

**Pensions Administration
Business/Service Plan
2020-2021**

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	<p>Implement a review of the Pension Section processes and structure following the implementation of the new pension administration system. New elements;</p> <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"> • Review all processes looking for efficiency, streamlining and digitising more on-line • Implement a structure designed to better manage the changes to pensions moving forwards • Considered working practices where pensions link with other services • Payroll • EMSS • ESC • Fund employers • Investments 	<ul style="list-style-type: none"> • Develop new KPIs to measure improvement • Review potential CIPFA KPI benchmarking requirements 	<ul style="list-style-type: none"> • Improve efficiency • Reduces risks of manual error and reconciliation issues • Expand system use • Drive greater use of member self-service • Automate processes using new technology 	<ul style="list-style-type: none"> • EMSS (payroll) • EMSS (systems) • Investments • Heywood (system provider) • HR colleagues for the structure review • Fund employers 	<ul style="list-style-type: none"> • Pension Sections 98,000 scheme members 	<ul style="list-style-type: none"> • Project work – phased development and improvement • 31 Dec 2020
2	<p>Continue the implementation of a phased roll out of IConnect with all the Funds employers</p>	<ul style="list-style-type: none"> • Phased roll out to all Funds employers • Continue to work with employers and their third 	<ul style="list-style-type: none"> • Report progress to the Local Pension Board on a quarterly basis • Funds admin and comms strategy 	<ul style="list-style-type: none"> • Reduces year-end queries • Assists employers • MSS more accurate and 	<ul style="list-style-type: none"> • All employers' payrolls and their external payroll providers • Heywood (system provider) 	<ul style="list-style-type: none"> • Remaining 83 fund employers with active members (106 already 	<ul style="list-style-type: none"> • All remaining employers by 31/3/21

		party payrolls on the specification	makes monthly posting a scheme requirement under TPR governance arrangements	<p>timely</p> <ul style="list-style-type: none"> • Validation in built to negate wrong data at source • Meets TPR improvement plan requirements • Improves overall efficiency 		completed)	
3	Manage and reduce employer risk	<ul style="list-style-type: none"> • Continue to review bonds and guarantors • Continue to guide new TUPE outsourcings to pass-through pooling • Manage resource accordingly to deal with the new areas of responsibility • Work with the “big 7 CABs” on a reduced risk strategy 	<ul style="list-style-type: none"> • 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) • Heywood (develop an employer tracking area) 	<ul style="list-style-type: none"> • Fund employers • Outsourcing and new employers 	<ul style="list-style-type: none"> • On-going area of work 31/3/21
4	SAB – Good Governance Project (phase two)	<ul style="list-style-type: none"> • Implement the areas of recommendation in the phase two documents (Nov 	<ul style="list-style-type: none"> • Continue to watch the national position • Guided by Hymans 	<ul style="list-style-type: none"> • Improve the governance of the Fund • Reduce risk 	<ul style="list-style-type: none"> • Hymans • Legal (potentially) • Other Funds (potentially) • Pensions Board 	<ul style="list-style-type: none"> • Scheme members 	<ul style="list-style-type: none"> • No deadline set by SAB (on-going)

		2019)			and Committee		
					<ul style="list-style-type: none"> • CIPFA • SAB 		
5	Procurement of all actuarial services for the Leicestershire Local Government Pension Fund	<ul style="list-style-type: none"> • Develop a procurement document covering all aspects of actuarial services for the Leics LGP Fund • Complete the procurement and contract 	<ul style="list-style-type: none"> • Detailed within the tender specification 	<ul style="list-style-type: none"> • Maintain the actuarial work in the Leicestershire LGP Fund • Improve efficiency and cost effectiveness 	<ul style="list-style-type: none"> • Pension administration • Accountants • Procurement • Legal Services (internal) 	<ul style="list-style-type: none"> • Leicestershire LGP Fund • Current and new fund employers 	<ul style="list-style-type: none"> • 31/12/20
6	Implement the McCloud remedy and cost cap implications	<ul style="list-style-type: none"> • Collect missing hour changes from employers from 1 April 2012 • Recalculate pension benefits for members impacted 	<ul style="list-style-type: none"> • Revise benefits and adjust payments where necessary 	<ul style="list-style-type: none"> • A huge impact on staffing and resource in the Pension Section 	<ul style="list-style-type: none"> • Pension colleagues (internal) • Payroll colleagues (EMSS) • Heywood (system changes) • LGA • Legal Services (potential for legal appeals) 	<ul style="list-style-type: none"> • All scheme members and their dependants 	<ul style="list-style-type: none"> • After remedy is known (currently unclear)
Level Two – Changes that impact on Corporate Resources - (resourced from Fire Authority admin charge)							
7	Transfer all Fire Pensions Administration to a new pension administrator	<ul style="list-style-type: none"> • 3 FAs to sign a contract with the new administrator • Transfer all data (electronic, paper, fiche) 	<ul style="list-style-type: none"> • Reconciliation of data reports from our system to the new provider • Parallel runs for pensioner payroll 	<ul style="list-style-type: none"> • Reduce the risk of increasing pensions fire-fighter administration (McCloud, part timers buy back 	<ul style="list-style-type: none"> • Pensions (internal work) • Three Fire Authorities • Heywood (system provider) • New administrator 	<ul style="list-style-type: none"> • 3 Fire Authorities 	<ul style="list-style-type: none"> • 31/12/20

		under GDPR rules		etc)	<ul style="list-style-type: none"> • HMRC • Pensioner Payroll 		
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	Risks	Responsible Officer/s	EHRIA required Y/N	Current Risk Score (at November 2018)
1	Inefficient processes create risk and increase the chance of failure. An insufficient structure leads to delays, failings and staffing issues	Ian Howe	N	Likelihood = 2 Impact = 4 Total = 8
2	Failure to move all employers 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 = 3 Impact = 3 Total = 9
3	A failed employer's liabilities will be spread across other Fund employers	Ian Howe	N	Likelihood = 2 Impact = 5 Total = 10
4	Meet SAB's likely recommendations	Ian Howe	N	Likelihood = 2 Impact = 4 Total = 8
5	Failure to secure the best actuarial contract for the Leicestershire Fund	Ian Howe / Declan Keegan / Jason Firth	N	Likelihood = 2 Impact = 4 Total = 8
6	Failure to provide the revised benefits in an accurate and timely manner	Ian Howe	N	Likelihood = 4 Impact = 4 Total = 16
7	Failure to provide the service to the three FAs if contractual terms are not completed by the three FAs in time, and all data mapping is completely in an accurate and timely manner	Ian Howe	N	Likelihood = 2 Impact = 5 Total = 10

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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	Key Actions	Performance	Impact	Support	EHRIA	Officer	Timescale/
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	usual)		measures / KPI		required from another service	required Y/N		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 • Monitor CIPFA benchmarking KPIs 	<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	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
10	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
11	Improve staff sickness	<ul style="list-style-type: none"> • Team 	<ul style="list-style-type: none"> • Pension Section 	<ul style="list-style-type: none"> • Increased sickness – 	N	N	Ian	On-going

	levels within the Pension Section	Managers to continue to manage sickness	target of 5.0	negative impact on morale, KPIs and targets, increased risk of failure with customer service standards and increases time for work completion			Howe	
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No risks recorded - business as usual areas.

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The July to September KPIs are detailed below.

Quarter - July 2019 to Sept 2019

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%	95%	▲	95%	Establish members understanding of info provided - rated at least mainly ok or clear	95%	99%	▲	100%
Pension payments made within 10 working days of receiving election	95%	89%	▼	87%	Experience of dealing with Section - rated at least good or excellent	95%	90%	▼	90%
Death benefits/payments sent to dependant within 10 working days of notification	90%	98%	▲	87%	Establish members thoughts on the amount of info provided - rated as about right	92%	91%	▶	94%
					Establish the way members are treated - rated as polite or extremely polite	97%	99%	▲	100%
					Email response - understandable	95%	90%	▼	90%
					Email response - content detail	92%	89%	▶	92%
					Email response - timeliness	92%	97%	▲	94%

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 98,000 scheme members.
- Rated very highly by customers for providing a great customer experience
- 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 review of processes and have a replacement structure prepared by December 2020
- Complete the tender for actuarial services by December 2020
- Prepare for the McCloud remedy and implement this, once details are known.
- Complete monthly postings of contributions from employers to negate the significant peak of year-end work, spreading this throughout the year by March 2021

Ian Howe 23/12/2019

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