

Report Title	Pension Administration System Change Project Update	
Originating service	Pension Services	
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Report to be/has been considered by	Rachel Brothwood Tel Email	Executive Director of Pensions 01902 55 1715 Rachel.Brothwood@wolverhampton.gov.uk

Recommendations for action:

The Pensions Board is asked to note:

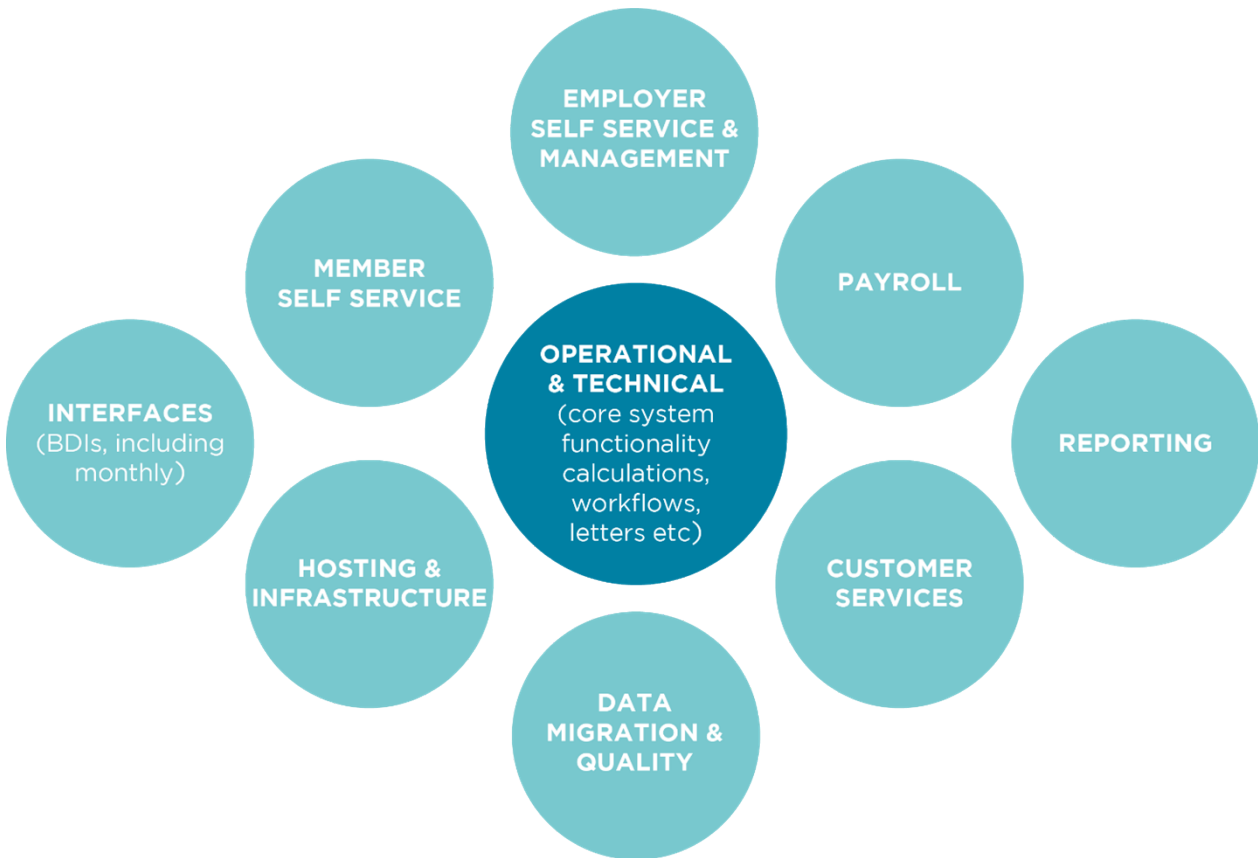
1. The progress with the transition of the pension administration system to the Fund's new software supplier which is on schedule to complete Q2 2023.

1.0 Purpose

- 1.1 To update Pensions Board on the progress of the project managing of the transition of the pension administration system to the new provider, Equiniti and new system, Compendia, who were appointed in November 2021, following further competition using the National Local Government Pension Scheme (LGPS) Framework. To outline the objectives and benefits of this change for the Fund and its customers, including further development opportunities, noting the period of higher risk to service delivery during the live system and workflow transition.

2.0 Background

- 2.1 The Fund's pension administration system manages all of the Fund's membership data and is used to process and calculate all member benefits in line with the scheme regulations. It provides a fully integrated document management solution, managing all incoming and outgoing documentation to members. In addition, it supports the administration and engagement with employers. The system also provides online services for the Fund's members and employers, which enable self-service and enhanced electronic working for exchanging data and customer support.
- 2.2 The Fund undertook market testing prior to the initiation of the formal procurement exercise, undertaken through the National LGPS Framework for Pension Administration Software. The contract was awarded in November 2021, and agreed in January 2022, with a dedicated programme of work undertaken to develop and support transition over 2022/23.
- 2.3 This is a major change for the Fund, in context of the current system being developed and utilised by the Fund for over 20 years. Equiniti are a major pension solution supplier to the UK's public sector, providing for both administration services and for the provision of pension administration software.
- 2.4 The key objectives and benefits of this transition for the Fund are to:
 - Implement a pension administration system which provides the business and its customers with visible and reportable processing efficiencies
 - Create capacity to respond to rising customer numbers and expectation
 - Build the foundations to develop robust operational capability focussed on value for money, organisational agility and improved customer experience
- 2.5 There are a number of different elements to the implementation of the new system, online portals for members and employers, the payroll functionality to pay over 100,000 pensioner members, the set up of the IT infrastructure to host the system and transfer of all of the member and employer data that we currently hold. Core elements are shown in the diagram below:



Key

- *Interfaces – this is the functionality which enables the importing of data in bulk onto the system, by the employer and the Fund, including the monthly submissions process.*
- *Reporting – this functionality includes a suite of standard reports which enables the Fund to produce key management information from the administration system, including Key Performance Indicators (KPI's), membership statistics etc. It also includes the facility to enable the Fund to produce ad-hoc management information.*

3.0 Project Progress

- 3.1 The transition to the new administration system is being managed via formal project management, and the delivery of the project has been divided into the following key phases, with communication activities running throughout. Some of these phases are reiterative and are running in parallel with each other.
- **Planning & discovery phase** – working with EQ in a two way process to scope the project and build understanding of the new system and of the Fund. Individual scoping documents are produced for each element of the system.
 - **System development** – development of the Fund's user acceptance testing environment and development of the system functionality in line with the specification and scoping documents.
 - **EQ testing** – quality assurance testing undertaken by Equiniti of the system in advance of release to the Fund.
 - **Fund testing (User Acceptance Testing)** – the Fund is undertaking testing across multiple service areas to review and sign off the functionality before move and build in the live environment.

- **Go live** – the transition to the new system, including the planning and initial go live period.

3.2 The Fund completed the planning and discovery phase with EQ in September 2022. The Fund's user acceptance testing environment was set up and has been available and in use since August 2022. The Fund have implemented AzureDevOps, a Microsoft system which logs and tracks the progress with defect and bug resolution. It is a dynamic system, where the Fund and EQ can interact, providing updates on progress and real time management information.

3.3 Due to the scale and multiple different elements of the system, the functionality has been divided into seven delivery packages to enable a controlled and segmented approach to testing. Progress is being made in each area, as we move closer to Go live. Regular employee briefing and engagement sessions are in train to build familiarisation and aid in finalising transition plans.

4.0 Supporting our Customers

The development and transition of the Fund's pension administration system does not only bring positive change for Fund employees but also our customers, as the new system will also introduce new and enhanced online services.

4.1 Members

- 4.1.1 The new member self service will bring improvements and efficiencies, for both the member and the Fund, these include:
- Increased security for member registrations with industry best practice two factor authentication
 - Improved self service processes for resetting forgotten log in details
 - Increased functionality to engage with members via email and availability to view documents on the member self service.
 - Alert messages for members when they log in to their account of any new documents available for viewing i.e. payslips, retirement quotes and benefit statements etc.
- 4.1.2 The Fund is currently developing communications and support for members to aid them with the navigation and use of the new system. Initial discussions have already been held with the pensioner forum, showcasing some aspects of the new system and positive feedback was received.

4.2 Employers

- 4.2.1 The current Employer Hub is the core system for data exchange between the Fund and employers, and provides employers with access to their employees actively in the Fund. Alongside transition of the new system, there will be a new Employer Self Service (ESS) module which will bring improvements and efficiencies, for both the employer and the Fund, these include:
- Enhanced employer referral process for the raising and resolution of member queries
 - Increased bulk processing with refined member changes and leaver notification process

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- Availability of supporting documentation within the platform to provide employers with scheme information instantly
- Improved data quality through increased validations at data submission
- Greater levels of management information

4.2.2 The Fund has developed a planned programme of customer engagement leading up to the implementation of the new system, and post Go live, which includes face to face and online demonstrations and training on the new system, newsletters and supporting guidance documentation.

5.0 Preparation for Go Live

5.1 A key element of preparation for Go Live has been the review of the Fund's casework and planning both the mapping of this across into the new system and workflows and timescales for the close down of live casework. Due to the large scale volumes of data and processes being transferred there will be a short period of non-live processing. The Fund has developed plans to mitigate the impact on members and to manage delivery of service standard in accordance with the Fund's KPIs.

6.0 Financial Implications

6.1 The transition to the new supplier is being managed within the Fund's Operating Budget for 2022/23. Further system development activities will be managed in future year budgets.

7.0 Legal Implications

7.1 There are no direct legal implications.

8.0 Equalities Implications

8.1 There are no direct equalities implications.

9.0 Other Implications

9.1 There are no other implications.

10.0 Schedule of Background Papers

10.1 There are no background papers with the report.

11.0 Schedule of Appendices

11.1 There are no appendices with the report.