

Pension Fund Board

Date:	21st September 2023
Classification:	GENERAL RELEASE
Title:	LGPS Projects & Governance Update
Report of:	Diana McDonnell-Pascoe Pension Project and Governance Lead, People Services
Wards Involved:	All
Policy Context:	Service Delivery
Financial Summary:	None

1. Introduction

The purpose of this paper is to update the Pension Board 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

2.1. Statutory Projects

2.1.1. **Guaranteed Minimum Pension (GMP)**

I am pleased to tell the Board that the project is currently running to plan. We have hit all milestones to date, and we have also received the relevant signed off milestone certificates. We have successfully tied the remaining

contract payments to the milestone achievements and Mercer have complied with our requirements which has allowed us to track spend against progress.

We are currently in the queries stage of the calculation phase of the project and Mercer, Hampshire Pensions Service and ourselves are meeting regularly to go through each set of queries. There is a slight increased risk to the project delivery being delayed as the queries are requiring a more in-depth review than was expected. Mercer is requesting Westminster descope some member records from the general project as their tool cannot rectify them due to additional factors. These will need manual review. This may involve us working with Hampshire Pensions Services and their software provider, Intellica to review these separately. However, this aspect of the project is still under review and once we have completed the query phase, we will look to update the Committee and Board on necessary next steps.

Nevertheless, I remain confident that the GMP Project with Mercer will be achieved in good time as we have excellent and timely engagement from Mercer with Hampshire Pensions Service supporting. Our current date for completion is scheduled for 8th October and currently, we are on track to achieve that, however if there is slight slippage against that date due to this query phase, we can accept that delay as it is more important to get decisions on how to process our member records correct.

The next phase we are planning for is the Comms phase which is between Westminster and Hampshire and starts on 11th September 2023. We will be co-creating a Comms strategy to tailor the type and timing of our communications to each category of member and their situation.

2.1.2. **McCloud**

Westminster City Council as an Employer in the COWPF LGPS

I am pleased to tell the Board that Westminster City Council has submitted the majority of its McCloud employer data.

As I previously advised the Board, we were having concerns about our ability to obtain our historic HR data from the legacy Oracle Software. The Board may remember that I had been engaging with Oracle directly but unsuccessfully for many months however, our collaboration with the appointed third-party provider, Claremont, was fruitful and we managed to obtain all the necessary Oracle data quickly and easily. The quality of the data provided was so good we completed our data check review with Hampshire Pensions Services within thirty minutes which was an outstanding achievement considering some of the other reviews took hours and needed repeated corrections and additional reviews. I would like to thank David Liu, Head of IT Infrastructure for WCC and Ceri Morgan, HCM Consultant from Claremont for their excellent collaboration and expertise in getting this resolved quickly and inexpensively.

I would also like to commend the Payroll and Pensions team, namely Sarah Hay, Zuzana Fernandes, and Tracey Fuller for working so hard for many months manually reviewing, collating, and checking the IBC, Agresso and CityWest Homes data sets. It was a mammoth task requiring an enhanced attention to detail and due to their hard work, we have submitted all the main WCC HR data within the final deadline. There are outliers that need final verification, but these are in the minority and will be completed soon.

City of Westminster Pension Fund LGPS Employers (All)

The current statistics on data set submission to Hampshire Pensions Services for the employers in the Fund LGPS are for August and will be slightly out of date with many submissions happening in September.

Nevertheless, August data shows that of the 37 returns expected, 24 employers had submitted their data. This is a return rate of 64.86%. We expect this figure to be improved on come September's data.

However, and despite this, Hampshire Pensions Services will use official guidance to complete the returns where gaps remain. Due to the complexity of the project and the availability of historic data after many payroll provider changes during the data requirement period, we had expected there to be some gaps which would need rectifying through guidance, so this is as per expectations.

2.1.3. Pensions Dashboards Programme (PDP)

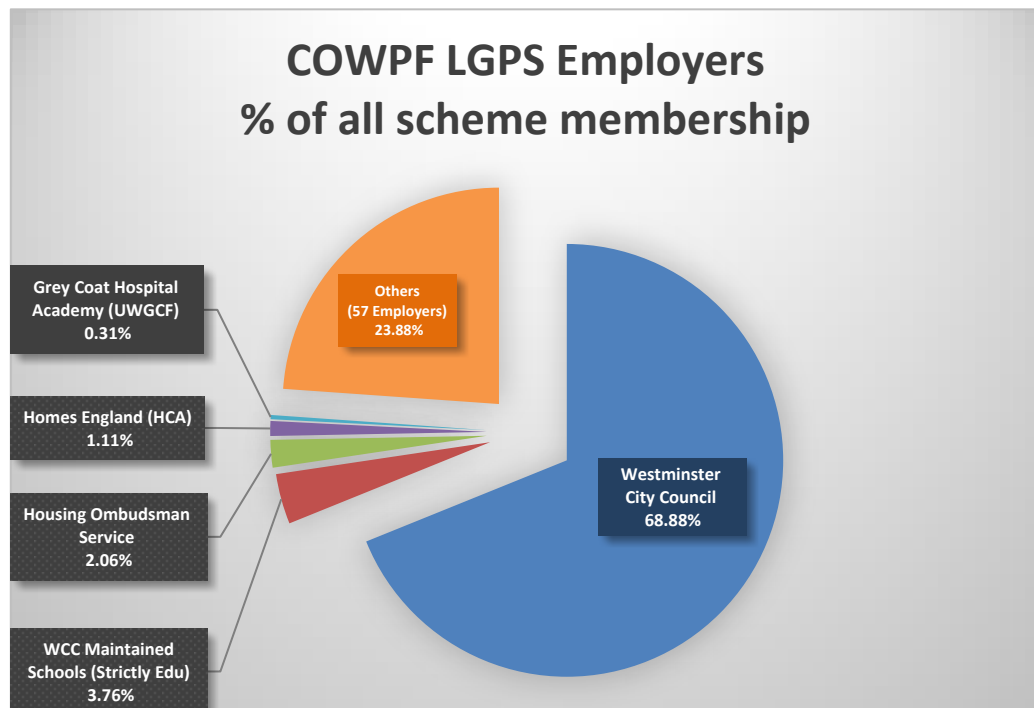
There has been no material update in respect of the PDP, however HPS have been working through the dashboard readiness checklist and will be sharing a copy of this with an updated PDP report, alongside September's partnership report.

2.2. Non-Statutory Projects

2.2.1. Pension Website Review

There have been further very positive developments since the last Board meeting, and I am pleased to tell the Board that, in addition to participants from Westminster City Council, we have successfully engaged with several Scheme Employers in the Fund to take part in the website user research which is excellent because, as part of our commitment to developing the website to be accessible, easy to understand and user friendly, we had sought a diverse and substantial range of views so that we could understand what our users need to be able to use the site with confidence.

We chose Scheme Employers that made up the biggest percentages of the scheme after Westminster which were the Housing Ombudsman, Homes England (formerly HCA), Greycoat Academy and Hallfield School*.



**Hallfield School is one of several schools with Strictly Education which makes up the 3.76%.*

In terms of overall research participation, we sent out invites to 25-30 WCC and Scheme Employer staff and had 14 participants which is an excellent result as we had an objective to achieve 10-12 participants. We had a ratio of approx. 70:30 WCC to Scheme Employer participants which was a good representation of both scheme segments.

What we learned was that there were several main themes that appeared across all the participants' interviews which has allowed us to create a coherent plan to design the website with user requirements in mind. As you will see from the User Research report, there has been a significant amount of work completed on the user research aspect of the project and I would like to thank Rhea Ebanks-Simpson, our user researcher, for her time and expertise in bringing our user stories to life. Her report is in Appendix 2 for your review.

In terms of next steps and project delivery, we will be moving into the User Design and Testing phase. This is slightly later than originally planned due to a decision I made to extend the timeframe of the user research to include more Scheme Employers. I made this decision to ensure that there was balance in our approach and that the website was not accidentally biased towards Westminster staff to the exclusion of our Scheme Employers.

Additionally, another user specialist (Alex Kulup - Content and Interaction Designer) has joined the project team so we are adding a dedicated Content Management review phase to the project to run simultaneously with the User Design and Testing phase.

As this project has developed quite considerably during the summer, there has also been a significant review of the timeline for project delivery on this project to redistribute the work more evenly between the various user teams (user research, user content and user design) and the website development team.

Thankfully, because the website licence will be extended for a further year, we have had the scope to do this without causing a critical delay or project over-run and the redistribution of work has made the project more balanced and considered and has allowed more time for content redesign which had been identified as an area for development. I have written a more substantial project update, including detailed timeline, which is in Appendix 1 for your review.

3. Governance

3.1. External Audit

Grant Thornton (GT) commenced the Pension Fund audit in August and are expected to complete in September. We will update further post the audit.

3.2. Internal Audit

We had our second of the four quarterly Internal Audit meetings with Moira Mackie of the Internal Audit Team in August. Moira is broadly pleased with our increased governance and the performance of Hampshire Pension Services and is now starting to pick specific areas to audit further. At our third Audit meeting in October, our specific audit topic will be contract management processes and controls and at our fourth and final Audit meeting in Q4 of FY23/24 our specific audit topic will be our project management process and controls.

4. Summary

4.1. The Guaranteed Minimum Pension project is running to planned project time.

Mercer have indicated data they want descoped from the project which we are reviewing and answering queries on with Hampshire Pension Services. The Comms planning phase will commence on 11th September 2023.

4.2. The McCloud data sets from Westminster City Council have been submitted to HPS on time with a minor set having further review before submission. August data shows a return rate of ~64% of all data sets from all employers and we expect this to improve in September's data. Nevertheless, all data sets will be reviewed by HPS for data quality, and they will use Scheme guidance to manage poor data sets in order to complete the project.

4.3. The Pensions Dashboard programme deadline has been extended to 31st October 2023. HPS have engaged Civica to be their integrated service provider for the project. This is the same update as last month and there are no material changes. We expect some further information from HPS in September's partnership report.

4.4. The Pension Website is still in the user research / early design phase. The decision was made to extend the UX phases to be more inclusive of employers in the COWPF LGPS and to also allow time for disabled members to be heard

and their experiences and wants to be included. This extension of the research and design phase will not materially impact the project.

4.5. The External Audit started in August and is due to complete in September 2023.

4.6. Internal Audit have completed their second of four quarterly audits with us in August. Specific audit areas have been chosen for the remaining two audit meetings. Q3 – Contract Management processes and controls and Q4 – Project Management processes and controls.