![Scottish Borders Council logo]

PENSION ADMINISTRATION SYSTEM

Report by Director People Performance and Change

JOINT MEETING OF PENSION FUND COMMITTEE AND PENSION BOARD

15 September 2022

1 PURPOSE AND SUMMARY

1.1 **This report seeks approval to delegate the responsibility for the procurement of the Altair Image and Altair Insights modules, as a supplement to the existing Pensions Administration System, for the Scottish Borders Council Pension Fund to the Director People Performance and Change.**

1.2 In 2019 the Pension Fund agreed to the procurement and continued use of the Aquila Heywood (now known as Heywood Technologies) Pensions Administration System for a period of five years with the option to extend for a further five year period on the approval of the Joint Committee and Board.

1.3 Officers have been in discussion with Heywood Technologies over the pricing of these additional modules and have managed to secure discounts for the Fund. The total additional cost for the licence fees, implementation and annual support and maintenance, less the savings for the Data Quality report are £228,100 over the seven years of the contract.

1.4 With the move to homeworking as a result of the global pandemic, that we have all faced over the last two plus years, and the Council looking to rationalise the property estate the Fund needs to consider how we can move away from traditional paper based files for scheme members to a modernised digital solution, addressing the deliverable as agreed in the current Pension Fund Business Plan. This will also deliver a significantly improved experience for the Pensions Administration team who will be able to access all documents/images regarding a member in one single system.

1.5 The implementation of the Altair Insights, whilst at an additional cost, does deliver savings on an annual basis in relation to the Pension Regulator Data Quality Report that Heywood Technologies have been providing the Fund. This module will also provide the Fund with access to key reports as we move towards the outcome and implementation of McCloud regulation changes and Pensions Dashboard through the provision of out of the box reporting, as well as reporting capabilities that will be used to produce the data required in the Pensions Administration Strategy annual report.

2   RECOMMENDATIONS

2.1   **It is recommended that the Pension Fund Committee approves the delegation of responsibility for the additional modules provided by Heywood Technologies to the Director People Performance and Change, with additional costs restricted to a maximum of £228,110 over the seven year duration of the contract, subject to indexation on an annual basis for the support and maintenance, including implementation costs for the new modules.**

3   BACKGROUND

3.1   The Pensions Administration Team, within HR Shared Services, currently uses the Heywood Technologies Altair system to assist with the administration of the Scottish Borders Council Pension Fund. The current contract was signed on 4 December 2019 for a period of five years with the option to extend for a further five years. This was agreed after us being named as an interested party on a full market test carried out by Lothian Pension Fund.

3.2   The Pensions Administration Team operated with hard copy paper files only for current members of the Fund prior to the global pandemic in 2022 with files securely stored within the Old School Building at Council Headquarters. As a result of the move to homeworking the team had to adapt to new storage methods and created digital files within the corporate shared drive. This in turn has resulted in a mix of both paper and digital files for scheme members and in some instances both now exist.

3.3   The current situation is not sustainable for the long term and steps need to be taken to address this and make information relating to the scheme members more readily available regardless of the place of work for the Pensions Administration Team, this in turn will lead to an improvement in service delivery with access to all relevant information immediately. This also meets the desire to remove paper based processes and replace with digital solutions wherever possible.

3.4   The Pensions Administration Team currently have access to report writing capabilities within the system, however, this system is not being developed going forward and there will be no addition of standard reporting to meet the challenges that we will be facing as we deal with upcoming legislative changes in relation to McCloud and Pensions Dashboard, to mention a few.

3.5   The Fund currently pays an annual fee to Heywood Technologies for the production of the annual Data Quality report required for the submission of data to the Pension Regulator. The fees paid were £5,654.70 per year, which was a discounted rate for a three year period, this period has now ended and only a one year agreement would be permissible with no discount.

3.6   The Procurement Team have been consulted on the approach being taken for the addition of these modules to the existing contract with Heywood

Technologies and will continue to do so, along with colleagues from Legal, as we look to agree and sign off on the terms and conditions.

4   PROPOSAL

4.1   It is proposed that Scottish Borders Council Pension Fund implement the Altair Image product, which is an integrated Document Management system that has been developed to address the document storage and retrieval requirements of a modern pension administration office. The aims and facilities of the Altair Image module are outlined in **Appendix 1**.

4.2   One of the most significant benefits, aside from digitisation and office space reduction, is that all documents are directly linked to member record, thus removing the need to look in multiple sources as at present, even for those images/documents that have been stored electronically on shared drives.

4.3   In order to facilitate the use of the Altair Image product and allow for the scanning of the current files, there is a requirement for the Fund to provide a suitably support scanner. Following enquiries with the IT Business Partners there is a scanner available that will become the dedicated scanner for this system at no additional cost for the scanner.

4.4   The second module that we are proposing to implement is Altair Insights, this is a modern analytics and reporting platform that Heywood Technologies have developed to help Funds get the most out of our data.

Users are able to interrogate live, customisable, visual analytics, effortlessly export information for analysis, and automate reports and alerts. The module offers a standard library of content including Data Quality and Workflow reporting, with the ability to run the Data Quality report as often as the Fund wishes at no additional cost. Further details on the features are outlined in **Appendix 2**.

4.5   Altair Insights is the tool that will be developed to help Funds with the upcoming implementation of McCloud and Pensions Dashboard where standard reports will be provided to allow Funds to identify gaps in data held in order to aid the progression of these projects.

4.6   Officers have been in discussions with Heywood Technologies over the fees associated with the proposal to implement both Image and Insights and have looked to maximise the discounts available. The following are based on a commitment for a seven year period for these modules: -

Altair Image

One off Licence Fee	£60,270
Annual Support & Maintenance	£14,000
Implementation (time and materials estimate)	£20,140

Altair Insights

One of Licence Fee	£	0
Annual Support & Maintenance	£16,000	
Fixed Price Implementation	£	0

4.7 Whilst the current overall contract for the Pension Administration software does not extend to the seven year period there is no intention to be moving supplier at this time, with so much development looming large for McCloud and Pensions Dashboard, and as such we will be looking to exercise the option to extend by a further five year and a paper will be presented to the Joint Meeting at the appropriate time.

However, the use of the seven year period for these modules has been used to maximise the discounts that we have been provided and there will be no additional one-off licence fees for these modules at the point of invoking the five year extension period.

4.8 The overall cost for the seven years, excluding any indexation increases for future years, is £290,410. This is somewhat offset by the removal of the annual cost for the provision of the Data Quality report at £8,900.00 per annum or £62,300 over the seven year duration. The net cost over the seven years being £228,110

4.9 That responsibility for the procurement of the additional modules from Heywood Technologies be delegated to the Director People Performance and Change, with costs restricted to those stated at 5.1 below for the seven year duration of the contract.

5   IMPLICATIONS

5.1 **Financial**
   (a)   The total cost for the proposed seven year contract, including licence fees and implementation costs are £290,410, with an offset of £62,300 through the removal of the provision of the Data Quality report, resulting in a net cost over the years of £228,110, subject to indexation on an annual basis for the support and maintenance.

   (b)   The support and maintenance costs of £30,000 per annum are based on the quotation formally submitted by Heywood Technologies, which are then reduced by the £8,900 for the Data Quality report to give an annual increase in licence fees of £21,100, subject to indexation on an annual basis.

   (c)   The one of costs for Licence Fee and Implementation have been discounted by Heywood Technologies following discussion with Officers and represent the best and final offer from them to the Fund, with Insights being delivered for no Licence Fee or Implementation. The total cost being £80,410, with the Licence Fee being payable on signing the contract and implementation costs as they are realised.

5.2 **Risk and Mitigations**

By agreeing to the proposal the Pension Fund will demonstrate steps taken to continue to address the following risks, as highlighted in the Fund Risk Register:

- Failure to process pension payments and lump sums on time (5.1)
- Failure to hold personal data securely (5.5
- Failure to administer and manage Fund in line with requirements of legislation and other regulations (6.1

The addition of these two modules allows the Fund to move all information regarding scheme members to one single repository with easier access and will allow the Fund to be able to address the data requirements for upcoming regulation changes around McCloud and Pensions Dashboard.

5.3 **Integrated Impact Assessment**
There is no impact or relevance to Equality Duty or the Fairer Scotland Duty for this report. This is a routine good governance required und the Local Government Pension Scheme (Governance)(Scotland) Regulations 2014. Nevertheless, a light touch assessment has been conducted and this will be published on SBC's Equality and Diversity Pages of the website as in doing so, signifies that equality, diversity and socio –economic factors have duly been considered when preparing this report.

5.4 **Sustainable Development Goals**

There are no direct impacts from this report on the sustainable development goals of the Council.

5.5 **Climate Change**

There are no direct climate change impacts as a result of this report.

5.6 **Rural Proofing**

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

5.7 **Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

5.8 **Changes to Scheme of Administration or Scheme of Delegation**

No changes are required as a result of this report.

6 **CONSULTATION**

6.1 The Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (Finance and Corporate Governance), the Clerk to the Council and Corporate Communications have been consulted and any comments received have been incorporated into the final report.

Approved by

Clair Hepburn
Director People Performance and Change Signature ………………………………

Author(s)

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Background Papers:
Previous Minute Reference: Joint Meeting of Pension Fund Committee and Board on 12 September 2019

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Ian Angus can also give information on other language translations as well as providing additional copies.

Contact us at Ian Angus, HR Shared Services Manager, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA; Tel: 01835 826696; Fax: 01835 825011; E-mail iangus@scotborders.gov.uk.

Altair Image

Aims of the Altair Image module: -

- Improve efficiency by vastly reducing the time taken to retrieve documentation

- Reduce the office space required for document storage

- Vastly improve document security

- Enable online access to all documents for an individual member

- Allow hierarchic document storage to store non-member related documents, such as Trust Deed and Rules, Trustee minutes, pensions articles

- Fully integrated with the Altair administration, including workflow and document production

Altair Image incorporates the following facilities: -

- The ability to access all documents associated with a member directly from the member record; this includes both imaged documents which have been scanned in and system produced documents

- Full integration with the document production and workflow systems

- Facilities to convert Altair produced documents into images

- Scanning and indexing options to assign images of incoming documents to the relevant member

- Barcode recognition for automated assignment of incoming documents to member records

- Full reporting reconciliation and control

Altair Insights

Insights offers an intuitive user experience with minimal training needed. Optional consultancy for training, implementation and the creation of bespoke reports is available, should this be required. Insights include the following features: -

- Fast, intuitive dashboards which dramatically reduce the time spent analysing data and producing management information

- Straightforward interrogation of data

- A trusted, single source of data; reducing duplication and reconciliation

- Ability to provide a unified view for committee members and management be aggregating data from multiple systems into one

- Simplify regulatory reporting, reducing effort and ensuring you can submit on time

- Comprehensive library of interactive and functionally rich dashboards and reports

- Rapid implementation, with most reports useable straight out of the box

- Automation of scheduled reports and alerts

- User alerts when metrics breach pre-set levels

- The ability to create different views for different stakeholder groups

- Easy visibility of backlogs and trends

- The ability to download background data in seconds for further analysis outside Insights – including directly to a spreadsheet

Reports include the following: -

Operational	Regulatory
• Casework volumes • Casework SLA's & KPI's • Casework backlogs • Casework Trends	• tPR Data Quality • CIPFA SLA's • McCloud • GMP Equalisation
Member	Miscellaneous
• Member demographics • Member statistics • Status movements • Website engagement	• Trustee report pack • Employer submissions • Quality assurance

Altair Insights will provide the following benefits: -

- **Improve pension scheme governance** – clear, easy to follow reports and charts demonstrate transparency and enable decision-makers and auditors to track progress

- **Improve operational efficiency** – speedy, intuitive reports reduce duplication and time spent analysing and reformatting information

- **Engage with data immediately** – visualising key business metrics via a suite of dashboards and reports

- **Make informed decisions** – quickly uncover data trends that can be utilised to prioritise work, reduce waste and enhance processes

- **Meet regulatory commitments** – support and track large projects such as McCloud

- **Optimise customer service experience** – identify and prevent complications before they occur to reduce incoming queries

- **Empower your team** – simple interfaces allow non-technical users to access data and create visualisations

- **Access anywhere, anytime** – up to date analytics wherever you are, based on a consistent source of data