review document was first produced for the 2021/22 year and was well received. Issuing these reports was now an annual exercise and the team is looking to expand the number of employers that they provide these reports to, starting with the larger non local authority employers.

The timeliness of contribution payments and other employer debts, such as those relating to the costs associated with early retirements, was also collated. The current position relating to employer debt could be found in the attached **Appendix 3**.

The Employer Liaison team had scheduled quarterly meetings for the 2023 year with all local authorities, the Chief Constable of Greater Manchester, and the National Probation Service. A review of the format of these meetings was in progress to ensure they remained beneficial to both parties. It was mentioned at the last working group meeting that the team had commenced six monthly guided inductions with new employers to ensure that they are fully aware of their obligations. This process included providing support, training, and guidance. This offer had now been extended to employers who were taking on new contracts with GMPF, employers who were failing to meet expected performance levels, and those employers who have had a large turnover of staff.

Employer training on ill health, discretions, pensionable pay, retirements, leavers, topping up benefits and the Altair pensions administration software was all now available to employers. Additional training was held this quarter to assist employers with understanding the importance of their March data submission. So far, 623 employer representatives had attended one or more of the training events since the training events programme began.

The iConnect system, which was used to collect monthly data, was introduced in 2018 and a significant amount of work had been undertaken by the Employer Data team since then to support all employers to use it successfully. The challenge for the team now was to review and improve the processes, and to ensure all employers and GMPF could reap the full benefits of the system. The GMPF team would be working with other LGPS funds who use the iConnect system in the coming months to identify and develop learning opportunities.

RECOMMENDED

That the report be noted.

36 ADMINISTRATION COMMUNICATIONS & ENGAGEMENT UPDATE

Consideration was given to a report of the Director of Pensions/Assistant Director for Administration. The report provided the Working Group with a summary of the work and projects being carried out by the Communications & Engagement area of Pensions Administration.

The Customer Services and Communications dashboard was attached at **Appendix 1**. This dashboard provided long-term statistics about general engagement from April to December on page 1, with other statistics for quarter 3 (October to December 2022) on the remaining pages.

It was reported that call and email volumes reduced through the quarter, as was usual at that time of

year as Christmas approaches. A steep increase in queries normally followed at the start of the new year, and this was the case in January 2023. However, demand had remained high, and coupled with resource issues on the team, this had resulted in much longer than normal wait times and high numbers of abandoned calls.

This would be reflected in the dashboard for quarter 4 that would be available at the next meeting. These challenges were being addressed and steps were being taken to review team processes, arrange regular support from other teams, and to recruit additional Customer Service officers to increase team size and resilience. Service levels were not currently at an acceptable level; however, it was expected that levels would improve once these developments and changes were made.

The GMPF Complaints and Issues Board met each month to review all complaints, suggestions, compliments, and disputes received. Dashboards containing feedback and further actions for October, November, and December 2022 were provided in **Appendix 2**. In this three-month period, there were 13 compliments and 10 complaints received. The compliments were largely about helpfulness and efficiency of pensions office colleagues. The complaints were varied and included problems with logging out of My Pension, a suspended pension, and a member being unable to take a trivial commutation.

In regard to the email routing implementation, it was reported that the Customer Services contact centre system included a feature called email routing, which allowed member emails to be distributed to the team along with telephone calls. This feature had been used since April 2022 to manage emails received about My Pension. Work had been underway since then to use this feature to manage all email subject types that were received. By doing this, the team would be able to better monitor incoming emails and response times. The work was almost finished with final preparations being done to internal team processes before going live.

The Working Group was advised that member registrations for My Pension continued to increase steadily each month. Current statistics on the number of members signed up to My Pension and the number of members who had opted for paper communications could be found in the dashboard in **Appendix 3**. A promotional postcard, aimed at encouraging members with benefits on hold to register for My Pension was sent out during January, February, and March 2023. This postcard was sent to members aged 50 to 59. Out of the 2965 postcards sent out in the first two months, 149 recipients had since registered.

It was reported that a new 'You said, so we did' webpage had been added to the employer area of the website. This webpage highlighted where employers have provided feedback and allowed the team to demonstrate the changes made based on that feedback. It was hoped that by highlighting these changes it would encourage more feedback from employers and help GMPF to provide a better service.

The Communications and Engagement service had a written strategy document that set out how GMPF aims to communicate and engage with its stakeholders and that sets specific objectives to be achieved as part of business planning processes.

Objectives in the previous Communications and Engagement Strategy were established up to the end of March 2023. Therefore, a new strategy had been produced to incorporate the projects planned for the next two years. The updated strategy was available to view in **Appendix 4**.

RECOMMENDED

That the content of the report be noted and the new Communications & Engagement Strategy be approved.

37 ADMINISTRATION DEVELOPMENTS & TECHNOLOGIES UPDATE

Consideration was given to a report of the Director of Pensions/Assistant Director for

Administration. The report provided the Working Group with a summary of the work and projects being carried out by the Developments & Technologies section of Pensions Administration.

It was reported that at the start of the year, work was undertaken to migrate all remaining data, systems, and services from an outdated physical server to a new server. This work was carried out in full, with minimal disruption, and the risks associated with system down time and data loss had now reduced.

The IT platform that the GMPF website was built on will be reaching end of life later this year, and so a new platform needs to be sourced and the website content migrated to the new platform. Officers were working with colleagues from the Tameside MBC IT team to scope and plan the migration to the new platform. This work would be undertaken in the summer, with the associated costs of this work already accounted for in the budget.

As reported in January 2023, the audio-visual requirements for the Conference Room were more complex and consultancy support had been procured to assist with this work. This work was due to be completed in the coming weeks. The equipment and resources will then be procured, and the new solution installed in quarters 1 and 2 of 2023/24.

The team had also been focusing on the implementation of a new software product that would support all colleagues with their personal development. The cloud-based system was designed to empower staff to take control of their own personal development, increasing engagement and supporting succession planning. The team had been working with the software provider to conduct the necessary cyber security checks and complete data protection impact assessments. The next steps of this project would include testing, roll-out and training, which would all be undertaken in the coming weeks.

In regards to the McCloud project the Systems Development team was responsible for leading GMPF's McCloud project, and for coordinating all tasks that need to be undertaken. The tasks undertaken this quarter had focused on the data collection aspect of the project. Over the last quarter, the project team had been working to determine which member records need to be checked against employer payroll records. An analysis of the options available for conducting the data checks had been undertaken to make sure that the approach taken was secure, manageable, and appropriate for both the Fund and its employers.

The Employer Services section would be coordinating the work needed to collect and verify data with employers, and more details about this work was provided in the Employer Services update report.

This was a large project, with over 600 files of data needing to be prepared and sent to the relevant employers. Returned files would then need to be checked and member records updated. For large employers especially, this would also be a challenging task, and the team would be looking for ways to support them as the work progresses. Input will also be needed from the Internal Audit team, to provide assurance that the approach is appropriate and robust. Further updates on the progress of this project would be provided each quarter as the work progresses.

On compliance activities, it was reported that the Government's recent spring budget introduced changes relating to the annual allowance and lifetime allowance pension. Officers would be evaluating the impact of these changes and reviewing all regulatory amendments to determine the impact on GMPF's procedures, and the changes needed to communications and system calculations.

The strategy for Developments and Technologies service was updated annually. It contained details of the key projects and work items that were to be undertaken during the next twelve months. Appendix 2 provided information about the objectives that had been set for the 2023/24 year. Updates on each of these objectives would be provided with each Working Group report throughout the year.

Members of the Working Group discussed the changes the Government made on the pension revaluation process. It was explained that when the LGPS became a career average scheme in April 2014, annual increases applied to a member's career average pension were applied on 1 April each year. The Department for Levelling Up, Housing and Communities recently changed this, with revaluation now to be applied from 6 April instead. This change sought to remove the impact of inflation on the annual allowance for all members, other than for those members whose benefits were in payment and any death grants relating to deferred and pensioner members who died in the period 1 to 5 April.

RECOMMENDED

That the contents of the report be noted.

38 URGENT ITEMS

There were no urgent items.

CHAIR