Pension Fund Committee

Date:	**27th October 2022**
Classification:	**General**
Title:	**LGPS Projects & Governance Update**
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Wards Involved:	**All**
Policy Context:	**Service Delivery**
Financial Summary:	**£5,000**

1. Introduction

The purpose of this paper is to update the Pension Committee on the various projects and governance activities being undertaken by the Pensions and Payroll Team to improve the administration of the City of Westminster Pension Fund (COWPF) Local Government Pension Scheme (LGPS).

2. Current Projects

This section has been segregated into Statutory Projects and Non-Statutory Projects in order to underline our priorities. Current statutory projects are the Guaranteed Minimum Pension project and the McCloud project. Both projects are data driven and require a high degree of focus, scrutiny, and accuracy as they, at their conclusion, will affect pension benefits and pensions in payment. These projects are progressing well, and the highest priority project is the GMP project because we require all calculations to be completed by February 2023 so we can make the required benefits changes in advance of Pensions increases in the next financial year. The McCloud project is progressing at a steady yet more cautious pace because there is a high degree of

manual review of the legacy data prior to providing the data to HPS in the format required.

2.1. Statutory Projects

2.2. Guaranteed Minimum Pension (GMP)

There are three stages to this project. Data Reconciliation, Data Analysis, and Data Rectification. Mercer completed the Data Reconciliation exercise with HMRC when our administration contract was with Surrey County Council. In August 2022, after receiving further data from our new administration providers, Hampshire Pension Services, Mercer commenced the data analysis portion of this project. We are expecting this phase to be completed mid-November and the rectification piece to start immediately afterwards. Our overall objective is to have the Data Rectification phase completed by February 2023 so that we can ensure our pensioners have any changes to their benefits calculated and put into payment, along with Pensions increases, in April 2023. We are planning our communications strategy now so that we have all letters / communications ready to send to our pensioners once the calculations have been completed. We are working closely with HPS to ensure the communications are accurate and timely.

2.2.1. McCloud

As the Committee is aware, the McCloud judgement was aimed at preventing age discrimination in the LGPS. This means that COWPF LGPS needs to recalculate the benefits for eligible members for the remedy period of 1st April 2014 to 31st March 2022.

The benefits recalculation is in two phases. Phase 1 requires the collection of data on eligible members and Phase 2 is the recalculation of benefits of eligible members. Once the benefits have been recalculated, the members will be contacted and informed as to the changes, if applicable, to their benefits.

2.2.1.1.　　Workstream 1 – COWPF Employer Data Collection – led by Zuzana Fernandes, COWPF Pension Team

Zuzana has a monthly meeting with relevant HPS colleagues to monitor the employers and progress on the project on the Pension Fund's behalf. All employers are working with current and legacy payroll systems and providers to obtain the data required and there is slower progress with some employers due to the complexity of obtaining the data required.

HPS have received 20 of 37 completed service/break data sets from Westminster employers and initial data checks have been completed on all the data sets received. This represents 17.36% of the membership populate who are likely to require McCloud remedy. There are 17 employers yet to provide data. The HPS team are working with Westminster to encourage these employers to provide this as soon as possible. HPS have received 21 of 39 completed service/data sets from Westminster employers: for the period 1st April 2021 - 31st March 2022. This represents 15.32% of the membership who are likely to require McCloud remedy.

2.2.1.2.　　Workstream 2 – WCC Data Collection – led by Diana McDonnell-Pascoe, WCC Payroll Team

In this workstream we are collecting the McCloud data for Westminster City Council as an employer. We have three legacy payroll systems (Oracle, Agresso and CIPHR) and the current payroll system, IBC, to obtain the data from.

Current progress is as follows:

- Our IBC data has been collated and shared with HPS.
- Sarah Hay (BT Agresso) and Tracey Fuller (CIPHR) are manually reviewing the data already collated from the BT and CIPHR legacy systems. This is a highly intensive and manual process and is taking time to complete.
- We have completed the necessary Data Protection Impact Assessment and the CIPHR SQL database is being imported into the corporate data warehouse in preparation for the development of the PowerBI Interface. This work-strand is progressing in parallel with the manual review by TF.

- We have decided to pause on retrieving the Oracle data as the priority is to work through the data sets that we have got and get a working prototype of the PowerBI Interface before deciding our approach with Oracle. We expect to review this again in Q4 of this financial year and have a clearer approach on how to expedite this data retrieval.
- We have been updating HPS at a monthly meeting on McCloud so that they are apprised of our progress.

2.2.2.   Workstream 3 – LGPS Benefits Recalculation Exercise – led by Hayley Read, HPS Pension Team

There is no update under this workstream yet because Phase 2 has not launched.

2.3.   Non-Statutory Projects

2.3.1.   Pension Website Review

There has been significant progress on the review since the last Committee with the following outcomes achieved.

- I held two user-centred focus groups in September facilitated by Neil Samson, an experienced user researcher with WCC's Customer Experience team and Marta Costa, an intelligence analyst with the Strategy and Intelligence team. Both focus groups were attended by various members of staff, staff network leads from the Women's Network, Able Network, Rainbow Network, and Multi-Faith Network as well as representatives from the Unison and GMB unions. We also had a communications representative, Mandy Judd, from our partners, Hampshire Pension Services at both sessions.
- I had a technical review with Jessica Jones, Department Lead Digital - Creative Services and two officers in her team, Kieren Mollison, and Roger Patel, regarding the feasibility of the website content moving to and being maintained on the council website as well has discussing content creation and how best to use web traffic analytics to support our development.

- I had a meeting with and received a quote from Jonathan Hassell of Hassell Inclusion with respect to auditing our Accessibility provision and providing training in digital content creation. Hassell Inclusion were retained by www.autism.org.uk to audit and develop their digital inclusion for their website which has specific functionality targeted towards the neurodiverse.
- Additionally, I contacted and had various replies from the Alzheimers Society, Age UK and Dementia UK offering assistance or directing me to people who could assist me with my enquiries.
- A full report and recommendation for direction of travel in strategy for our digital offering is being prepared and will be presented at the December 2022 Pension Committee Meeting. However, and in summary, the Value for Money review has understood and recognised the following points for consideration.

Firstly, the Fund has three main sources of information for members, pensioners, employers and interested parties i.e., a single webpage on the Council website dedicated to the Pension Fund and two external websites that are dedicated to the LGPS i.e. COWPF LGPS and HCC LGPS. These websites and their content are maintained and updated by different officers in different teams (and different organisations) and serve distinct but conceivably overlapping audiences. I feel at this stage in the review and post the user feedback we have received that, with due consideration, we can reduce these sources of information from three to two and achieve this by moving relevant COWPF LGPS information from the current COWPF LGPS website to a new and dedicated section of the Westminster Council website. I have worked with Kieren Mollison, Senior Multimedia Content Officer to mock up a near replica of the existing website on the Council site and although it needs developing, I believe it to be broadly equivalent to the existing COWPF LGPS site. This similarity is important because user feedback on the accessibility and ease of use of the current website praised the clean graphics, abundance of white space and clearly delineated menus.

Secondly, any digital offering we provide will need to be supported and resourced appropriately because in order to ensure value to our core audiences, we will need to be

able to maintain and monitor content creation and provision, ensure appropriate technical support to the Pensions Team, satisfy evolving accessibility requirements as well as ensuring innovation, development and future-proofing in a world where most transactions and information is increasingly accessed and retrieved from online and digital sources. Cyber-Security is also a major factor in our decision making. Therefore, all research into changing from our specialist hosting service, Hymans Robertson, to a generic hosting service, e.g., Go Daddy, to save money has been discarded because we need specialist support and so would need to buy it in thus negating any cost saving. However, by moving to the Council website, we expect to have the cost saving we were targeting and the support of trained officers in the content and technical ability that we need. The only caveat to this is that Hymans Robertson provides updates to certain information on the website by default and we will need to ensure that these updates are supported in some way should we move from them.

Thirdly, and most importantly, we have recognised the need to have a proper digital communications strategy that services our users and provides information and resources in the best possible way to our members, pensioners, employers, and other interested parties including the media. Therefore, we will continue our user research (and expand it to include employers and pensioners) and develop a distinct digital comms strategy in partnership with Hampshire Pension Services, the relevant Comms and Intelligence teams at the Council and any suitable external subject matter experts. This is important because without evidence-based research and a comprehensive strategy, we will not be certain to continue to provide good service to our users and, we could miss opportunities to showcase the Fund's Environment, Social and Governance work and updates or refinements to the Scheme's news, legislation changes, guidance, and resources.

In conclusion, I feel that we can certainly provide better value for money by decommissioning the current website and moving the relevant content to a curated part of the Council's website. I feel we will benefit greatly from partnering with the council's user research, strategy and intelligence and digital services teams. However, as this move will take significant co-ordination with our council colleagues and include careful project and communications planning, further user research etc, we will be unable to

decommission the website before the annual renewal fee is due at the beginning of November 2022.

Therefore, I ask the Committee's approval to extend our licence period for an additional year so that we can plan accordingly. At the time of writing this paper, we have not received the additional year's prices, but I expect it to fall in the range of minimum £4,000 - £5,000 maximum. I will present further on this project at the next Committee meeting.

3. Upcoming Projects

3.1. Pensions Dashboards

As presented in my last paper, the Pensions Dashboard as per the programme initiated by The Money and Pensions Service (MaPS), will become a priority project in the next financial year when we go to stage between April 2023 and September 2024. We are reviewing progress on this with HPS at each monthly partnership meeting and they are currently in the tender process to appoint a digital partner. There is no further update on this currently and I will update the Committee on this in due course.

4. **Summary**

    4.1. The Guaranteed Minimum Pension project data analysis phase is underway, and rectification calculations are due to start mid-November and conclude in February ahead of Pensions Increases.

    4.2. The McCloud project is continuing with Zuzana Fernandes working with Employers, particularly schools, to submit their data to Hampshire Pensions Services as quickly as possible. The internal "WCC as an employer" work is continuing with the current IBC payroll data already submitted and efforts continuing in extracting and verifying the data from the legacy systems. We also have begun work to import the CIPHR data sets into the corporate data warehouse and development work on the PowerBI interface will commence shortly. I expect to have a more detailed update at the next meeting.

    4.3. The Pensions Website review is past its first stage and initial conclusions are that it would be best to decommission the existing website and move relevant content to www.westminster.gov.uk. However, as this will need to be a defined project with significant internal stakeholders, I would ask the Committee's approval to renew the licence with Hymans Robertson so that the move and decommission can be planned. The cost is expected to be between £4k and £5k.

    4.4. The Pensions Dashboard, as per the programme initiated by The Money and Pensions Service (MaPS), will be a priority project in the next financial year. COWPF LGPS will need to supply data to the dashboard, and we will work with HPS and Civica to connect to the dashboard when it is time for us to be staged. The staging period will be between April 2023 and September 2024; however, we will need to work on preparing the connections between now and then.