
PENSIONS DASHBOARD AND DATA READINESS

Report by Director People Performance and Change

JOINT MEETING OF PENSION FUND COMMITTEE AND PENSION FUND BOARD

22 June 2023

1 PURPOSE AND SUMMARY

- 1.1 This report seeks approval to delegate the responsibility for the procurement of the Data Cleansing and Enrichment Service, Internet Service Provider (ISP) and Altair Mortality screening, 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 All pension providers are going to need to connect to the Pensions Dashboard over time according to staging dates in legislation, the dates for this are currently unknown as there has been a delay announced and re-planning has not yet been shared. However, we need to take action to be prepared for this on both a data and ISP provider selection, in order to take this forward it is proposed that we take both of these forward with Heywood Technologies.
- 1.4 Officers have been in discussion with Heywood Technologies over the pricing of additional services to support the data readiness and ongoing data management. The additional cost for the data services is £8,345 per annum with a one-off implementation fee of £1,697, with the annual fee being subject to indexation in line with the overall contract. This will allow the Fund to get our data up to date ahead of the go live of the Pension Dashboard which will improve the matching for those carrying out searches and avoid unnecessary additional work for the Fund in looking at partial matches. Additionally this will address an action from the Clare Scott governance review to have a data improvement plan in place.

- 1.5 With regard to the ISP implementation, the fees for this are £11,000 per annum with a one-off implementation fee of £10,000, with the annual fee being subject to indexation in line with the overall contract. Payment of these fees will not commence until such a time as we are required to connect to the Dashboard.
- 1.6 Heywood Technologies have developed a new Mortality screening module that directly connects to the Pensions Administration database and carries out checks for deaths, this covers active, deferred and pensioner members of the Fund. This will be used to supplement the Tell Us Once reporting method to add a further layer of control and mitigate risk of Tell Us Once not picking up on the passing of a scheme member. The fees for this are £2,000 per annum with a one-off implementation fee of £1,697, with the annual fee being subject to indexation in line with the overall contract.

2 RECOMMENDATIONS

2.1 I recommend that the Committee:-

- a) **Approves the delegation of responsibility for the additional data cleansing and enrichment service along with the mortality screening to the Director People Performance and Change, with one off costs of £3,394 and annual fees of £10,345 for the duration of the contract subject to indexation on an annual basis for the support and maintenance;**
- b) **Approves the delegation of responsibility for the Internet Service Provider connection to the Pensions Dashboard to the Director People Performance and Change, with one off costs of £10,000 and annual fees of £11,000 for the duration of the contract subject to indexation on an annual basis for the support and maintenance at the time we are required by legislation to connect.**

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 Dashboards Regulations 2022 layout the requirements for pension providers to connect to the National Pensions Dashboard with effect from the announced staging date. At this time the staging date is unknown for the Scottish Borders Council Pension Fund due to a recently announced delay resulting in re-planning of the connection timelines.
- 3.3 A key element of the Pensions Dashboard is ensuring that our data is Dashboard ready, and then stays healthy on an ongoing basis, in order to deliver a smooth experience for scheme members and the Pensions Administration Team. If the Fund returns poor quality data to the dashboard, members will have a poor experience and there will be a significant increase in enquiries coming through the Administration Team dealing with possible matches.

- 3.4 There are two types of data relevant to Pensions Dashboard: -

Find Data - personal data used to match a member who has logged into the Pensions Dashboards to records held on our admin system.

View Data - information about a member's pension benefits which is returned to the user via the Pensions Dashboards.

- 3.5 Heywood Technologies have carried out a review of the current state of our Find Data to see the number of issues that currently exist and carried out a comparison of our data quality against our peer group of LGPS Funds who have had this exercise carried out. The issues identified are as follows: -

Out of date address – 375 members

Deceased not record – 12 members (note, there was a time delay from the provision of the data to the matching)

Gone Aways, where enhanced tracing will be required – 228 members

Missing Post Code – 122 members

Missing email address – 1,593 members

Missing mobile numbers – 4,808 members

Enhance or correct Forename – 3 members

Enhance of correct Middle Names – 2,675 members

Name format errors – 65 members

Date of Birth format errors – 8 members

Temporary NI Numbers – 0 members

Unlinked Members – 22 employments

Suspect Date of Birth – 0 members

Compared to the peer group we are in the generally healthy, top grouping.

- 3.6 The View Data is also in the generally healthy, top grouping when compared to our peer group. All records have had benefit calculations ran on them and only 17 records require an update on employer code for employments.
- 3.7 The Pensions Dashboard regulations require all pension schemes to connect to the national database where any member of public can search on their pension benefits regardless of provider. In order to do so there is a requirement for the Scottish Borders Council Pension Fund to connect in a secure manner using an ISP provider. The dates for connection are currently unknown as the dashboard project goes through a re-planning following a recent announcement on an overall project delay.
- 3.8 For Mortality Screening the Fund are currently using the Tell us Once database, whereby an upload of membership information on a monthly basis is carried out allowing any reported death to then be checked for a match against the DWP Tell Us Once data. This continues to work well, however, we have had a historic instance whereby the information did not come through. The Fund previously used ATMOS screening services in the past to supplement Tell Us Once and this was ended as both services were using a manually upload facility rather than any automation.
- 3.9 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 the Scottish Borders Council Pension Fund sign up for the data cleansing and enrichment service to further improve the quality of the data ahead of the pension dashboard implementation date and continue to do so on an ongoing basis. The proposed service includes the following: -
- Up to date addresses for members
 - Enriching data with member telephone and email addresses
 - Managing our data improvement project and building a forward data management plan
 - Running a member communication campaign to collect missing personal data
 - Calculating and populating Accrued Pension and Estimated Retirement Income
- 4.2 The data cleansing and enrichment service is covered under the Heywood Technology ISO27001 certification which is also GDPR compliant, ensuring that our data is safe at all time. This service would not be a one off instance to get us dashboard ready, this would be an ongoing service that would address the Clare Scott review with regard to data improvement plans. Finally, there is automation of the processed results with integration to the Altair application, allowing file transfer, workflow creation and flexible data update rules, thereby removing data entry resource but retaining oversight before updates are automatically applied.

4.3 The data cleaning and address tracing services will be updated by Heywood Technology on a weekly basis and include over 70 data sources covering 56.3 million of the UK adult population. The source data sets include:-

- Electoral Roll, England, Scotland, Wales and Northern Ireland
- Credit Reference Agency data
- Government data
- Lifestyle data
- Financial Decisions data

With services underpinned by 2.7 billion records, 87 million emails and 209 million mobile phone numbers.

4.4 As well as preparedness for the pension dashboard the cleansing of the data will deliver additional benefits for the Fund.

- Enhanced operational efficiencies
 - Digital engagement with members
 - Higher sign up rates for Member Self Service
 - Minimise the number of 'possible' Dashboard matches
- Better member experience
- Reduced risk of fraud
- Improved Pension Regulator data quality scores
- Minimise potential GDPR breaches, ensuring communications go to the right address

4.5 The cost of adding the data cleansing and enrichment service on an ongoing basis for the duration of the Pension Administration system contract, including extension periods, are as follows: -

£8,345 per annum, subject to indexation on an annual basis
£1,697 one off consultancy costs for implementation

4.6 In order to connect to the Pensions Dashboard there is need to engage with an Internet Service Provider (ISP). Heywood Technologies have been engaged with the pension's dashboard from the outset and are one of the agreed ISP providers. With Heywood Technologies already providing the hosted pension's administration software it is proposed that we also use them for the ISP provision. The timeline for the ISP connection is not yet known following the recent delay in the overall programme.

4.7 The cost of adding the ISP for the duration of the Pension Administration contract, including extension periods, are as follows: -

£11,000 per annum, subject to indexation on an annual basis
£10,000 one off consultancy costs for implementation

These fees will only become payable from the time that we are required by legislation to connect to the Pensions Dashboard.

4.8 It is proposed that we enhance the mortality screening that the Fund currently has in place and take advantage of the new service that has been offered by Heywood Technologies. The new service is different from the Tell Us Once and previous schemes in that this is a direct connection to the

pensions administration system, no upload of data required, meaning that information is up to date at all times for carrying out matching. This new service enhances the screening and helps to further mitigate any potential fraud risk through the non-reporting of the death of a pensioner. Additionally we will also be advised of the death of any active or deferred members.

- 4.9 The cost of adding the mortality screening service on an ongoing basis for the duration of the Pension Administration system contract, including extension periods, are as follows: -

£2,000 per annum, subject to indexation on an annual basis
£1,697 one off consultancy costs for implementation

- 4.10 Whilst the current overall contract for the Pension Administration software ends on 5 December 2024 there is no intention to be moving supplier at this time and 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 extension period for these modules/services has been used by Officers to maximise the discounts that we have been provided and there will be no additional one-off licence fees for these modules/services at the point of invoking the five year extension period.

- 4.11 That responsibility for the procurement of the additional modules from Heywood Technologies be delegated to the Director People Performance and Change, with costs as per those stated at 5.1 below for the duration of the contract including the extension period.

5 IMPLICATIONS

5.1 Financial

- (a) The annual costs for the addition of the two modules/services that the Fund are able to use immediately are as follows: -

Data Cleansing and Enrichment Service	£8,345
Mortality Screening	£2,000

Both of the above are subject to indexation on an annual basis on the same basis as outlined in the overarching pension's administration software contract.

- (b) The implementation costs, which are on-off and fixed prices, for the two modules/services that the Fund are able to use immediately are as follows: -

Data Cleansing and Enrichment Service	£1,697
Mortality Screening	£1,697

- (c) The provision of the Internet Service Provider connection will become payable at a point in the future that will be determined by the pension's dashboard legislation. The annual fee is £11,000 per annum, subject to indexation on an annual basis with £10,000 one off consultancy costs for implementation.

5.2 Risk and Mitigations

By agreeing to the proposal the Pension Fund will demonstrate steps taken to further address the risk to prevent fraud through the introduction of the Mortality Screening service. The implementation of the data cleansing and enrichment service will help address the requirement to keep pension records up to date, ensure we are taking action to trace the Gone Aways and ensure pension benefits are paid timeously.

In planning for the provision of the ISP service ensures that we are taking action to comply with the legislation on the Pensions Dashboard and getting us prepared for this when the time comes to connect.

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 under 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 Acting Chief Financial Officer, the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Clerk to the Council and Corporate Communications are currently being consulted and any comments received will be incorporated into the final report.

Approved by

Clair Hepburn
Director People Performance and Change

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.

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