



Pensions Committee

Report title	LGPS 2014	
Originating service	Pension Services	
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Recommendations for noting:

The Committee is asked to note:

1. The activity and progress to date of the implementation of the LGPS 2014
2. The expected timescales for the implementation of the pension administration system changes.

1.0 Purpose

- 1.1 The purpose of the report is to provide Pensions Committee with an update on the progress to date of the implementation of the LGPS 2014.

2.0 Background

- 2.1 Since the finalisation of the Transitional Regulations in March, the Fund has been working closely with the software provider to specify and develop the changes required to the pension administration system UPM. Due to the delays with the regulations, the software provider was unable to fully specify the changes required to the pension calculations in time for 1 April 2014 implementation.
- 2.2 The Fund is trying to minimise the impact on members to ensure they get accurate information as promptly as possible, however these delays have required the Fund to manage post 1 April work manually. This is a more time consuming approach and therefore some delays are being experienced.
- 2.3 A higher than normal workload in terms of post 1 April 2014 retirements has been received and the Fund is currently working through these as a priority.

3.0 Progress

- 3.1 Work is well underway with developing and testing the 2014 changes and it is anticipated that the migration of the priority system changes into the live UPM environment will be initiated from 3 September.
- 3.2 It is anticipated that the changes to the Fund's web portal will be completed around the same timescales, and made available to employers and members around 8 September. This will automate the retirement and early leaver processes and enable employers and members to run quotations on the web portal.
- 3.3 The Fund has investigated the different options for implementing the changes in the live environment to ensure minimal disruption to operational services. Testing has been completed to automate the set-up of the changes where applicable to reduce the time required.
- 3.4 Employers are regularly being updated through the monthly 'Employer Briefing Note', Employer Peer Group and further updates are written when appropriate. Support will be available for employers when the system changes are implemented.

4.0 Financial implications

- 4.1 The project has been managed from within existing Fund resources and budget and the additional costs which are being incurred by the Fund will be absorbed within the current year budget approved by Committee in March 2014.

4.2 Manual measures have been put in place to ensure that members transitioning into retirement are receiving an accurate calculation of their benefits based on all tranches of their membership. The Fund is operating overtime to manage the manual processing of post 2014 retirements, this will cease following the implementation of the system changes.

4.3 Due to the delays with the implementation of the system changes the Fund has been unable to provide via the online portal an accurate estimate of member retirement benefits built up post 31 March 2014. An interim solution for employers, which was agreed with the Fund's actuary, was implemented in July which enabled them to determine early retirement strain costs.

5.0 Legal implications

5.1 The report contains no direct legal implications for the Authority, however if further delays are experienced with the implementation of the system there is the potential for challenges from members and the Fund may not meet required regulatory standards i.e. disclosure regulations.

6.0 Equalities implications

6.1 This report has no implications for the Council's equal opportunities policies.

7.0 Environmental implications

7.1 This report contains no direct implications for the Council's environmental policies.

8.0 Human resources implications

8.1 The manual work a rounds for administering the new scheme are resource intensive for operational staff which limits capacity to drive forward other key priorities for the Fund and with the potential to create future backlogs of work.

8.2 Furthermore, there will be an ongoing change in processes and procedures to ensure that the required legislation is delivered and built into working practices. Cascading information on the new scheme to all scheme members, managers and employers will continue to be essential, and will need to be delivered in a concise and timely manner.

9.0 Corporate landlord implications

9.1 This report contains no corporate landlord implications for the Council.

10.0 Schedule of background papers

10.1 There are no background papers for this report.