

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

22 September 2023

Commenced: 11:00

Terminated: 12:20

Present: Councillor Fitzpatrick (Chair), Axford, Drennan, Grimshaw, North, Rehman and Ricci

Mr Llewellyn

Fund Observer Cllr John Taylor (Stockport)

In Attendance:

Sandra Stewart	Director of Pensions
Emma Mayall	Assistant Director of Pensions (Pensions Administration)
Paddy Dowdall	Assistant Director, Local Investment and Property
Victoria Plackett	Head of Pensions Administration
Joanne Littlejohn	Employer Services Strategic Lead
Georgia Ryan	Developments & Technologies Strategic Lead
Jane Wood	Member Services Strategic Lead

**Apologies for
Absence:** Councillors Billington, Martin, Ward and Lane

Mr Flatley and Ms Blackburn

9 DECLARATIONS OF INTEREST

There were no declarations of interest.

10 MINUTES

The minutes of the Administration, Employer Funding and Viability Working Group on 21 July 2023 were approved as a correct record.

11 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 worked on by the Administration, Funding and Accountancy teams.

The Assistant Director for Administration detailed the progress on key strategic business plan items. The regulations and guidance on McCloud were still awaited. However, internally, work had progressed on the system amendments and data capture aspects of this project. Data validation work with employers was underway. It was explained that recruitment for a Communications Team Manager with specific responsibility for customer experience was underway. In the meantime, regular weekly and monthly meetings had taken place which focussed on the feedback and statistics from surveys, telephone calls and website usage, and looked at what improvements could be made to the website and online processes.

The new Code of Practice (now to be called the General Code) had not yet been issued by the Pension's Regulator, but it was expected in the autumn. Officers had carried out a gap analysis against the draft code to identify any actions that might be needed to be undertaken in anticipation

of the new code being published in the coming months. It was explained that a report on the work undertaken was presented to the GMPF Local Pension Board.

It was reported that the release of the Annual Report and Accounts had been significantly delayed in recent years largely down to issues over the audit of GMPF and its administering authority, Tameside MBC. Officers continued to work hard with the external auditors to resolve problems that had delayed the issue of audit opinions and the publication of GMPF's annual report.

In regard to the Administration Work and Performance, a performance dashboard for quarter 1 (April to June 2023) was provided to Members in Appendix 2. Overall, it was reported that levels of casework and performance against turnaround targets remained relatively consistent. Performance levels remained high and work on key projects remained either on track or just with minor lags.

It was explained that the improvements that had been made to the workflow process for deferred retirements during the quarter had affected the accuracy of the corresponding analysis reports. Work to update and amend these reports was in progress and updated statistics would be provided to Members of the Working Group. Spot checks that were carried out on sample cases had shown that there were no concerns regarding performance.

Members were advised that 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 generated increased levels of member engagement. This was reflected in the call, email, and website statistics, and in the number of members at an event. It was explained that members could complete many processes themselves online through their own My Pension account. This was reflected in the trend of increased registrations and usage statistics, with over 177,000 members registered in total.

It was highlighted that complaints increased during this quarter, which correlated to the increased communications and the increased demand on the Helpline. Members were advised that six complaints were received which ranged from issues accessing or using My Pension and call wait times. However, it was explained that compliments received were from members wanting to acknowledge the good response times and customer service provided by GMPF colleagues.

All member events continued to be popular and very well received. 13 online member events were held in quarter 1 with 629 members in attendance. The most popular events attended were the pre-retirement presentations and sessions for members who wanted to find out how they could top up their benefits.

With regard to employer funding matters, it was explained that a small number of GMPF employers had reviewed their pension provisions. Officers continued to work with these employers and an update would be provided at future meetings.

RECOMMENDED

That the report be noted.

12 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 explained that the factors that were used daily to administer the LGPS were based on the SCAPE rate. Officers highlighted that the change to the SCAPE rate had meant that all public sector schemes had suspended nearly all cash equivalent transfer values until factors could be updated to account for the revised SCAPE rate. DLUHC published new factors on 1 June 2023. Officers summarised the impact of the change to the SCAPE rate and explained how that these

changes temporarily affected the service delivery to GMPF members.

It was reported that Annual Benefit Statements for contributing members had been produced, with all statements uploaded onto My Pension by the statutory deadline of 31 August 2023. Those who requested either paper communications or an alternative format also received their statement by this date. The annual exercise to issue Pensions Savings Statements for 2022/2023 was underway and was progressing well.

The project to move processes online so that members were able access documents and make decisions using their GMPF My Pension account continued to progress. New workflow was built and tested which ensured the process was fit for purpose. It was reported that this work was behind schedule due to issues found during testing but Members were assured that this was expected to be completed shortly.

Members were advised that the new bulk calculation process for members who leave the Scheme early was implemented in July 2023. Since 1 July 2023, 2,007 leaver notifications had been received through the monthly data submissions that employers send using the iConnect system. Of these, 393 were processed using the bulk calculator. Officers were pleased to report that this was a great efficiency for the Leaving Contributors Team with approximately 20% of leavers that had been processed using this new method. Work to increase this number would continue over the coming months.

In regard to member existence checks, Officers explained the methods used by pensioner members to complete their existence checks to date. It was reported that the process had been improved and members could now complete this check through their My Pension account and Members were pleased to hear that this option had proved to be the most popular option. There were 660 members who had not yet completed their existence check. Each received a reminder on 1 August 2023 and was asked to complete the exercise by 10 September 2023. GMPF would then start to suspend the pensions of those members who had not responded by this date. A further progress update on this work would be provided at the next meeting.

Members of the Working Group were advised that possible deceased members were identified through the National Fraud Initiative (NFI). The exercise was run by the Cabinet Office, and was led, and coordinated internally by the Tameside MBC Internal Audit team. Reports were received by GMPF, and checks were undertaken to establish if payments were being made in error. Officers summarised the notifications on the NFI reports for notifications of death.

In regard to pension overpayment recovery, Appendix 1a provided details of all pension overpayment cases reviewed in quarter 1 where the amounts were deemed as unrecoverable for the Working Group to review and approve. Confirmation of the total pension overpayment amounts attempting to be recovered as of 30 June 2023 were appended to the report at Appendix 1b.

In regard to member feedback, it was reported that four surveys were carried out in quarter 4 and the results were subsequently reviewed by the Complaints and Issues Board. Details of the surveys and responses received from these members were provided to Members in appendices 2a to 2d. All subsequent actions identified were added to a surveys action plan, a copy of which was appended to the report at appendix 2e.

In summary, Members were advised that feedback from members who attempted to download and upload forms to and from their My Pension account showed that many members found this difficult or challenging. Members were assured that the team would continue to look for alternative ways to make processes easier for members wherever possible.

RECOMMENDED

That the report be noted and review the recommendations for the pension overpayment cases detailed in appendix 1 of the report.

13 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.

Members were advised that the Pensions Administration Strategy was a key document that provided clarity on the roles and responsibilities of GMPF and its employers. It was explained that the Pensions Administration Strategy was reviewed and updated annually or more often if required. It was reviewed and updated this quarter and was attached to the report at appendix 1. A small number of revisions had been made to the strategy, which provided further clarity in respect of performance targets as well as enhancements to some of the escalation timescales in place. A list of the amendments that were made to the strategy was provided at appendix 2. No material changes were made to any policies or matters contained in the strategy, so in line with Regulation 59 of the LGPS 2013, a consultation process with employers was not required.

It was reported that there continued to be a steady number of employers who had applied to join GMPF, with 43 admission cases that were progressed over the quarter. Within these, there were seventeen employers who needed to apply for admitted body status but where application forms had not yet been received. Work was ongoing with these employers. The team continued to monitor schools that looked to convert to academy status. There were currently 51 schools that are considering conversion. There were also ten 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 3. GMPF had admitted 15 employers since the last Working Group meeting, three of which had backdated effective dates prior to 1 April 2022. A review of the admissions procedure was undertaken and new processes were introduced. As part of the review, expected timescales for each stage of the admission process had been determined and strict escalation procedures were imposed where necessary.

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 remained consistent with 80% of employers meeting the deadline in June 2023. Officers had undertaken an exercise that identified employers that regularly submit their iConnect returns late and a notice of non-compliance was issued to these employers. The notice outlined the employer's responsibilities as stated in the Pension Administration Strategy and GMPF's ability to issue financial penalties to employers who failed to achieve the required standards. This exercise was a collaborative piece of work with the Pension Fund Accountancy team and included the late payment of pension contributions. Further details in respect of this work would be provided at the next meeting. The table in section 1 of the attached appendix 4 showed local authority monthly data submission performance from July 2022 to June 2023.

As reported at the last meeting, various tasks were undertaken to check data quality as part of year end work and approximately 6000 member data queries were raised with employers, where the information provided on their March 2023 submission did not look correct or was significantly higher or lower than previous years. Responses were received from all employers and the Employer Data team had amended the member data where necessary. This work had resulted in Annual Benefit Statements being issued to all members significantly in advance of the required statutory deadline of the 31 August 2023.

Officers from the Employer Data team continued to work to improve the processes for collecting and reconciling monthly payments. A payment and data reconciliation exercise was undertaken which determined the percentage of employers where the information provided on their iConnect file reconciled to the contribution payment made. Initial findings indicated this percentage to be approximately 81%. Further work was therefore required to understand why figures did not reconcile for the remaining 19% of employers. Further information in respect of this project would be brought to future meetings.

In regard to data collection for McCloud, it was reported that the Government was expected to issue

amendments in the autumn which removed discrimination that was introduced into the regulations in 2014, known as the McCloud remedy. To facilitate this, all LGPS funds were required to verify that they held correct data for the members affected. It was reported at the last meeting that the data collection and verification process had been paused due to an issue with the data extract and that a resolution was being worked on in collaboration with the software provider. Officers were pleased to report that this issue had been rectified, and the project team had begun to create new data files. As part of the process, the Employer Services team in conjunction with the Systems Development team looked to deliver some McCloud information sessions for employers. These sessions provided background information about the McCloud remedy and explained what is required from employers. These sessions were offered to employers when their data extract was sent to them.

Members were advised that employer engagement and support were a key focus of the Employer Liaison team. Quarterly meetings were held with all local authorities, the Chief Constable of Greater Manchester, and the National Probation Service, which discussed performance and any key issues that either the employer or the Fund had. An update in respect of the McCloud project was also provided at these employer meetings. GMPF continued to issue a survey to employers each quarter, which covered a variety of topics to enable satisfaction to be measured. The latest survey gained employers views on the iConnect system. The results of the survey had been analysed and a summary of the online survey results was attached at appendix 5a, and the CSV results were attached at appendix 5b. It was reported that an action plan was in the process of being drawn up which addressed any areas for improvement raised within the survey.

It was reported that the Employer Liaison team held a focus group in August 2023 for employers to discuss the Year in Review exercise. The focus group was facilitated by officers from the Employer Liaison team and representatives from the Employer Data team were also in attendance. The focus group was attended by ten employer representatives. The focus group was well received, and employers actively engaged in discussion. It resulted in good practice and standard documentation shared between employers. The next focus group was scheduled for 4 September 2023.

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. It was reported that 804 employer representatives had attended one or more of our training events since the training events programme began. Pensions tax training for employers had been made available from July 2023 and was attended by 44 employer representatives. The review of the current training provision was underway and Members were assured that GMPF offered bespoke sessions to employers who had experienced difficulties or required further information in a specific area.

Members were advised that the Year in Review focus group has been particularly successful and well received by employers. This facilitated interesting discussion between employers and the sharing of good practice. This idea would be further developed to include other focus group topics, such as on iConnect. Officers were pleased to report that all employers were able to use the iConnect system for submitting their contribution data monthly. Achieving this had been hugely successful, however the challenge now for the Employer Data team was to improve and streamline the processes to make the submission process more efficient and to enhance the employer experience. Several system improvements had recently been made to the iConnect System that needed to be tested and implemented.

RECOMMENDED

That the report be noted.

14 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 June 2023 on page 1, with other statistics for quarter 1 (April to June 2023) on the remaining pages.

It was reported that high call volumes coupled with resource issues on the Customer Services team had resulted in much longer than normal wait times and high numbers of abandoned calls. These challenges were 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 service levels would improve once these developments and changes were embedded.

The GMPF Complaints and Issues Board met each month and reviewed all complaints, suggestions, compliments, and disputes received. Dashboards that contained feedback and further actions for April, May and June 2023 were provided in Appendix 2. In this three-month period, there were ten compliments and 29 complaints received. The compliments were largely about helpfulness and efficiency of pensions office colleagues. The complaints were varied and included problems registering for My Pension, call wait times and the overseas pensioner verification process.

Members of the Working Group were advised that member registrations for My Pension increased steadily each month. Current statistics on the number of members signed up to My Pension and the number of members who have opted for paper communications was included in the dashboard in appendix 3.

In regard to website updates, information about the 2023 Annual Benefit Statements were added to the GMPF website with several frequently asked questions covered. The overseas pensioner verification section of the website had been updated and ensured that the process was explained clearly. The layout of the webpage had also been revised and additional information had been added, which provided more detail to members about how to complete the verification process.

Members were advised that pensioner member newsletters were issued throughout April 2023. The newsletter included a notification that P60s were available to view online. Benefit on hold members received their Annual Benefit Statement throughout May 2023. Members were notified about their statement in a newsletter, which included articles on how to avoid pension scams. The newsletter had been sent to 53,107 members by email and to 2,166 members by post.

It was explained that several improvements had been implemented to help the Customer Services team deal with high call and email volumes. Improvements to the telephony software and team training was going well and a new Customer Services Officer had been recruited. Changes were made to several processes which ensured that members received additional progress update emails at certain steps, which improved the customer experience and reducing calls. Details of further improvements would be included in future Working Group reports.

RECOMMENDED

That the report be noted.

15 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 over the last quarter, officers had worked on two projects to develop IT hardware and software. Following completion of an appropriate design for the audio-visual solution for the conference room, an invitation to tender had been published to seek bids from suppliers interested in the supply, installation and maintenance of the required equipment. Interested suppliers needed to submit their bids by mid-September. It was expected that the installation work would be completed before the end of the calendar year.

The Working Group were asked to refer to the Cyber Security Policy document and Cyber Security Strategy document included in appendix 2 and 3 of the report. The Strategic Lead for Developments and Technologies then presented before Members of the Working Group with regards to cyber security and data loss prevention. It was reported that GMPF continued to monitor all attempted cyber-attacks. Statistics for quarter 1 (April to June 2023) and other cyber related updates were appended to the report at appendix 1. It was explained that a significant amount of work had been done to increase the cyber resilience of the Fund and to satisfy the requirements of the Pension Regulator.

Members were advised that a cyber-security audit was conducted in August 2021 by Salford Internal Audit Services on behalf of the Tameside MBC's Internal Audit team. This exercise and the continued work of officers since it was undertaken, had assisted GMPF with understanding and quantifying the risks. Several protection mechanisms had been put in place and a programme of work which increased cyber risk awareness among colleagues was undertaken. Regular communications which encouraged vigilance, updates on current threat patterns and workforce phishing tests were all been put in place. While officers were pleased with the progress made in this area, they were aware that cyber security was an ever-changing and ever-evolving risk, and the Fund continually sought development and improvement to protect GMPF systems and the data it held. Members were pleased to hear the stringent measures put in place with regards to monitoring cyber security risks.

It was explained that business continuity planning was the responsibility of the Fund Management team and ensured coverage of all the key elements of service delivery and business operations. The GMPF business continuity team reviewed, tested and developed the Business Continuity Plan which was a key priority. The team continued to meet quarterly and discussed plans and carried out work related to business continuity.

In regard to system upgrades and developments, the CLASS Testing Working Party began in July 2023 and GMPF participated in this work. The release was expected to be delivered into the live service in September 2023. The System Developments team had worked with colleagues from Member Services and developed the online process for contributing members who were retiring. This work had taken longer than anticipated due to some functionality issues experienced during testing which delayed the project. However, these issues had now been resolved and the new functionality should be available for members to use in late August/early September 2023.

Members were advised that the Systems Development team was responsible for leading GMPF's McCloud project, and for coordinating all tasks that needed to be undertaken. It was reported in July 2023 that an issue with the data extract had been discovered, and a resolution was being worked on in collaboration with the software provider. This issue was rectified and the data files would be sent to employers in batches during August and September 2023. It was explained that once the data files with amendments were received back from employers, the project team would carry out validation and reasonableness checks, before updating the Pensions Administration system. Once a member's pension record had been updated, it was ready for the bulk calculation process to identify if that member met the conditions required under the McCloud ruling.

On compliance activities, it was explained that the Complaints and Issues Board continued to meet each month and reviewed formal complaints received. Between April and June 2023, one formal Stage 1 dispute and three formal Stage two disputes were received. Officers provided Members with a summary of these disputes. Officers reported that a new team had been created within the System Compliance section of Developments and Technologies. This team focussed on data protection and GDPR compliance.

The strategy for the Development and Technologies service was updated annually and it contained details of the key projects and work items that were to be undertaken throughout the year. Information about the objectives that had been set for 2023/24 were provided in appendix 4.

RECOMMENDED

That the contents of the report be noted and the Working Group approve the revised policy

and strategy documents included within the appendices.

16 EMPLOYER YEAR IN REVIEW REPORTS – UPDATE

Consideration was given to a report of the Director of Pensions/Assistant Director for Administration. The report provided the Working Group with an update on the annual Employer Year In Review report exercise, carried out by the Employer Services section of Pension Administration.

It was explained that GMPF first produced Year in Review reports for its ten local authority employers in 2021/22. Feedback was obtained, and the reports were well received by the employers. This year, reports were produced for a further twenty employers for the first time. Therefore, all thirty of the Fund's largest employers received a Year in Review report for the year 2022/23. An example of a Year in Report for 2022/23 was appended to the report at appendix 1.

The format of the Year in Review reports was summarised to Members and included details of the information within the report, such as the employer's overall rating, membership statistics and number of retirement estimates completed. A summary section was included in the Year in Review, which highlighted to employers the areas that GMPF believed the employer could improve and gave details of the advice and support that was available to assist them. The section also focussed on the positive elements of the employer's performance.

Members were advised that several performance indicators were selected for inclusion within the Year in Review report. These indicators were chosen as they were deemed to be key indicators that gave an accurate picture of whether an employer had met or exceeded their responsibilities. It was also reported that two 'ways to improve' focus groups were arranged for employers for discussion on performance and good practice. Members were pleased to hear that the focus groups were well received and that employers actively engaged in discussion and shared good practice.

It was explained that the results of the survey and any learning from the focus groups and employer meetings would be analysed and would be included into the process for making improvements to the 2023/24 year in review exercise. GMPF and the employers included within the Year in Review exercise had found the whole process beneficial, as it had improved engagement, formalised the performance reporting and facilitated the sharing of good practice and procedures by opening communication channels between employers. Officers looked to evaluate the feasibility of producing reports for more employers next year.

RECOMMENDED

That the report be noted.

17 GMPF EMPLOYER AGED DEBT AS AT 31 JULY 2023

Consideration was given to a report of the Director of Pensions / Assistant Director of Pensions (Local Investments and Property) which detailed the employer aged debt as at 31 July 2023 and provided a summary of late payment of contributions for the 12 month period to 31 July 2023.

Members were advised that employers were issued invoices in one of four categories, recharge of actuarial work, admission/cessation fees, early retirement strain costs and rechargeable pensions. A breakdown of the outstanding invoiced employer debt by category was appended to the report at appendix 1. It was further reported that the largest component of the outstanding debt at 31 July was in respect of the strain costs associated with member transfer or early retirement of members.

In regard to late payment of employer contributions, it was explained that employer contributions were due monthly, and the requirement was that they needed to be paid to GMPF on or before the first working day of each month. Members were provided with details of the contributions received

in that 12 month period analysed by amount due and number of employers in appendix 2 of the report.

It was further reported that the GMPF Accountancy section had worked on a project which ensured that all employers were reminded of their duties in relation to paying their contributions. This involved a monthly internal review meeting where these late paying employers were assessed and given a rating that indicated what follow up action needed to take place.

RECOMMENDED

That the report be noted.

18 PENSIONS DASHBOARD UPDATE

Consideration was given to a report of the Director of Pensions/Assistant Director for Administration. The report provided the Working Group with an update on the Government's Pensions Dashboard project.

Members were advised that the pension dashboard would be online platforms which provided one place for individuals to access pensions information from multiple sources, including access to data about their State Pension. The intention was that an individual would use the dashboard to submit a request to find their pensions information. A 'pension finder service' then would send this 'find request' to all pension schemes. If a pension scheme found a match with this individual, it would confirm this with the dashboard service and, if the individual then requested to view their information, the dashboard would pull the individual's data directly from the pension scheme for them to view.

It was explained that GMPF represented the LGPS in the initial stage of the PDP's project in 2018 and 2019, with colleagues attending workshops that focused on establishing the data that pension schemes held and exploring issues linked to matching criteria. Work undertaken over the last six months had focused on the procurement aspect of the project. GMPF, and all other LGPS funds, would need to procure an ISP provider to connect to the Dashboard ecosystem. Several LGPS funds had agreed to work together to create a new national LGPS procurement framework containing a procurement lot for ISP providers. It was explained that the framework aimed to be live and would available for funds to use early next year.

Members were advised that GMPF officers would therefore be focussed on the procurement element of this project for the next six months. By this time, it was expected that more information would become available from the PDP about the wider project timescales that funds would need to work to.

RECOMMENDED

That the report be noted.

19 URGENT ITEMS

There were no urgent items.

20 DATE OF NEXT MEETING

That the next meeting of the Administration, Employer Funding and Viability Working Group is scheduled to take place on 26 January 2023, be noted.

CHAIR