

Date:	18th January 2022
Classification:	General
Title:	Pension Administration Transfer Project
Report of:	Diana McDonnell-Pascoe, Pensions Project Manager, People Services
Policy Context:	Service Delivery
Financial Summary:	General

1. Introduction

- 1.1. This report is to update the Board on the progress of the project to transfer the Pension Administration Service from Surrey County Council (SCC) to Hampshire Pension Service (HPS) of Hampshire County Council.

2. Transfer of service to Hampshire Pension Service

- 2.1. Project Status – the Pension Administration Transfer Project has a final RAG status of GREEN on both delivery and risk as per the final Project Board with Hampshire County Council and Surrey County Council and is successfully progressing to conclusion as per the planned delivery timetable. The project is now in CLOSE with mop-up/handover activities being compiled and moved to being managed through business as usual (BAU) activity.
- 2.2. Project Costs – All costs are as expected and correct as of the date of writing this report.
- 2.3. Comms and Engagement – as the Board was previously advised, we had a timetable of Comms and Engagement for our members (active and deferred), pensioners and employers. We started our comms and engagement activity in the Summer and increased our engagement as we got closer to Go-Live. Our aim was to ensure we had comprehensive engagement planned to ensure our

stakeholders were fully informed as to the change of administrator and the opportunities it offers them in terms of improved service.

- 2.4. Post go live, a deferred member in the process of retiring escalated concerns that they did not receive notification from Westminster of the transfer of service. We conducted a review of that comms activity and discovered that a bulk email exercise failed to include all the email addresses that were included in the exercise. We immediately identified all those members who failed to receive the comms and contacted them to apologise and resend them the comms, albeit later than intended.
- 2.5. While it is true that there was a failsafe in the plan whereby HPS were going to email members to welcome them to the scheme (and our members would have been communicated with regardless), it was our intention that members would be informed of the change of administrator by WCC in the first instance. I would like to apologise to the Board for this failure to quality assure the comms activity and would like to reassure the Board that we are working with our comms colleagues to improve the comms planning now and in the future.
- 2.6. Despite that, we have delivered the Engagement and Comms plan as per the timetable below and we will be sending out the direct email to high earners shortly. We will conduct a feedback survey with members, pensioners and employers in January and we will analyse the feedback for our lessons learned. We will also update the Board with a summary of the feedback as appropriate.

FY 21-22	Engagement and Comms		
	Members	Employers	WCC Officers
Jun		Email to employers / Schools' bulletin	
Jul	Letters to schools to inform staff before holidays		
Aug	Message on Annual Benefit Statements		
Sep	Letters to deferred members, pensioners, undecided leavers, schools	Follow on email to employers / information in Surrey newsletter / setup access to Employer Hub.	Launch of staff campaign on Loop Live. Wire/Yammer/ Newsletter comms to follow
Oct	Message on final physical payslip.	Employer Workshops / Schools bulletin & mgr. meetings /	HRBP Workshop / update to Directorate SLTs. Comms campaign continues
	Updated message on Pensions Website		

Nov	Member Portal Go-Live on 15th	Employer Portal Go-Live on 17 th	Follow on Comms in LL, Newsletter and Wire/Yammer
Dec	Direct email to high earners	Follow on email to employers	Direct email to high earners
Jan	Feedback Survey	Feedback Survey	Feedback Survey

3. Administration Exit: Surrey County Council (SCC)

- 3.1. The final date of full-service delivery from SCC was 20th October 2021. This was the final date for pensioners and members to use the self-service SCC Member Portal. The period of transfer from SCC to HPS took place between end of business hours on 20th October 2021 and 7th November 2021 and on 21st October and during this transfer period, continuity of service for members and pensioners was maintained through “read-only” query management of the pension software Altair via Surrey’s contact centre. Casework was managed offline using HPS templates for ease of information transfer.
- 3.2. As previously advised; from 8th of November 2021 COWPF data will remain on SCC servers and in a read-only state on Altair until the end of January 2022, when WCC data will be deleted from SCC Servers in line with GDPR. Between 8th of November and 31st January, SCC will be aiding HPS, where required, with casework queries. Written confirmation of the data deletion will mark the formal exit from our contract with Surrey.
- 3.3. Surrey exit costs: We officially exit Surrey upon deletion of COWPF data from their servers at the end of January. Preliminary calculations in exit costs show that we are a utilisation of 70% of revised budget and 76% of original budget with an exit cost of £54k approx. We have written confirmation that no further costs will be submitted. Next steps are to confirm the total costs with Surrey in writing and pay.

4. Administration Commencement: Hampshire Pension Services (HPS)

- 4.1. Service delivery with Hampshire Pension Services commenced on 8th November 2021. The first payroll run was successful and as planned, printed payslips were sent out. The bank account and BACS functions are operating normally with transfers in and out, payroll and other payments being made without issue.
- 4.2. However, there was an issue that came to light post go-live where a piece of code in HPS’ software provider’s conversion script did not successfully map

members marital status correctly to the new pension software, UPM. This script error was neither identified prior to software conversion by Civica nor post conversion during user acceptance testing by HPS. This error has now been rectified by Civica and marital statuses in UPM match the marital statuses that were on Altair at Surrey at the point of the final data cut. Subsequently, Civica have reviewed the conversion process and have confirmed that this was the only error. Both HPS and Civica have apologised for the error and are reviewing their onboarding processes to ensure that they are more robust for the future. Civica are conducting a root cause analysis on the issue because this is first time that this has happened to them, and we expect to hear an update post-review.

4.3. Members and Pensioners were able to self-service their account via the new Member Portal as of 15th November 2021 with those that wished to opt-out of digital engagement being advised to do so by writing to HPS. I am pleased to inform you also that since commencement of delivery with HPS, we have had 2,152 member registrations to the HPS Member Portal. This is an extremely positive start given that we had a contract lifetime (Sept 2014 – Sept 2021) total of 5,877 members signed up to Surrey's Member Portal.

i. The HPS registrations breakdown is as follows:

- a. Active members – 1,067
- b. Deferred members – 652
- c. Pensioners – 433

ii. The Surrey lifetime total registrations breakdown is as follows:

- a. Active members – 2,209
- b. Deferred members – 2,082
- c. Widower/Dependent/Pensioner members – 1,586

4.4. Employers are able to self-service via the Employer Hub since 17th November 2021. Those employers that didn't wish to use the hub have been informed that they can correspond and complete their administration via secure email to HPS' employer email address. I am pleased to inform you that as of 3rd December 2021, the HPS Employer Hub has 37 Westminster employers set up, 114 Westminster users set up and of those users, 85 have activated (72%). This is encouraging and we will of course, keep track with HPS to ensure all the employers have made contact with HPS so that they can discharge their responsibilities as per the Pension Administration Strategy and their obligations.

4.5. HPS Costs

- i. *Onboarding* – HPS onboarding costs remained unchanged with a total onboarding cost of £284k and a 20% contingency cost of £57k. We had an additional one-off cost of £6.6k to include historical payroll transfers into UPM which the board was previously advised of. As of the date of writing this paper, we are not planning on using any of the contingency funds and should that remain the case, we will get written confirmation (for evidence logging) from HPS that the funds are not required.
- ii. *Casework backlog* – SCC handed over a large amount of backlogged casework to HPS during the transfer. HPS have agreed to try and absorb as much of the backlog in their usual BAU service costs but there may be additional and as yet unknown costs to remove the backlog. HPS have requested adequate time to review and assess the remaining casework backlog with respect to the timescales and resources required to complete it. We expect to hear the results of this assessment and receive a written quotation (if necessary) of remediation costs in Q4 of FY21/22.

5. HPS Administration Delivery, Contract Governance and Monitoring

5.1. HPS Service Delivery (Operations) Monitoring

- i. On the 5th working day of each month there will be a key performance indicator (KPI) pack issued to WCC on the operational performance of the administration service.
- ii. There will be a monthly partnership meeting, post this issuing of the pack, to discuss the KPIs and operational delivery of the administration service. The first monthly partnership meeting will be held on 16th December 2021.
- iii. Where required, and outside of this regular timetable, there will be ad hoc calls between the administration service and WCC Officers to answer queries and/or resolve issues as they present.

5.2. Contract Monitoring

- i. Procurement – Contract Monitoring requirements
 - a. We have obtained the relevant templates from the contract team in Procurement so that we can complete monthly contract reporting.

- b. We will be enrolling the contract onto the Council's digital monitoring service, Capital eSource so that it is flagged with the Procurement teams as a significant contract so that we have their assistance when required.
 - c. We do not expect any regular internal meetings on contract monitoring with procurement. There may be an annual update for which any meetings will be agreed as required.
- ii. Fiscal Monitoring
- a. There will be an annual schedule of costs which will be invoiced quarterly and a control spreadsheet for the monitoring of planned and actual expenditure will be maintained by WCC Officers.
 - b. This spreadsheet will also record one-off costs that occur naturally through service delivery improvements and/or other ad hoc requests. These agreed expenditures will have written confirmation as evidence and invoiced as they occur because they are not scheduled.
 - c. There will be a bi-annual (every six months) review meeting between the HPS and WCC finance and operations teams to provide quality assurance on fiscal monitoring by ensuring that all expenditure is as planned and/or agreed and yearly schedules are confirmed.

5.3. Formal Governance

- i. Pension Committee and Pension Board
 - a. Andrew Lowe, Head of Pensions, Investment and Borrowing at Hampshire County Council or his suitable deputy, will attend the quarterly Pension Committee and Pension Board meetings at WCC as required to answer any questions the Committee and/or Board may have.
- ii. Annual Employers AGM or similar
 - a. Andrew Lowe, Head of Pensions, Investment and Borrowing at Hampshire County Council or his suitable deputy, will attend any formal annual employers meeting we will have to answer any questions and to support WCC Officers during the event.

6. Project Legacy Activities

6.1. COWPF Website – www.wccpensionfund.co.uk

- i. There is a legacy project being undertaken to review the Fund's website with respect to viability, use and cost now that we have moved to administration service to HPS. We needed a dedicated Fund website previously as SCC didn't provide the facility, however HPS have a comprehensive website that covers most but not all of our requirements and obligations namely Westminster-specific information for employers, members, pensioners, and other parties that would require or need access to that information.
- ii. With the original intention of saving the Fund from unnecessary expense by decommissioning the existing website (which costs approximately £4,000 per annum) at the end of its current subscription period (Sept 2021), we conducted some preliminary investigations into other options available to the Fund including moving the Westminster-specific information to the council's main website www.westminster.gov.uk and perhaps moving to a lower cost, lower functionality website with another hosting service. However, in October, Hymans Robertson completed a significant upgrade to the existing website, and we have been greatly impressed at the possibilities this offers the Fund with respect to improving members' and pensioner's experience and the Fund's digital offering online.
- iii. Consequently, and after discussing our initial options analysis, Sarah Hay and I considered that the website was effectively the digital public window display of the Fund and that there were more factors to consider than just cost when we consider the website as a tool in our comms and engagement arsenal. These factors include and are not limited to:
 - a. **Consistency and continuity of service for members, pensioners and employers who have had the same website address for years.** At present they can use the website to navigate to the new service with HPS quickly and easily and it can also be used as a "digital safety check" against concerns that any email correspondence they receive from HPS is actually "spam" or "phishing" and not valid. We feel that this reassurance in terms of consistency and continuity of service is a significant factor to be considered in light of the recentness of change of service administrator.
 - b. **Accessibility and Diversity and Inclusion.** We have recognised that we can do more on behalf of the Fund with respect to being Accessibility and Diversity and Inclusion friendly to members and pensioners who may have varied abilities when trying to navigate their

LGPS. We have engaged with the staff networks (including the ABLE Network and the Dementia Friends Network), the council's diversity and inclusion team and via a colleague in Public Health, we are engaging with the Alzheimer's Society to help us review and make recommendations on how to be more accessible to all. We have also engaged with HPS with plans to work together to improve both our digital engagements with respect to accessibility and diversity and inclusion.

c. **Other Factors (not exhaustive)**

- **Website design, development, and operation experience** – Hyman's have many years' experience in hosting and supporting Pension Fund Websites. Currently, they host 27 Pension Fund Websites. Replacing or supplanting this level of expertise may be tricky. Also, as part of the upgrade, WCC Officers have been given owner access to the website template for the first time and can make real time updates or corrections to information and/or post new articles relating to the scheme/Fund very easily. This change is a welcome one as it gives supported ownership of management of the website to WCC directly which wasn't available previously.
- **Further integration with Treasury and links with LGPS etc.** We have an opportunity to work with Treasury and Investment colleagues to do more in promoting the Fund activities we want to celebrate or highlight online. We would like time to workshop with them to explore this avenue of possibility.

iv. The Pension Committee has agreed to a further 12 months (1st November 2021 to 31st October 2022) subscription of the current website hosted by Hymans Robertson while a thorough review into requirements and options is conducted with a view to presenting a cost-benefit options analysis with recommendations regarding possibilities so that we can conduct a more thorough internal review and cost-benefit analysis as to how to move forward with the Fund's digital presence for our members, pensioners, and employers. This cost is £4,333 which comprises the £4000 annual subscription and a prorated bridging fee of £333 to cover the two months between the end of the old subscription period (Sept 21) to the new start of the subscription period (Nov 21).

7. Summary

- 7.1. This paper was to update the Board on progress of the project to date and to reassure the Board that the transition to business-as-usual service delivery with Hampshire Pension Service has been largely smooth and that the benefits of their professional service delivery are already being recognised. It was also to advise the Board that the project has moved to the CLOSE stage and that we are in handover to business-as-usual activities internally also.