

16 September 2014**Agenda Item: 11****REPORT OF THE SERVICE DIRECTOR – HR AND CUSTOMER SERVICE****LOCAL GOVERNMENT PENSION SCHEME
UPDATE ON THE IMPLEMENTATION OF THE NEW PENSIONS
ADMINISTRATION SYSTEM****Purpose of the Report**

1. The purpose of this report is to provide the committee with an update on the implementation of the UPM Pension Administration system into the BSC Pension Office.

Information and Advice**Background**

2. Nottinghamshire County Council (NCC) is the lead Authority within the Nottinghamshire Local Government Pension Scheme. NCC's pensions Office administers the LGPS scheme on behalf of over 230 scheme employers, with a total membership over 104,000 (active members, deferred members and pensioners).
3. In 1975, 11 Local Authorities grouped together to form the Consortium of Local Authority Superannuation Schemes (Class) to provide an ICT solution for the administration and calculation of Local Government Pension Scheme (LGPS) benefits..
4. The Developed system, then known as CLASS was owned and controlled by the CLASS group and replaced Nottinghamshire County Council's paper based pension administration system in 1978-1979. Ownership of the CLASS system transferred into the private ownership of Heywood Limited in the 1980's Subsequently, the CLASS group became an advisory body to Heywood, for the interpretation of new rules and regulations and the prioritisation of development of the system.
5. Heywood Limited, have continued to develop their pensions administration system over the years in Line with LGPS regulations and scheme changes.
6. Members will be aware that a report was brought to this committee in December 2013 explaining the need to procure a new Administration system. Following a procurement process Civica UPM system was chosen, and an implementation programme started to implement the new system by December 2014.

Current Implementation Position

7. Following the procurement process a Project Team was established along with an extensive project plan, and project governance arrangements to manage and monitor the implementation process. The agreed go live date for the system is 10 November 2014.
8. One of the first decisions taken as part of the implementation process was to agree that Nottinghamshire would host the system internally and that it would be managed by NCC ICT Services.
9. The new system was installed in June 2014, and in preparation for a full testing programme, along with data cleansing activities, the Project Team have undertaken comprehensive training. The testing programme is well under way and is scheduled to be completed by October ready for go live.
10. A full training plan has been developed for the NCC Pensions Administration Team, and also includes colleagues from Nottingham City Council administration function. The training is scheduled to take place in September to October, ensuring the staff group are ready for the go live on 10 November.
11. In order to prepare other LGPS employers a communication plan has been put together to inform them of the new system, and what the arrangements will be for go live of the system including what to expect in respect of changes to pension administration processes.
12. In the final weeks up until go live a cut over plan has been prepared to move away from the current AXISe administration system to UPM, and the actions identified will begin and be completed from 3 November to 7 November.
13. In addition planning is also underway for Phase two of the project to complete the full implementation of a web Portal for LGPS employers who will be able to undertake some of their administration duties on line.
14. The initial purchase costs of the application software are £127,775.00. There will be additional implementation costs and these are yet to be finalised. The cost of procuring, implementing and maintaining the pension administration system is a legitimate charge to the pension fund under governing regulations.

Statutory and Policy Implications

15. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION

16. That the report is noted for information

MARJORIE TOWARD
SERVICE DIRECTOR – HR AND CUSTOMER SERVICE

For any enquiries about this report please contact:

Jonathan Clewes, Payroll and Pensions Manager on 0115 9773434 or
Jon.Clewes@nottscc.gov.uk

Constitutional Comments (KK 08.09.2014)

The proposal in this report is for noting only and is within the remit of the Nottinghamshire Pension Fund Committee

Financial Comments ()

To follow.

Background Papers

Further information on the Procurement of the system can be found in the report to Pensions Committee 17 December 2013.

Project Plan is available from the Project Team.

Electoral Division(s) and Member(s) Affected

All