

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

Date: 15 September 2023

Reporting Officer: Sandra Stewart – Director of Pensions
Emma Mayall – Assistant Director for Administration

Subject: **PENSIONS ADMINISTRATION AND BENEFITS REVIEW**

Report Summary: This report provides a review of the work carried out by the Administration teams during 2022/23 together with information about the membership of the Fund as of 31 March 2023. It also provides an update on performance and engagement activities carried out in quarter 1.

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

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**

Background Papers:

APPENDIX 7A	Administration Key Statistics
APPENDIX 7B	Administration Performance

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. REVIEW OF THE WORK CARRIED OUT BY THE ADMINISTRATION TEAMS IN 2022/23

1.1 A summary of key statistics and information relating to Fund membership and administration work can be found at **Appendix A**.

1.2 The administration section has continued to adapt to change over the last twelve months. One of the main tasks undertaken during the year was to review the structure of the section and make amendments to it, so that the service is well placed to meet current and future expected demands. There has also been a significant focus in the last year on ensuring IT and system disaster recovery plans and cyber security plans are robust, to help mitigate against some of our most significant risks.

Membership and key statistics

1.3 The total number of pension accounts administered by GMPF has continued to increase, with 2022/23 seeing the largest annual increase when compared to the last five years. The total number of pension accounts administered as of 31 March 2023 was 417,961. The largest group of members is those with benefits on hold, so with a deferred pension, deferred refund, or those who had a choice between the two and who left their decision as undecided. This group makes up 37% of the total number of accounts. The next largest group is those who are in receipt of a pension, so members who have claimed their pension and those who are receiving a dependant's pension. This group is 34% of the total. The remainder are the contributors, making up 29%. 70% of members are female (across all membership types).

1.4 Most workload statistics have reverted to expected or slightly lower than expected levels after the disruption seen in 2020/21 and 2021/22 caused by the pandemic and related factors. However, 2022/23 saw a significant increase in new joiners, probably due to several large employers undertaking automatic re-enrolment. This has resulted in the number of contributing members of the Fund increasing overall. There has also been a significant increase in the number of members choosing to opt out and those choosing to participate in the 50/50 section of the Scheme, also likely to have been driven by auto re-enrolment.

1.5 Another area that saw a substantial increase compared to previous years was the number of calls being made to the Customer Services Helpline. It is not clear what the drivers for this were, although wider economic issues that caused pensions to be highlighted in the news was one of these, along with the success of our own newsletters and communications that appeared to increase engagement.

1.6 Voluntary retirement remains the most common reason for retirement, with 61 being the average age that a member begins to receive their pension. The retirement dates of 31 March, 31 August and 31 December continue to be the most popular for contributing members.

1.7 50% of the total contributing members in the Fund are employed by one of the ten Greater Manchester local authorities. 44% belong to other scheme employers, the majority of these being the National Probation Service and academy schools. Most GMPF employers have less than 99 members in the Scheme.

1.8 GMPF has now taken part in CEM administration benchmarking for three years, with both costs and service scores remaining generally consistent each year, and GMPF has been shown to be a high service, low-cost administrator when compared with its peer group.

Member Services

1.9 One of the key projects undertaken over the last few years has been to maximise the use and functionality of the online member portal, My Pension. Over the last year, the number of processes that members can access through their My Pension account has been expanded and new functionality has been adopted that greatly improves the experience for those members who are looking to bring their benefits on hold into payment.

- 1.10 Structural team changes have also been made in two of the sections within Member Services to improve the customer's experience and to ensure the teams are in the best position to deal with expected future workloads that will be generated from the McCloud and Pensions Dashboard projects.

Employer Services

- 1.11 The support programme for employers has been expanded over the last twelve months, with employers now being able to access more training and support on a wide range of topics. The team also worked closely with the Fund's largest employers to develop and issue their 'Year in Review' report, which provided feedback on how well the GMPF believed they were meeting their employing authority responsibilities.
- 1.12 There has also been a significant amount of work undertaken to encourage all employers to submit their monthly data returns accurately and on time, with new training events held for employers and additional data checking processes introduced on teams.

Communications & Engagement

- 1.13 Changes were made during the year that enabled all email and website contact to be redirected through the Fund's contact centre system. This improvement now means that emails as well as calls can be managed through the system, bringing efficiencies, and improving oversight.
- 1.14 The member newsletters issued were also very successful and created a lot of engagement. Member events continue to be well attended, and the events programme has been expanded to include new topics.

Developments & Technologies

- 1.15 Some of the largest projects undertaken during the year were linked to the development of the Fund's IT infrastructure and on enhancing its cyber resilience. This work was undertaken alongside several other projects aimed at optimising the benefits of using Microsoft 365.

Funding

- 1.16 The main funding related project undertaken and completed was that of the 2022 actuarial triennial valuation. All aspects of this project were completed on time, and all employers received their contribution rates for the next three years by 31 March 2023.

Risks and challenges

- 1.17 Some of the biggest challenges experienced during the year were caused by unpredictable workloads. Much higher than anticipated call volumes led to a reduction in service levels, and the team is continuing to work on solutions to build greater resilience in this area for the future. There have also been challenges caused by delays in the issue of regulations or guidance, including that for McCloud, the Pensions Dashboard, and the Pensions Regulator's General Code. All these delays have had an impact on plans and resources.
- 1.18 However, overall, the service is in a much stronger position than ever before. Many of the changes implemented have strengthened the team's resilience and standards of services, plus have created opportunities for further improvements and developments to be made. There are several significant projects on the horizon, and all the changes made over the last twelve months will put all teams in a good position to meet those challenges.

2. ADMINISTRATION PERFORMANCE AND ENGAGEMENT ACTIVITIES IN QUARTER 1

- 2.1 A performance dashboard for quarter 1 (April to June 2023) can be found at **Appendix B**.
- 2.2 Overall, levels of casework and performance against turnaround targets remain relatively consistent. Performance levels remain high and work on key projects remains either on track

or just with minor lags.

- 2.3 Improvements made to the workflow processes for deferred retirements during the quarter have affected the accuracy of the corresponding target analysis reports. Work to update and amend these reports is in progress and so updated statistics will follow. However, spot checks carried out on sample cases show there are no concerns regarding performance to highlight.
- 2.4 P60s and newsletters for pensioner members were issued in March and April. Annual benefit statements to those with benefits on hold were then issued in May. The first annual benefit statements for contributors were issued in June, with the remaining statements issued in July and August. All these communications have generated increased levels of member engagement, which is reflected in the call, email, and website statistics, and in the number of members attending an event.
- 2.5 The fact that members can now complete many processes themselves online through their own My Pension account continues to be reflected in the trend of increased registrations and usage statistics, with over 177,000 members now registered in total. Further My Pension promotion exercises are planned to get underway in the coming months.
- 2.6 There was an increase in complaints during the quarter, which correlates to the increase in communications issued and the increased demand on the Helpline. Six complaints related to issues members were having with accessing or using My Pension, and more than four complaints were about call wait times or where members mentioned that they had been unable to contact us by telephone for assistance. Four related to problems members had with completing their overseas member existence check and the others were all for various reasons, including some where members expressed that they were unhappy with delays or response times. The 10 compliments were received from nine members and one employer wanting to acknowledge either good customer service provided by GMPF colleagues or good response times. The suggestions received were generally in relation to improvements to correspondence, plus there was one linked to investments. All complaints, compliments and suggestions are reviewed monthly by the Director of Pensions and other members of the Complaints and Issues Board.
- 2.7 All member events continue to be popular and very well received. 13 online member events were held in quarter 1 with 629 members attending. The most popular events attended were the pre-retirement presentations and sessions for members wanting to find out how they could top up their benefits. 14 employer events were also held on the topics of McCloud, ill health, and pensionable pay, with 137 employer representatives attending one or more session.

3. RECOMMENDATION

- 3.1 It is recommended that the Panel notes the report.