

**Pensions Administration
Business/Service Plan
2019-2020**

Level One – Changes that impact on the Pension Fund or Leicestershire County Council - (resourced from Pension Fund)

Responsible officer and EHRIA required – included within the risk log – shown separately

	Priority (Not business as usual)	Key Actions	Performance measures / KPI	Impact	Support required from another service	Customer	Timescale/ Due Date
1	Implement the Heywood Altair Pensions Admin System elements; <ul style="list-style-type: none"> • Pensioner payroll • Member self-service • Immediate payments • Employer self-service (IConnect – see next priority) 	<ul style="list-style-type: none"> • Parallel run Oracle payroll to Altair payroll • MSS links to payroll • Comms exercise with 90,000 scheme members (new log ins) • Test and implement immediate payments • GL extracts for LG and Fire – and immediate payments 	<ul style="list-style-type: none"> • Detailed within the tender specification 	<ul style="list-style-type: none"> • All pensions calcs and payments all through the same system • Improves efficiency • Reduces risks of manual error and reconciliation issues • Creates new business opps 	<ul style="list-style-type: none"> • EMSS (payroll) • EMSS (systems) • IT (AM) • Accountants (GL) • Fire authorities (Leics/Notts/ Derbys) • Heywood (system provider) 	<ul style="list-style-type: none"> • Pension Sections 90,000 scheme members 	<ul style="list-style-type: none"> • Jan 2019 pensioner payroll and MSS • June 2019 Immediate payments
2	Implement the phased roll out of IConnect with all the Funds employers	<ul style="list-style-type: none"> • Phased roll out to all Funds employers • Continue to work with employers and their third party payrolls on the specification 	<ul style="list-style-type: none"> • Report progress to the Local Pension Board on a quarterly basis • Funds admin and comms strategy makes monthly posting a scheme requirement under TPR governance arrangements 	<ul style="list-style-type: none"> • Reduces year-end queries • Assists employers • MSS more accurate and timely • Valuation in built to negate wrong data at source • Meets TPR improvement plan requirements • Improves overall 	<ul style="list-style-type: none"> • All employers payrolls and their external payroll providers • Heywood (system provider) 	<ul style="list-style-type: none"> • 189 fund employers with active members 	<ul style="list-style-type: none"> • 31/3/20

				efficiency			
3	Complete the national GMP reconciliation exercise	<ul style="list-style-type: none"> Complete LG and the 3 Fire Authorities GMPs 	<ul style="list-style-type: none"> Reports to Pension Boards (LG and 3 FAs) Provide updates to LGA 	<ul style="list-style-type: none"> Accurate and timely pension payments to pensioners 	<ul style="list-style-type: none"> Pensions (internal work only) 	<ul style="list-style-type: none"> 3 Fire authorities LG pensioners, preserved and active members 	<ul style="list-style-type: none"> 31/12/18 (HMRC's deadline)
4	<p>Actuarial Changes – for valuation</p> <p>Implement funding changes – pass-through arrangements (for the May 2018 exit credits reg change)</p> <p>Employer de-risking</p> <p>Valuation changes – national section 13 valuation</p> <p>National Cost Cap changes</p>	<ul style="list-style-type: none"> On-going learning of the new areas of actuarial work Manage resource accordingly to deal with the new area of responsibility Work closely with Hymans and Legal on developing these areas of work Consult with employers on pass-through and de-risking Sign off by Pension Committee 	<ul style="list-style-type: none"> Measuring new employer rates following outsourcing Negating the need for full bonds where possible and reducing current full bonds where possible. 	<ul style="list-style-type: none"> Reduce fund related employer risk Reduce bond values Reduce outsourcing pension costs and risk Reduce the risk of default by new employers at TUPE 	<ul style="list-style-type: none"> Hymans (actuary) Legal services (internal) Eversheds (external legal) Pensions Committee LGPC 	<ul style="list-style-type: none"> Pension Fund members (reduce cost) Fund employers Outsourcing and new employers 	<ul style="list-style-type: none"> 2019/20 Valuation date 31/3/19
5	SAB – Good Governance Project	<ul style="list-style-type: none"> Monitor local funds views on SAB separation options Work with Chris and Declan on Leics position 	<ul style="list-style-type: none"> Watch the national position Guided by Hymans 	<ul style="list-style-type: none"> Potential changes on how admin is provided (grouped admin) 	<ul style="list-style-type: none"> Hymans Legal (potentially) Other Funds (potentially) 	<ul style="list-style-type: none"> Scheme members 	<ul style="list-style-type: none"> No deadline set by SAB (on-going)
6	Procurement of all	<ul style="list-style-type: none"> Develop a 	<ul style="list-style-type: none"> Detailed within the 	<ul style="list-style-type: none"> Maintain the 	<ul style="list-style-type: none"> Pension 	<ul style="list-style-type: none"> Leicestershir 	<ul style="list-style-type: none"> Start the

	actuarial services for the Leicestershire Local Government Pension Fund	procurement document covering all aspects of actuarial services for the Leics LGP Fund <ul style="list-style-type: none"> • Complete the procurement and contract 	tender specification	actuarial work in the Leicestershire LGP Fund <ul style="list-style-type: none"> • Improve efficiency and cost effectiveness 	administration <ul style="list-style-type: none"> • Accountants • Procurement • Legal Services (internal) 	e LGP Fund <ul style="list-style-type: none"> • Current and new fund employers 	procurement process in 2019/20
Level Two – Changes that impact on Corporate Resources - (resourced from Fire Authority admin charge)							
7	Signature of the Fire pension contracts	<ul style="list-style-type: none"> • Fire authorities to sign their pension administration contracts 	<ul style="list-style-type: none"> • All KPIs and measures detailed in the admin and comms strategy for Fire which is an appendix to the main fire pensions admin contract 	<ul style="list-style-type: none"> • Mutual understanding of the risks and rewards for the Fire authorities and Pension Section • Reduced income for The Pension Fund 	<ul style="list-style-type: none"> • Legal (internal) • The 3 Fire authorities 	<ul style="list-style-type: none"> • Fire scheme members 	<ul style="list-style-type: none"> • 30/6/2019

	Risks	Responsible Officer/s	EHRIA required Y/N	Current Risk Score (at November 2018)
1	Without a pension administration system in place the Pension Section will be unable to calculate pension benefits to Local Government scheme members or Fire-fighters or pay any pensioners	Ian Howe	N – this has been confirmed by LCC officer	Likelihood = 2 Impact = 5 Total = 10
2	Failure to move to monthly postings increases risk of failure to meet year-end statutory deadlines for annual benefit statements and HMRC tax pension saving statements	Ian Howe	N	Likelihood = 2 Impact = 4 Total = 8
3	Failure to complete the national GMP exercise will mean potential for over and under payments and potentially additional pension costs being paid from the Pension Fund unnecessarily	Ian Howe	N	Likelihood = 1 Impact = 3 Total = 3

4	Failure to complete the statutory Fund valuation requirements (with the new areas included)	Ian Howe	N	Likelihood = 2 Impact = 5 Total = 10
5	Failure to secure the best position for the Leicestershire Fund	Ian Howe / Declan Keegan	N	Likelihood = 2 Impact = 4 Total = 8
6	Failure to secure the best actuarial contract for the Leicestershire Fund	Ian Howe / Declan Keegan / Jason Firth	N	Likelihood = 2 Impact = 4 Total = 8
7	Failure to continue to provide pension administration for the fire authorities	Ian Howe	N	Likelihood = 2 Impact = 4 Total = 8

Level Three – Pension Section (continuous improvement) - (Resourced from the Pension Fund) – No risks recorded as these are all BAU and continually monitored

	Priority (Business as usual)	Key Actions	Performance measures / KPI	Impact	Support required from another service	EHRIA required Y/N	Officer	Timescale/ Due Date
8	Maintain the Local Government KPIs at or above target, for all areas of Local Government pension administration. <i>(Pension Sections monthly KPI scorecard attached)</i>	<ul style="list-style-type: none"> Work closely with Pension Team Managers Monitor changes in legislation Monitor workloads 	<ul style="list-style-type: none"> Report the 3 business process and 7 customer perspective KPIs to the Local Pension Board each quarter 	<ul style="list-style-type: none"> Maintain and improve customer service Highlights any falls in service so these can be addressed quickly Increased officer morale – positive feedback is very welcome 	<ul style="list-style-type: none"> All fund employers 	N	Ian Howe	On-going Quarterly reports to the Local Pension Board
9	On the basis the contracts are signed, maintain the Fire-fighters KPIs at or above target, for all	<ul style="list-style-type: none"> Work closely with the Fire Pension Team Manager 	<ul style="list-style-type: none"> The Fire Authorities to report the KPIs to their Pension Boards each 	<ul style="list-style-type: none"> Maintain and improve customer service to members and the three fire authorities Assists with future 	<ul style="list-style-type: none"> Three Fire authorities 	N	Ian Howe	On-going

	areas of Fire-fighter pension administration.		meeting	business opportunities				
10	Implement ongoing customer service improvements	<ul style="list-style-type: none"> Team Managers to implement ongoing customer service improvements 	<ul style="list-style-type: none"> Implement new KPI's and review measuring techniques 	<ul style="list-style-type: none"> Ensure the highest level of service available Continually look to enhance and improve the customer experience 	N	N	Ian Howe	On-going
11	Achieve all the statutory deadlines – ABS by 31/8 and increasing number of pension taxation statements by 6/10	<ul style="list-style-type: none"> Work closely with Fund employers 	<ul style="list-style-type: none"> Regulatory statutory deadlines 	<ul style="list-style-type: none"> Failure is a reportable “material breach” of pension rules Reportable to The Pensions Regulator Inform the Local Pension Board Reputational damage 	<ul style="list-style-type: none"> All fund employers and their payroll providers EMSS 	N	Ian Howe	31 August 6 October
12	Continue partnership working with Derbyshire County Council Pension Section and other Funds (where applicable)	<ul style="list-style-type: none"> Looking for continual improvement Developing joint working through equal task/letters/processes where possible Consider Good Gov project 	<ul style="list-style-type: none"> Continual review of current and new KPIs 	<ul style="list-style-type: none"> Failure to continue partnership working could have a detrimental impact based on the Good Gov SAB project Keeping the Leics Fund in the strongest position possible 	<ul style="list-style-type: none"> DCC Pension Dept Maybe other Pension Funds 	N	Ian Howe	On-going
13	Retain or improve staff sickness levels within the Pension Section	<ul style="list-style-type: none"> Team Managers to continue to manage sickness 	<ul style="list-style-type: none"> Pension Section target of 5.0 	<ul style="list-style-type: none"> Increased sickness – negative impact on morale, KPIs and targets, increased risk of failure with customer service standards and 	N	N	Ian Howe	On-going

				increases time for work completion				
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No risks recorded - business as usual areas.

The latest quarters KPIs detailed below.

Quarter - July 2018 to Sept 2018

Business Process Perspective	Target	This Quarter		Previous quarter	Customer Perspective - Feedback	Target	This Quarter		Previous Quarter
Retirement Benefits notified to members within 10 working days of paperwork received	92%	99%	▲	99%	Establish members understanding of info provided - rated at least mainly ok or clear	95%	100%	▲	98%
Pension payments made within 10 working days of receiving election	95%	98%	▲	94%	Experience of dealing with Section - rated at least good or excellent	95%	89%	▼	96%
Death benefits/payments sent to dependant within 10 working days of notification	90%	92%	▲	84%	Establish members thoughts on the amount of info provided - rated as about right	92%	94%	▲	97%
					Establish the way members are treated - rated as polite or extremely polite	97%	100%	▲	99%
					Email response - understandable	95%	94%	▶	98%
					Email response - content detail	92%	92%	▲	96%
					Email response - timeliness	92%	97%	▲	98%

Good or better than target	▲
Close to target	▶
Below target	▼

Pensions Administration

Overview

- Provides a statutory service administering the Local Government Pension Scheme to over 189 employers in the Leicestershire Fund with over 90,000 scheme members.
- Rated very highly by customers for providing a great customer experience
- Provides a commercial service to three Fire Authorities in the East Midlands, providing their Fire-fighters pension administration

- Reports to the Leicestershire Local Pension Board and Pensions Committee, made up of both employee and employer representatives

Key drivers

- Continue to achieve or better, key performance indicators in business processes and customer satisfaction
- To complete a pension administration system by June 2019
- Complete the national guaranteed minimum pension exercise by December 2018
- Continue to develop a new digital communications with scheme members (Heywood member self service)
- Complete monthly postings of contributions from employers to negate the significant peak of year-end work, spreading this throughout the year by March 2020

Ian Howe 01/04/2019