



LOCAL PENSION BOARD - 8 NOVEMBER 2021

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PENSION FUND CONTINUOUS IMPROVEMENTS REPORT

Purpose of the Report

1. To provide a regular update to the Board regarding progress in respect of areas of identified improvement within the Pensions Section.

Background

2. The Continued Improvements and Systems team has been created to assess and improve existing processes, maximising the use of technology, whilst exploring other areas including tenders, new legislation, governance and data quality. Appendix B has been provided to cover the areas of improvement to be addressed, but the key developments since last quarter are provided in more detail below.

Member Self Service (MSS)

3. Pensions provide a Member Self Service facility through the website for scheme members and encouraging them to sign up is a key aim. All scheme members have the opportunity to register for an MSS account which allows them instant access to their pension details. It allows members to see the current value of their pension benefits as well as the ability to transfer documents securely to and from the pensions section. Active and deferred members can perform their own pension calculations, whilst pensioner members are able to download and print off payslips and P60s. A demonstration of the system was most recently provided to the Board following the meeting on 8th February 2021.
4. The latest registration figures, provided in Appendix A show an overall increase of 1,229 partially or fully registered users since the last report, with increases across all age groups.
5. Officers continue to explore ways to increase registration figures, with ten further employers, including Leicester City Council and Charnwood Borough Council have been contacted to request that they publish an article publicising MSS on their internal websites.

Deferred Benefit Calculations in Bulk

6. Deferred calculations have begun to be produced in bulk, on a monthly basis, where new leavers meet the criteria to allow this be done. An initial small batch of 35 cases were produced on 1st October followed by another batch of 30 the following week.
7. Provided there are no issues that emerge from this, it is intended that larger batches will subsequently be produced, which will benefit the office by allowing more resource to be allocated on other areas such as aggregations or other more complex deferred cases, where numbers are high.

Mid Term Valuation Data

8. The report 'Funding Position 31 March 2021', presented to the Board on 23rd August 2021 contained detail regarding the Mid Term Valuation exercise that Officers have undertaken, to assess progress regarding the funding position since the last valuation and act as a guide on the likely outcome at the 2022 valuation.
9. As part of this exercise, work has been on-going assessing and updating scheme member records to ensure that the quality of the data held is of a high standard. Data extracts are produced through Altair and assessed by uploading to a Data Portal created by the Fund Actuaries, Hymans Robertson.
10. Whilst data issues are relatively small in the context of total membership, there are still a large number to address before the final extract of data can be submitted. The type of issues raised are of generally minor importance in respect of the impact on member benefits, and many can be eliminated quickly. Some are caused by issues with the Data Portal and these are reported to Hymans and many will be resolved in time for the main valuation exercise in 2022. Others are caused by issues with the original Altair extracts and these are reported with Heywood
11. Inevitably there are a smaller number of more complex errors to address which take longer to clear. At the time of writing two categories of errors remain and appear to be an issue with the initial report devised by the systems supplier, who is currently investigating. It is expected that data will be submitted for assessment by 31st October.

Insights Reporting Tool

12. Officers have agreed to purchase a new reporting tool from Heywood. Insights is a Business Intelligence solution that will hugely improve the ability to access, analyse and share data from Altair, plus other related systems, e.g. I-Connect.
13. The initial plan is to use Insights in two key areas:
 - Set up an automated report (supplied by Heywood, tailored to meet Leicestershire requirements) to reconcile pensioner payroll with

administration records to allow any differences to be highlighted on a regular basis;

- Utilise Heywood Insights reports to manage Data Quality errors on a daily basis. This will allow frequent monitoring of our data 'score' in accordance with The Pension Regulator requirements.

14. Officers will receive training to produce their own Insight reports and in the medium to long term, reports in areas such as KPIs and Workflows will be developed and replace current reports which require manual manipulation of data and as a result are time consuming to produce.

McCloud Hours Exercise

15. Work is underway on updating member records with the additional data required to review benefits as a result of the McCloud ruling. To date the work has been generally formatting data to allow an automated load into Altair. Following the first upload of data, an issue was identified which resulted in new data overwriting existing data which has produced gaps in service.

16. The employer in question was small, chosen deliberately in anticipation of any potential issues when loading for the first time. A full check of all records impacted by this load has been undertaken and the records have been corrected and gaps removed.

17. However, this issue is concerning. Officers have collected data from employers using a standard template developed by the Local Government Association agreed by systems providers including Heywood and had an expectation that the data would load without issue.

18. This has been raised with Heywood who as a result have issued a revised guidance document with warnings of problems for users to be aware of. The issue has also been discussed at the National Technical Group where another authority reported the same issue, although at a recent Heywood User Group another two authorities have also raised this.

19. This topic will be discussed again at a webinar that Heywood have arranged for early November, and officers will agree a way forward from there. Until this issue is resolved, no further data will be loaded.

Customer Satisfaction Surveys

20. Customer Satisfaction Surveys are now being issued electronically to recent retirees and members who have been provided with estimates on a monthly basis, where members are registered for MSS and were provided with their documentation through the portal. These members were previously identified as a group where low returns of completed surveys have been recorded. A targeted email is sent to this group of members within six weeks of either the

retirement or estimate letter being issued, providing a link to the surveys. Return rates have been mixed so far, i.e.:

- July: 5 (12.2% of members contacted – this was in respect of a partial month)
- August: 25 (18.38%)
- September: 4 (4.55%)

21. Please note that the figures above refer to the online version only. Members who receive their letters in paper form still receive a paper survey with a pre-paid envelope alongside their pensions documentation.

22. Feedback forms are a vital source of information and play a significant role in measuring customer satisfaction and KPIs. Officers will continue to monitor returns whilst considering if there are other ways to encourage their completion.

EPIC

23. The live version of the Pensions employer database, EPIC was installed on 19th August 2021. Any queries from employers are now fed directly into the system and dealt with through EPIC.

24. Meanwhile, Officers are currently exploring how to maximise use of the system. To date, two new fields have been added to allow officers to record whether an employer has taken out ill health insurance, plus whether the employer is using iConnect for their data submissions. In addition, employer contact details are being reviewed and added to the system.

25. An exercise to digitise historic employer documents and upload to Epic is also underway. This is a lengthy exercise and will take some time to complete.

Good Governance

26. Further to the Good Governance Report to the Board dated 24th May 2021 there has been no further updates from government. Good Governance was part of the Ministry of Housing, Communities and Local Government's (MHCLG) workplan. MHCLG has since become part of the new Department for Levelling Up, Housing and Communities (DLHUC) and the Local Government Minister Luke Hall has been relieved of his duties. A new minister, Kemi Badenoch has now been appointed.

27. It was reported at East Midlands Pension Group on 14th October 2021 that DLHUC have many other issues to contend with and this is likely to impact on the implementation of Good Governance. However, it was also reported that the Scheme Advisory Board are taking forward some elements of the action plan independently, so there may be some progress, but not as much as expected.

28. The Fund however has progressed with many recommendations arising from the Good Governance Report as they were seen as best practice, the Fund's progress can be considered within the Fund's Annual Report.

Recommendation

29. It is recommended that the Board notes all areas of the report.

Equality and Human Rights Implications

None specific

Appendices

Appendix A: Member Self Service Registrations 6th October 2021

Appendix B: Areas of Improvement November 2021

Background Paper

Local Pension Board - Good Governance Phase 3 Report - 24 May 2021

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1122&MId=6529&Ver=4>

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