

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

19 January 2024

**Commenced:** 11:00

**Terminated:** 12:10

**Present:** Councillor Fitzpatrick (Chair), Axford, Colbourne, Drennan, Grimshaw, Lane, Martin, Mistry, Rehman and Ricci

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
Matthew Simensky	Communications and Engagement Strategic Lead
Georgia Ryan	Developments & Technologies Strategic Lead
Jane Wood	Member Services Strategic Lead

**Apologies for** Councillors North and Ward

**Absence:**

Ms Gale Blackburn, Mr Llewellyn and Flatley

## 21 DECLARATIONS OF INTEREST

There were no declarations of interest.

## 22 MINUTES

The minutes of the Administration, Employer Funding and Viability Working Group on 22 September 2023 were approved as a correct record.

## 23 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 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. It was reported that the amended regulations for the McCloud remedy came into force with effect from 1 October 2024, however it was explained that guidance was still awaited on some areas of the legislation. Members were advised that, internally, work had progressed on the system amendments and data capture aspects of this project.

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 Pensions Regulator. 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 administrating authority, Tameside MBC. It was explained that 2020/21 accounts had been signed off and the 2021/22 Audit Findings had been accepted by the Audit Panel. The 2022/23 Audit field work was largely completed with no material findings. Further progress was dependent upon completion of audit work by Mazars on Tameside's accounts for 2021/22 and then 2022/23. It was reported that this was not expected until 2024.

In regards to the Administration Work and Performance, a performance dashboard for quarter 2 (July to September 2023) was provided to Members of the Working Group at appendix 1. Overall, it was reported that levels of casework and performance against turnaround targets remained relatively consistent. Performance levels in almost all areas remained high and work on progress that supported service improvements to members had continued. Members were advised that the number of recalculations required due to backdated pay awards had impacted on some internal target achievement rates, however performance measured against statutory targets remained consistently high. Members were informed that the main area that experienced a change to expected workloads during quarter 2 were pension transfers, as transfer calculations were put on hold while new factors were produced by GAD.

It was explained that the team had continued to focus on improvements to the workflows and processes which improved the customer experience, in particular online retirement processes. Members were advised that My Pension registration figures had increased, with over 182,000 members registered to access their online account. Visits to My Pension pages on Annual Benefit Statements and the calculator increased during the quarter as correspondence regarding their statement was issued to Members.

All member events continued to be popular and very well received. Eight events were held in quarter 2 with 729 members in attendance. The most popular events attended were regarding McCloud, employer focus groups, plus ones on pensionable pay and retirements and leavers.

With regard to employer funding matters, Members of the Working Group were informed that three employers had exited the Fund since 2023 and the Assistant Director for Administration summarised each of these cases. 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.

The Chair thanked the Assistant Director for Administration for the informative report.

## **RECOMMENDED**

**That the report be noted.**

## **24 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 and 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 and it was reported that this project was deemed as completed.

Members were advised that work regarding pension saving statements for contributors, members with benefits on hold and pensioner members who had retired in 2022/23 tax year was completed during the quarter. All statements were issued by the statutory deadline of 6 October 2023.

It was reported that the new bulk calculation process for members who left the Scheme early was embedded on the Leaving Members Section. Members were informed that since July 2023, 8,128 benefit on hold cases had been processed by the Leaving Contributors team and Officers were pleased to report that 26% of leavers had been processed automatically with the new functionality. This had meant that less resource overall was needed to process the work which helped to reduce the demands on staff resource. Work on moving processes online would continue over the coming months.

In regards 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. Members were provided with an overview of the member existence checks and processes at appendix 1 of the report.

Members were advised that following a review, officers determined that the current guidelines in relation to death grant payments were fit for purpose. It was explained that GMPF's Management Panel had formed a set of death grant payment guidelines for paying death grants and this was provided to Members of the Working Group at appendix 2.

In regard to pension overpayment recovery, Appendix 3a 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 September 2023 were appended to the report at Appendix 3b.

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

In summary, Members were advised that changes to the existence check process last year had led to significant improvements, however several learning opportunities had arisen from this. Members were assured that the team continued to look for alternative ways to make processes easier for members wherever possible.

## **RECOMMENDED**

**The Working Group is asked to note the content of the report, to review the death grant payment guidelines and to agree for the guidelines to remain unchanged. It is also asked to review and approve the unrecoverable debt cases.**

## **25 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 there continued to be a steady number of employers who have applied to join GMPF, with 42 admission cases that were progressed over the quarter. Within these, there were eleven employers who needed to apply for admitted body status but where the 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. It was reported that there were 53 schools that looked to convert to academy status. There were also 17 possible free schools that were 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 of the report.

It was reported that GMPF had admitted 33 employers since the last Working Group meeting, seven of which had backdated effective dates prior to 1 April 2022. As explained at the last meeting, a new admission procedure was introduced. Members were pleased to hear that the Admissions Team had experienced significant improvements in the time taken during the admission process due to the strict escalation procedures that were imposed. Officers continued to work on the admissions procedure so that the procedure was fully embedded into the system.

In regard to monthly data collection, the Employer Data team supported all employers to submit their monthly data return correctly and on time. As reported at the last meeting, Officers had undertaken an exercise that identified employers that regularly submitted their iConnect returns late and a notice of non-compliance was issued to these employers. It was reported that a significant improvement in submission rates had been observed following the notices being issued.

In regard to data collection for McCloud, it was reported that the McCloud amendment regulations came into effect on 1 October 2023. To facilitate this, all LGPS funds were required to verify that they held correct data for the members affected. Members were assured that GMPF continued to collect and verify member data for anyone who met the McCloud judgement criteria. All active employers who had eligible members were provided with a data extract of these members, guidance notes for completing the exercise and a McCloud Data Assurance Statement. Members were provided with a McCloud data collection dashboard which outlined the current status of the data collection process at appendix 3 of the report.

It was reported that the Employer Liaison team had worked on improvements to starter and leaver processes during this quarter which had affected the accuracy of the performance data. Therefore, a decision was taken to temporarily suspend performance data being issued. Work to update and amend the performance data was in progress and updated statistics would be provided at the next meeting. Performance data in respect of the outstanding tasks that were in progress was provided in section 2 of appendix 2 of the report. It was further explained that a review of the monthly performance data was underway and a survey had been issued to employers which gained their views on what performance data they liked to receive and if they welcomed any support from the Employer Liaison team. The survey responses would be reported at the next meeting following analysis.

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. During the past quarter, it was reported that officers from the Employer Data team met with an employer due to concerns in respect of the quality of the submission of their iConnect returns, the lack of response to tasks raised by GMPF teams and business resilience. Members were advised that the meetings were informative and it was explained that GMPF officers continued to monitor this and provided continued support to the employer going forward. It was further explained that the team had worked with GMPF's Local Pension Board on a development of a new Governance report for Employers. Members were advised that the report provided employers with the necessary assurance on GMPF's governance arrangements and a copy of the proposed report would be brought to the next meeting for information.

Employer training on ill health, discretions, pensionable pay, retirements, leavers, topping up benefits and the Altair pensions administration system continued to be offered to employers. It was reported that 915 employer representatives had attended one or more of the training events since the training programmes began. Officers had hosted regular information sessions with regards to McCloud and

these sessions were attended by 86 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.

In summary, Members were pleased to hear that the non-compliance exercise was particularly successful and well received by employers. In regards to the McCloud project, it was explained that staffing resource would increase over the coming months as more data was received. Members were assured that the team would balance resources carefully and ensured that business as usual tasks could be delivered, as well as numerous planned improvement projects progressed.

## **RECOMMENDED**

**That the report be noted.**

## **26 ADMINISTRATION COMMUNICATIONS AND 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 2022 to September 2023 and other statistics for quarter 2 (July to September 2023).

It was reported that call waiting times and abandoned calls had reduced considerably since the last meeting. However, Members were advised that further work was required to ensure that improvement continued in these areas. Developments to team processes were underway, which aimed to improve team performance and further recruitment to the team continued.

The GMPF Complaints and Issues Board met each month and reviewed all complaints, suggestions, compliments and disputes received. Members were provided with dashboards that contained feedback and further actions for July, August and September 2023 at appendix 2. In this three month period, there were nine complaints and 28 compliments received. The compliments were largely about helpfulness and efficiency of pensions office colleagues. The complaints were varied, and it was reported that topics included problems registering for My Pension, the overseas pensioner verification process and delays.

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 had opted for paper communications were included in the dashboard in appendix 3.

In regard to website updates, the My Pension area of the website was reviewed and ensured that any member visiting the website could find information that they needed easily. It was explained that a new welcome page was created where the benefits of using My Pension were promoted. The layout on the support page had also been amended and content was re-written in order to ensure that common member queries were addressed. Other amendments to the website included the re-design of the Management Panel and Advisory Panel webpage. Members were further advised that a McCloud webpage had also been created.

Members were advised that contributing members were contacted in July and August 2023 and informed that their 2023 annual benefit statement was available to view on their My Pension account. It was explained that final reminders were sent to overseas members during July 2023 and asked that they completed their overseas verification before pensions were suspended. The benefits on hold postcard initiative which promoted My Pension continued. Members were pleased to hear that since January 2023, this initiative had increased My Pension registrations by 680.

Members were pleased to recognise that call answering performance had improved significantly since the last meeting of the Working Group, with a higher number of calls that were answered and a shorter waiting time for callers. It was explained increasing member satisfaction was a key goal for the Customer Service team and alternative methods to recruit a Customer Experience Manager continued to be investigated. Members were informed that further recruitment to the team was necessary and details of such would be included in future Working Group reports.

## **RESOLVED**

**That the report be noted.**

## **27 ADMINISTRATION DEVELOPMENTS AND 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, GMPF had contracted with a provider to facilitate hybrid meetings within meeting rooms at Guardsman Tony Downes House, as well as support formal meetings such as GMPF Management Advisory. It was explained that the equipment was installed during November 2023, and was used for the GMPF Management Panel meeting on 1 December 2023. The Developments and Technologies Strategic Lead explained that the GMPF Systems team continued to work with the supplier and colleagues from the Tameside MBC Democratic Services Team in order to resolve any outstanding issues.

Members were advised that work to upgrade the GMPF website software continued throughout the last quarter. It was explained that a decision was made following an options appraisal to commission a specialist developer to upgrade the GMPF website to a new version of the software. The programme of work was undertaken over seven weeks and completed on 12 November 2023. Members were pleased to hear that the implementation was a success and there were minimal issues identified following the work, all of which had now been rectified. It was explained that the GMPF team continued to work with the developer in order to implement additional enhancements.

It was reported that GMPF continued to monitor all attempted cyber-attacks. Statistics for quarter 2 (July to September 2023) and other cyber related updates were appended to the report at appendix 1. It was explained that the IT Infrastructure team planned and carried out an email phishing stimulation exercise across all GMPF account holders.

As reported previously, GMPF had procured new functionality that assisted with bank account verification. This tool would be integrated in the core pensions administration system, which enabled bank account details to be verified by a national database when inputted in order to prevent against fraud and further limited the risk of delayed payment. The Systems Development team continued to work with colleagues across Member Services on the implementation of this enhancement, which was expected to become available for use in the coming weeks.

Members were advised that a key objective of the Development and Technologies Strategy for 2023/24 was to develop data reporting and Management Information across Pensions Administration. It was reported that a new Management Information reporting tool was implemented in late August 2023. Improvements to the reporting of Key Performance Indicators (KPI's) was a key driver for the purchase of this software and therefore this was the focus of the work undertaken during this quarter. It was reported that good progress had been made over the last quarter which transformed the reporting process and it was explained that this was a large and complex piece of work which involved a review of all existing workflow processes.

It was explained that the Systems Development Team was responsible for leading GMPF's McCloud project, and for coordinating all tasks that needed to be undertaken. Members were advised that the project team remained focussed on the process of collecting missing data from employers.

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 regarding the objectives that had been set for 2023/24 were provided in appendix 2.

## **RECOMMENDED**

**That the report be noted.**

### **28 CEM ADMINISTRATION BENCHMARKING**

Consideration was given to a report of the Director of Pensions/Assistant Director for Pension Administration. The report provided the Working Group with information about CEM's administration benchmarking process and the key outcomes for GMPF from the latest exercise completed for 2022/23.

It was reported that the GMPF's peer group comprised of 15 pension schemes whose membership ranged between 94 thousand and 660 thousand members. The peer median was 306 thousand, compared to GMPF's membership of 417 thousand. Eleven LGPS pension funds supplied data and were part of the peer group. This was a slight increase to previous years and it was reported that this was due to three more LGPS funds who submitted data with CEM for the first time. The CEM benchmarking report compared both costs and member service, with 'cost per member' and 'service score' being the two indicators of comparison.

As mentioned, CEM's analysis showed that GMPF remained a low cost, high service administrator compared to its peers. GMPF's total cost per member was £17.91, which was £6.71 lower than the adjusted peer average of £24.62. GMPF's service score was 69 out of 100, which was 8 points above the peer median of 61. The total cost per member was slightly higher than last year (by £1.00) but the cost position relative to peers had fallen. The service score remained unchanged when compared to the year before.

As reported previously, there were two areas of focus in view of the outcomes of the 2021/22 exercise. Members were advised that the first area was around measuring casework tasks. It was explained that GMPF had purchased and implemented a new reporting tool in August 2023 which aimed to progress this work. Although this was still in early stages, this reporting tool would assist GMPF in order to produce data that was more comparable to that used by peers and Members were advised that this area of work therefore would benefit service standards and would be reflected in future years' scores.

The second area of focus considered the value and benefit of providing a stewardship report to GMPF employers to provide feedback on how well GMPF's members were being served. It was explained that officers had worked with the GMPF Local Pension Board to establish a Governance report which would be issued annually by the Local Pensions Board to GMPF employers. The first report was due to be issued in the summer for the year 2023/24.

## **RECOMMENDED**

**That the report be noted.**

### **29 GMPF ILL HEALTH INSURANCE ARRANGEMENT REVIEW**

Consideration was given to a report of the Director of Pensions/Assistant Director for Pension Administration. The report explained that the GMPF's ill health insurance arrangement had been in operation for nearly four years and provided Members with analysis of the main experiences and findings to date.

It was explained that GMPF's insurance scheme began operation on 1 April 2020 at the start of the 2020-23 triennial valuation period and so the scheme had been running for close to four years. Members were advised that the key objectives of the ill health insurance arrangement were:

- To protect GMPF employers from unaffordable ill health strain costs.
- To simplify the payment and administration of ill health early retirements ensuring that members who are granted ill health early retirement can retire promptly.
- To operate within the actuarial assumptions set by the Actuary over the long term, recognising that there could be individual years where ill health costs could exceed the assumed cost for that year.

Members were provided with information which outlined the number of ill health early retirements experienced during the lifetime of the insurance arrangement, alongside the average cost and most expensive strain cost experienced in the year. It was explained that all years experienced several ill health early retirements amongst the insured population. Furthermore, there were large ill health strain costs that occurred in all years and it was explained that 2022/23 saw a single strain cost equivalent to approximately 15% of the entire national insurance cover for the year.

In summary, it was explained that the ill health insurance scheme had been a positive development for employers and had met the stated aim to protect employers from unaffordable ill health early retirement costs. Members were advised that many smaller employers had benefitted from the scheme and Members were pleased to hear that GMPF had noticed a positive impact on its administrative teams, with less time required to chase payments on ill health early retirement costs.

#### **RECOMMENDED**

**That the report be noted.**

### **30 GMPF EMPLOYER AGED DEBT AS AT 31 DECEMBER 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 December 2023 and provided a summary of late payment of contributions for the 12 month period to 31 November 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 outstanding debt at 31 December 2023 was in respect of organisations currently in administration which had guarantees and this was detailed at appendix 3 of the report.

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 4 of the report.

It was further explained that officers had worked on an exercise in which a notice of non-compliance was issued to employers who had consistently paid their contributions late over the last 12 months. Members were advised that responses and future performance would be monitored over the coming months.

#### **RECOMMENDED**

**That the report be noted.**

### **31 URGENT ITEMS**



There were no urgent items.

**32 DATE OF NEXT MEETING**

That the next meeting of the Administration, Employer Funding and Viability Working Group is scheduled to take place on 12 April 2024, be noted.

**CHAIR**