

**Report To:** **GMPF MANAGEMENT PANEL/ADVISORY PANEL**

**Date:** 21 July 2017

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

**Subject :** **PENSIONS ADMINISTRATION UPDATE**

**Report Summary:** This report provides an update on recent administration activities, in particular:

- Key work and projects progressed over the last quarter
- Work planned for the next quarter
- Comments on current workloads and performance
- Relevant regulatory and legislative updates

**Recommendation(s):** That the Panel notes the report.

**Financial Implications:**  
**(Authorised by the Section 151 Officer)** There are no direct financial implications arising from this report.


**Legal Implications:**  
**(Authorised by the Solicitor to the Fund)** There are no direct legal implications to consider.


**Risk Management:** There are no key risks to highlight.

**ACCESS TO INFORMATION:** **NON-CONFIDENTIAL**

**This report does not contain information that warrants its consideration in the absence of the Press or members of the public.**

**Background Papers:** Further information can be obtained by contacting Emma Mayall, Greater Manchester Pension Fund, Guardsman Tony Downes House, 5 Manchester Road, Droylsden

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## **1. BACKGROUND AND INTRODUCTION**

- 1.1 This report provides a brief update on the work and projects being undertaken within the administration section over the first quarter of the year and those expected over the next quarter. It also provides some information about current workloads and performance levels, together with a brief summary of relevant legislative items.

## **2. WORK AND PROJECTS UNDERTAKEN OVER THE FIRST QUARTER**

### ***Pensions Increase, P60s and Grapevine***

- 2.1 The annual pensions increase amount to be applied to pensions in payment or deferred pensions at 10 April 2017 was 1%. During March, member records were updated to reflect the increased amounts. P60s and payslips were issued to members during April and May, together with an edition of 'Grapevine' magazine, our annual communication issued to pensioner members.
- 2.2 118,063 P60s and Grapevine magazines were issued to members.
- 2.3 This year, the GMPF twitter account was used to tweet regularly about these communications and to direct members to some frequently asked questions held on the GMPF website.

### ***Annual Benefit Statements for Deferred Members***

- 2.4 100,033 annual benefit statements for deferred members were also issued during May.

### ***Government Actuaries Department (GAD) Transactional Data project***

- 2.5 This project, which began at the start of the year, was concluded in April.
- 2.6 As part of the cost-control regime set out in the Public Service Pensions Act 2013, GAD is required to collect data from each of the funds in the LGPS in order to be able to provide a Scheme cost assessment to the Scheme Advisory Board and HM Treasury.
- 2.7 New data requirements were issued to funds confirming the pension fund transactions that needed to be captured from 1 April 2017 onwards. Software to assist with meeting those new requirements was made available for testing in January and was successfully implemented ready for April.

### ***Year-end processing***

- 2.8 The annual project of collecting and processing year-end pay and pension contribution information from all GMPF employers who have contributed during the year began in March and continues.
- 2.9 Support for employers was provided in the form of regular bulletins, webinars and face-to-face training sessions.
- 2.10 In April, a new escalation procedure was put in place to help ensure the Pensions Regulator targets for processing data and issuing annual benefit statements on time are met.

### ***Death Grant procedures - review project***

- 2.11 An operational review of the procedures in place for processing casework where a death grant is due began in April, as this area had been identified as one for potential improvement.
- 2.12 The Pensions Administration Working Group received a report at their meeting in April highlighting some of the issues and complexities of current cases. Suggestions were made

as to how processes can be made more robust and efficient. The Working Group will continue to receive updates on how this project is progressing.

#### ***First Bus Transfer***

- 2.13 This project, which involves the transfer of members from West Yorkshire and South Yorkshire Pensions Funds to GMPF, has been progressing during the first quarter.
- 2.14 The two work streams that are being managed by the administration section are 'implementation' and 'communication'. The 'governance and regulatory' work stream is being managed by the Assistant Executive Director for Funding and Business Development and contains some administrative tasks, such as those relating to the creation of new employers in GMPF.
- 2.15 The implementation work stream primarily concerns the transfer of member and payroll data from the other two funds over to GMPF. It also covers the reallocation of AVC pots from those funds to GMPF. The communication work stream covers all tasks that need to be done in order to communicate information and messages to any of the key stakeholders involved in the implementation work stream.
- 2.16 An internal project team has been set up to manage and carry out the tasks relating to both of these work streams. The main items of work undertaken to date relate to planning tasks and risk management.

#### ***Guaranteed Minimum Pension (GMP) Reconciliation***

- 2.17 This large-scale project involves comparing and reconciling GMP data that HMRC holds against the data that GMPF holds.
- 2.18 The Pensions Administration Working Group received a report at their meeting in April that provided some background to the project and work has continued on planning the tasks and resource that will be needed to complete the project successfully by the target date of December 2018. The Working Group will continue to receive updates on how this project is progressing.

#### ***Communications Strategy***

- 2.19 A review of the whole area of communications is a business plan item for the administration section for this year. As part of this review, work has begun on developing a communications strategy in order to set out a vision of what the Fund wishes to achieve with its communications with members and other stakeholders. The Pensions Administration Working Group, Policy and Development and Local Board will be involved in shaping this strategy as it is formed and developed.

### **3 WORKED PLANNED FOR THE NEXT QUARTER**

- 3.1 The main projects and key items of work for the next quarter are expected to be as follows:
- Completion of year-end processing;
  - Issue of annual benefit statements to contributing members;
  - Issue of pension saving statements to those exceeding or close to exceeding the annual allowance;
  - Testing and installation of a new software release to the pension system, Altair;
  - Progression of the First Bus transfer;
  - GMP reconciliation work;
  - Communications work; and
  - A review of business continuity and disaster recovery arrangements is to begin.

## **4 COMMENTS ON CURRENT WORKLOADS AND PERFORMANCE**

- 4.1 The volumes of casework received and performance against in-house targets during April and May has remained consistent.
- 4.2 The section continues to meet the majority of target standard times with all but five KPIs being within the 90% standard or higher in May. See **Appendix 1**.
- 4.3 However, despite improvements, there are some areas where targets are not being met. This will be an area of focus for the next six months.

## **5 RELEVANT REGULATORY AND LEGISLATIVE UPDATES**

- 5.1 Many of the items where legislation or further guidance was expected have been delayed by the general election that was held on 8 June 2017. These include the Government's exit payment review, State pension age review and the Brewster Judgement. Due to the outcome of the election and the recent Queen's speech announcements, some of the pension related changes that were anticipated before the election are now unlikely to take place.
- 5.2 Conservative Party manifesto promises involving pensions policy, such as the removing the triple lock from 2020 and future state pension increases, were absent from the Queen's address to Parliament. However, background documents released following the speech state that the proposed Financial Guidance and Claims Bill will "establish a new statutory body, accountable to Parliament, with responsibility for coordinating the provision of debt advice, money guidance, and pension guidance".
- 5.3 With regard to the triple lock, the Conservative Party reached an agreement on 26 June 2017 with the Democratic Unionist Party (DUP) which appears to see the triple lock guarantee on State pensions remain in place throughout the UK.
- 5.4 Ministerial appointments have also been announced following the results of the general election. These include David Gauke appointed as the new Secretary of State for Work and Pensions, replacing Richard Harrington, who had been in charge of the pensions brief since July 2016. David Gauke has pensions experience from his time at HMT where he was involved in developing pension freedoms and auto-enrolment. Guy Opperman has been confirmed as a Parliamentary Under-Secretary of State at the DWP and for Pensions and Financial Inclusion.
- 5.5 The 2016 LGPS Annual Report has been issued by Scheme Advisory Board. The report includes analysis of scheme trends at a national level and a summary of the 2016 fund valuations. The full report is available to view at <http://www.lgpsboard.org/index.php/schemedata/scheme-annual-report>
- 5.6 TPR have published their 2017 report on the governance and administration of public service pension schemes. The survey achieved a 90% response rate, covering 98% of public service pension scheme membership. It can be viewed at <http://www.thepensionsregulator.gov.uk/docs/public-service-research-summary-2017.pdf>.

## **6 RECOMMENDATION**

- 6.1 That the Panel note the report.