

Sixty second summary

Future proofing your administration

- **Don't lose sight of those important "business-as-usual" tasks during the 2019 valuation year**
- **Ensure you set administration objectives for your team to achieve**
- **Don't underestimate the importance of planning your year – consider holding a planning workshop**

Get all your ducks in a row

If you consider a "normal" scheme year there doesn't appear to be a month that goes by without some sort of deadline having to be met (e.g. year-end, IAS19, annual benefit statements, pension savings statements, statutory reporting). You can then add those external factors that come along with increasing regularity these days (e.g. backlog clearance, the McCloud judgement, procurements, cost cap benefit changes, wider legislative changes). And for the English & Welsh funds, 2019 brings with it the added focus of the triennial valuation¹.

With so much to consider, robust planning is essential! This should capture all of your priorities to avoid losing sight of your objectives for the year, and make sure you have the right structure in place to ensure that delivery happens.

Get your team structure in place for the digital age

Administration is changing. Not only that, but the pace at which it is changing is accelerating. We live in a digital age and LGPS administration needs to reflect this, just like any other sector. And all in the shadow of continuing austerity and the pressure to keep costs down. Whether it is the increasing automation of member data flowing into your systems, the requirement for employers to carry out more real-time modelling themselves or the desire of scheme members to be able to access their pension record 24/7, your administration needs to reflect this fluidity and be able to adapt effectively to changing demands.

This change in focus requires different skills to those previously required, as well as the right technological solutions. You need to be sure you have the right structures in place as well as the right skill sets across your team. This might focus increasingly on more analytical skills, with less need for large teams manually inputting or amending data and a smaller bank of technical experts supporting this arrangement. You may also look at the pros and cons of your existing arrangements with alternative methods of delivery (e.g. in-house v shared service v outsourcing).

Effecting change or introducing new technologies won't necessarily happen overnight. It can take time to re-skill or recruit any additional expertise identified. This is also true if you wish to adopt a different delivery method or introduce new technology. Adequate planning and having a clear understanding of what is required will improve your chances of achieving success.

¹ For now, Scottish Funds can watch with interest ahead of their corresponding valuations in 2020

Data in the digital age

Adapting your service for a digital age can only work if the data at its heart can be trusted. We know that this is a major headache and that lack of trust in data quality is what prevents many administering authorities from making the changes they would like.

Increasingly, funds have looked at improving data in a variety of ways:

- Business-as-usual practices
- Implementing data correction projects following data scoring
- Incorporating a data improvement plan within the administration plan for the year ahead

Understanding how you receive data from your scheme employers, how any inaccuracies are addressed and how you can deliver the best impact for your fund is key to delivering significant improvement. In planning to succeed your improvement plan needs to dovetail with all the other priorities that you are juggling.

Planning workshop

Which brings us neatly on to how you plan to deliver on your 2019/20 objectives and beyond. It is vital that you plan to succeed – identifying objectives, defining the different workstreams, scoping out your requirements and agreeing priorities.

We are already supporting several administering authorities in a number of ways, including:

- Scoping and implementing new administration resourcing requirements and team structures
- Assisting in the development of robust budgeting and ongoing budget monitoring
- Support in managing any significant change projects
- Developing data improvement plans and integrating these into administration business planning

We would be more than happy to discuss how we might be able to support you in a similar way.

Conclusion

We can't set out in a brief document such as this all the conflicting priorities we know administering authorities are having to juggle. While you will be familiar with them, there will inevitably be others appearing out of the blue that will need to be considered, often immediately. Considering them on your own may seem daunting, preventing you from making the changes/progress you desire. If you need a hand, please do speak to our Benefits and Governance Consultants (Ian, Pete and Andrew) who, together with their Project Management colleagues, have built up a wealth of knowledge and experience in helping funds tackle these key issues.



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