

# **Pensions Administration**

## **Business Plan**

**2022-2023**

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

	<b>Priority (Not business as usual)</b>	<b>Key Actions</b>	<b>Performance measures / KPI</b>	<b>Impact</b>	<b>Support required from another service</b>	<b>Customer</b>	<b>Timescale/ Due Date</b>
1	Implement a solution for the national “pensions dashboard” project	<ul style="list-style-type: none"> <li>• Write new reports via Insights to identify data improvements</li> <li>• Data cleanse member data</li> <li>• Reduce backlogs of preserved benefits and aggregations</li> <li>• Find a technical solution that meets the national dashboards requirements</li> <li>• Link the solution to the Fund’s current member self-service solution</li> <li>• Communicate dashboards to employers and fund members</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a new KPI to measure improvement in the take up of the Fund’s member self-service linked from the national dashboard</li> </ul>	<ul style="list-style-type: none"> <li>• Increased administration cost for the solution</li> <li>• Resource required for report writing and data cleansing</li> <li>• Improved take up of the Fund’s member self-service</li> <li>• Review and amend communications and letters to include the national pensions dashboard</li> </ul>	<ul style="list-style-type: none"> <li>• Heywood (system provider)</li> <li>• Fund employers</li> </ul>	<ul style="list-style-type: none"> <li>• Pension Sections 98,000 scheme members</li> </ul>	<ul style="list-style-type: none"> <li>• Project work – phased development and improvement</li> <li>• March 2023</li> </ul>
2	Complete the implementation of a phased roll out of	<ul style="list-style-type: none"> <li>• Phased roll out to all Funds employers</li> </ul>	<ul style="list-style-type: none"> <li>• Report progress to the Local Pension Board on a</li> </ul>	<ul style="list-style-type: none"> <li>• Reduces year-end queries</li> <li>• Assists</li> </ul>	<ul style="list-style-type: none"> <li>• All employers’ payrolls and their external payroll</li> </ul>	<ul style="list-style-type: none"> <li>• Remaining 22 fund employers</li> </ul>	<ul style="list-style-type: none"> <li>• All remaining employers</li> </ul>

	Connect with all the Funds employers	<ul style="list-style-type: none"> <li>Continue to work with employers and their third-party payrolls on the specification</li> </ul>	<p>quarterly basis</p> <ul style="list-style-type: none"> <li>Funds admin and comms strategy makes monthly posting a scheme requirement under TPR governance arrangements</li> </ul>	<p>employers</p> <ul style="list-style-type: none"> <li>Member modellers are more accurate</li> <li>Validation in built to negate wrong data at source</li> <li>Meets TPR improvement plan requirements</li> <li>Improves overall efficiency</li> </ul>	<p>providers</p> <ul style="list-style-type: none"> <li>Heywood (system provider)</li> </ul>	<p>with active members, 160 already completed. (182 employers in total)</p>	<p>by August 2022</p>
3	SAB – Good Governance Project	<ul style="list-style-type: none"> <li>Implement the final areas of recommendation from the Good Governance Project</li> </ul>	<ul style="list-style-type: none"> <li>Continue to watch the national position</li> <li>Guided by Hymans</li> </ul>	<ul style="list-style-type: none"> <li>Improve the governance of the Fund</li> <li>Reduce risk</li> </ul>	<ul style="list-style-type: none"> <li>Hymans</li> <li>Legal (potentially)</li> <li>Other Funds (potentially)</li> <li>Pensions Board, Committee and Democratic Services</li> <li>CIPFA</li> <li>SAB</li> </ul>	<ul style="list-style-type: none"> <li>Scheme members</li> </ul>	<ul style="list-style-type: none"> <li>No deadline set by SAB (on-going)</li> </ul>
4	Implement the McCloud remedy	<ul style="list-style-type: none"> <li>Continue to collect hour changes from employers from 1 April 2014 to 31 March 2022</li> <li>Load the missing hours and service breaks into the pension system</li> </ul>	<ul style="list-style-type: none"> <li>Revise benefits and adjust payments where necessary</li> <li>Develop a KPI for amending the benefits for scheme members</li> </ul>	<ul style="list-style-type: none"> <li>Resource in the Pension Section (a temporary sub-team of 2 has been set up to initiate the work)</li> <li>Monitor the impact on the other teams in</li> </ul>	<ul style="list-style-type: none"> <li>Pension colleagues (internal)</li> <li>Payroll colleagues (EMSS)</li> <li>Heywood (system changes)</li> <li>LGA</li> <li>Legal Services (potential for legal appeals)</li> </ul>	<ul style="list-style-type: none"> <li>All scheme members and their dependants</li> </ul>	<ul style="list-style-type: none"> <li>After remedy is known (currently unclear)</li> </ul>

		<ul style="list-style-type: none"> <li>Recalculate pension benefits for members since April 2014</li> <li>Potentially offer aggregations to those members who previously decided against transferring</li> <li>Write to all impacted scheme members</li> </ul>		<p>the Pension Section – including the data loading requirements</p> <ul style="list-style-type: none"> <li>Increased work and complexity for the Fund’s employers (reporting and extracting the data)</li> </ul>			
5	Develop new bulk processes	<ul style="list-style-type: none"> <li>Move to bulk processes to run large admin areas (e.g. preserved benefits, refunds, certain estimates)</li> <li>Amend processes</li> <li>Set up new letters/workflows</li> <li>Devise simplified checking processes</li> <li>Negate the need for a leavers form (for some cases)</li> </ul>	<ul style="list-style-type: none"> <li>Set new KPIs – showing cases run via the bulk processes (compared to case by case calculations)</li> </ul>	<ul style="list-style-type: none"> <li>Internal resource available to work on other pressing areas</li> <li>Risk needs to be considered and managed appropriately</li> </ul>	<ul style="list-style-type: none"> <li>Heywood (system provider)</li> <li>Employers</li> <li>Internal Audit</li> </ul>	<ul style="list-style-type: none"> <li>All scheme members</li> </ul>	<ul style="list-style-type: none"> <li>June 2022</li> </ul>
6	Review and implement The Pension Regulators new Code of Practice	<ul style="list-style-type: none"> <li>Review the new code</li> <li>Check the Fund’s compliance</li> </ul>	<ul style="list-style-type: none"> <li>Report progress to the Pension Board</li> </ul>	<ul style="list-style-type: none"> <li>Failure to comply could cause breaches of pension law</li> </ul>	<ul style="list-style-type: none"> <li>Legal Services</li> <li>Hymans</li> <li>LGA</li> <li>Internal IT (on</li> </ul>	<ul style="list-style-type: none"> <li>All scheme members</li> </ul>	<ul style="list-style-type: none"> <li>Currently unknown but the new code</li> </ul>

		<p>against all areas of the new code</p> <ul style="list-style-type: none"> <li>• Make any necessary changes</li> </ul>			cyber security requirements)		is expected in 2022
7	Agree with the Chair of the Pension Board an area for the Board to “Deep Dive”	<ul style="list-style-type: none"> <li>• Training (internal and/or external)</li> </ul>	<ul style="list-style-type: none"> <li>• Report/s to the Board</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce risk</li> <li>• Increase awareness</li> <li>• Further support the Administering Authority</li> </ul>	<ul style="list-style-type: none"> <li>• All Board Members</li> <li>• Pensions Manager</li> <li>• Hymans</li> <li>• Legal Services</li> <li>• External Trainer</li> </ul>	<ul style="list-style-type: none"> <li>• Board Members</li> <li>• Admin Authority</li> <li>• Scheme members</li> </ul>	<ul style="list-style-type: none"> <li>• March 2023</li> </ul>
<b>Level Two – Changes that impact on Corporate Resources</b>							
8	Implementation of a postage, printing and scanning solution	<ul style="list-style-type: none"> <li>• Finalise the arrangements with the temporary current provider</li> <li>• Investigate outsourced options</li> <li>• Potential for an external tender</li> </ul>	<ul style="list-style-type: none"> <li>• Agree a detailed SLA with the provider covering – turn round times, escalation process, GDPR requirements, charges</li> <li>• Reduce postage using greater member self-service online solutions</li> <li>• Develop a digitised solution for post</li> </ul>	<ul style="list-style-type: none"> <li>• Improve efficiency</li> <li>• Reduce the need for office working</li> <li>• Reduce costs</li> <li>• Reduce risk of failure if Pensions had to fully work from home (Covid)</li> </ul>	<ul style="list-style-type: none"> <li>• Central Print</li> <li>• Internal IT</li> <li>• Pension colleagues</li> <li>• Procurement</li> <li>• Legal Services</li> </ul>	<ul style="list-style-type: none"> <li>• Scheme members</li> </ul>	<ul style="list-style-type: none"> <li>• June 2022</li> </ul>

**Level Three – Pension Section (continuous improvement) – (Resourced from the Pension Fund) – All Business as Usual 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
9	Maintain the Local Government KPIs at or above target, for all areas of Local Government pension administration.	<ul style="list-style-type: none"> <li>• Key focus on making payments to scheme members within the current KPI and customer satisfaction</li> <li>• Work closely with Pension Team Managers</li> <li>• Monitor changes in legislation</li> <li>• Monitor workloads</li> <li>• Monitor CIPFA benchmarking KPIs</li> <li>• Demonstrate value for money</li> </ul>	<ul style="list-style-type: none"> <li>• Report the 3-business process and 7 customer perspective KPIs to the Local Pension Board each quarter</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain and improve customer service</li> <li>• Highlights any falls in service so these can be addressed quickly</li> <li>• Increased officer morale – positive feedback is very welcome</li> </ul>	<ul style="list-style-type: none"> <li>• All fund employers</li> </ul>	N	Ian Howe	On-going  Quarterly reports to the Local Pension Board
10	<p>Fund Valuation 31 March 2022</p> <p>To be completed by 31 March 2023</p> <p>Sets employer rates from 1 April 2023 to 31 March 2026</p>	<ul style="list-style-type: none"> <li>• Calculate the Funds funding position</li> <li>• Confirm all employer contribution rates for the following three years</li> <li>• Consult with</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce employer risk</li> <li>• Reduce employer deficits</li> <li>• Increase employer security</li> <li>• Agree suitable and reasonable</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce Fund risk</li> <li>• Facilitates longer term employer budget planning</li> <li>• Significant resource required from the Pension Section</li> <li>• Increased administration and actuarial costs</li> </ul>	<ul style="list-style-type: none"> <li>• Hymans</li> <li>• Pension Committee</li> <li>• Pension Board</li> <li>• All Fund employers</li> </ul>	N	Ian Howe	31 March 2023

		<p>employers on the ISS and FSS</p> <ul style="list-style-type: none"> <li>• Agree Fund assumptions</li> <li>• Assess employer risk</li> </ul>	<p>employer rates</p>					
11	Implement ongoing customer service improvements	<ul style="list-style-type: none"> <li>• Team Managers to explore ongoing customer service improvement opportunities</li> <li>• Implementation more online processes</li> <li>• Maintain the high standard within the customer help desk</li> <li>• Expansion of Member self-service and system modellers where possible</li> </ul>	<ul style="list-style-type: none"> <li>• Implement new KPI's and review measuring techniques</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure the highest level of service available</li> <li>• Continually look to enhance and improve the customer experience</li> </ul>	N	N	Ian Howe	On-going
12	Develop a suit of Insight reports	<ul style="list-style-type: none"> <li>• Monthly reconciliation between pensions admin and pensioner payroll</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly checks to be reported by Team Managers to the Pensions</li> </ul>	<ul style="list-style-type: none"> <li>• Improves efficiency</li> <li>• Reduces risk (e.g. over or under payments)</li> <li>• Potentially eases workloads at year-end (spreading this</li> </ul>	N	N	Ian Howe	On-going

		<ul style="list-style-type: none"> <li>Identify admin and payroll changes monthly e.g. short term to long term spouse's benefit</li> <li>Identify data improvement requirements</li> <li>Look at various options on how Insights will improve efficiency covering all Teams</li> </ul>	Manager	throughout the year)				
13	<p>Manage and reduce employer risk</p> <p>Keep the employer tracking system (EPIC) updated for monitoring employer changes and risks</p>	<ul style="list-style-type: none"> <li>Continue to review bonds and guarantors</li> <li>Continue to guide new TUPE outsourcings to pass-through pooling</li> <li>Work with the remaining CABs and higher risk Education bodies on reducing their Fund risk</li> </ul>	<ul style="list-style-type: none"> <li>Negating the need for full bonds where possible</li> <li>Assess bond values and take necessary action</li> <li>Inform the Board each quarter</li> </ul>	<ul style="list-style-type: none"> <li>Reduce fund related employer risk</li> <li>Reduce full bond values by moving to pass-through when appropriate</li> <li>Reduce outsourcing pension costs and risk</li> <li>Reduce the risk of default by new employers at TUPE</li> </ul>	<ul style="list-style-type: none"> <li>Hymans</li> <li>Legal services</li> <li>Employers</li> </ul>	N	Ian Howe	On-going
14	Achieve all the statutory deadlines – ABS by 31 August and	<ul style="list-style-type: none"> <li>Work closely with Fund employers</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory statutory deadlines</li> </ul>	<ul style="list-style-type: none"> <li>Failure is a reportable "material breach" of pension rules</li> </ul>	<ul style="list-style-type: none"> <li>All fund employers and their</li> </ul>	N	Ian Howe	31 August 6 October



	pension taxation statements by 6 October			<ul style="list-style-type: none"> <li>• Reportable to The Pensions Regulator</li> <li>• Inform the Local Pension Board</li> <li>• Reputational damage</li> </ul>	payroll providers <ul style="list-style-type: none"> <li>• EMSS</li> </ul>			
15	Improve staff sickness levels within the Pension Section	<ul style="list-style-type: none"> <li>• Team Managers to continue to manage sickness</li> </ul>	<ul style="list-style-type: none"> <li>• Pension Section target of 5.0</li> </ul>	<ul style="list-style-type: none"> <li>• Increased sickness – negative impact on morale, KPIs and targets, increased risk of failure with customer service standards and increases time for work completion</li> </ul>	N	N	Ian Howe	On-going
16	Continue to improve home working solutions	<ul style="list-style-type: none"> <li>• Continue to reduce post moving more to MSS</li> <li>• Improve workflow processes</li> <li>• Maintain close contact with all colleagues working from home</li> </ul>	<ul style="list-style-type: none"> <li>• Increase MSS take up</li> <li>• Target specific employers on MSS take up</li> <li>• Team Managers to liaise at least one a week with each member of their team</li> <li>• Pulse survey after each Office Meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain staff morale</li> <li>• Improved efficiency</li> <li>• Reduced risk</li> </ul>	N	N	Ian Howe	On-going

## Pensions Administration

### Overview

- Provides a statutory service administering the Local Government Pension Scheme to over 190 employers in the Leicestershire Fund with over 98,000 scheme members.
- Rated highly by customers for providing a positive 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
- Continue to develop processes on-line to improve the customer experience, concentrating on improved efficiency, reduced risk and improved home working
- Develop bulk processes internally to improve efficiency and make resource available in other key work areas
- Implement the McCloud remedy
- Complete the Fund valuation
- Improve reporting and efficiency via Insights
- Implement a solution to the national dash boards exercise
- Complete monthly postings of contributions from employers to negate the significant peak of year-end work, spreading this throughout the year
- Continue to build on the home working solution to make this more efficient and maintaining staff morale
- Maintain staff wellbeing throughout the on-going pandemic and beyond