

<b>Essex Pension Fund Board</b>	<b>EPB/31/14</b>
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**Pension Administration software project update**

Joint Report by the Director for Essex Pension Fund & Head of Essex Pension Fund

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**1. Purpose of the Report**

- 1.1 To describe the work undertaken by officers and highlight recent significant developments.
- 1.2 To update the board on the project controls in place.

**2. Recommendations**

That the Board notes:

- 2.1 the successful “go live” of the new Civica software on 5 November 2014;
- 2.2 the ongoing work undertaken by officers in the project with *Civica*; and
- 2.3 the ongoing work undertaken by officers to implement the plan for the decommission of the previous administration software.

**3. Background**

- 3.1 At its meeting on 9 December 2013, the Board agreed to the procurement of Cvica’s UPM (Universal Pension Management) software for the pension administration function.
- 3.2 Progress on the implementation of this project has been included in the quarterly business plan updates received by the Board in March, July and September 2014.

#### **4. Recent developments – *Civica***

- 4.1 *Civica's* UPM (Universal Pension Management) software was successfully implemented on 5 November 2014 ahead of the 31 December 2014 deadline. Essex Pension Fund was the first of *Civica's* new clients to go live on the UPM standard product.
- 4.2 All LGPS officers are using UPM as the administration software with AXISE (the Fund's original software) now only being able to be accessed by key personnel.
- 4.3 Officers working on the Police and Fire uniformed schemes are using a combination of both systems whilst the final deliveries are made by *Civica*.
- 4.4 Three successful test data cuts were completed prior to the live data migration. All data was migrated successful from AXISE to UPM.
- 4.5 Prior to the live data migration, three test payroll runs were completed. Each that demonstrated the ability to pay pensioners from the new system.
- 4.6 All stakeholders, including internal audit signed off the decision to go live.
- 4.7 Test files have been submitted for BACS and General Ledger
- 4.8 Officers have worked with *Civica* to enhance the UPM standard product. This has enabled a good working relationship to be formed.
- 4.9 The November pension payroll was run from UPM at the end of that month. With the exception of one pensioner who received a £200 overpayment, the remaining 38,000 beneficiaries all received the correct payment. Action is in hand to rectify the one overpayment.

#### **5. Recent developments – *Aquilaheywood***

- 5.1 *Aquilaheywood* have provided support during our live extraction weekend.
- 5.2 Image extraction is being taken in early December to be delivered to *Civica* prior to 31 December 2014.

- 5.3 Decommission of AXISe has been planned in and all relevant steps taken to reduce the impact of this.

## **6. Recommendations**

- 6.1 The successful “go live” of the new Civica software on 5 November 2014
- 6.2 The ongoing work undertaken by officers in the project with *Civica*;
- 6.3 The ongoing work undertaken by officers to implement the plan for the decommission of the original administration software;

## **7. Link to Essex Pension Fund objectives**

- 7.1 Procurement for the supply, implementation and ongoing support, maintenance and development of new pension administration software links with the following Fund objectives;
- Provide a high quality service whilst maintaining value for money
  - Evolve and look for new opportunities, ensuring efficiency at all times
  - Deliver a high quality, friendly and informative service
  - Data is protected to ensure security and authorised use only
  - Ensure proper administration of financial affairs

## **8. Risk implications**

- 8.1 Migrating to the new administration software created a subset of risks within the area covered by risk A2. These are summarised below.

Objective	Risk Ref:	Description of Risk of not Achieving the Objective	Possible Actions	Residual Impact	Residual Probability	Residual Risk	Risk Owner
Deliver a high quality, friendly and informative service to all beneficiaries, potential beneficiaries and employers at the point of need	A2	Unable to deliver a service for Pensions Administrator and Pensioner Payroll because of system failure or unavailability	Business continuity and recovery plans in place including ability to access systems from home.	4	1	4	Kevin McDonald /Jody Evans
Deliver a high quality, friendly and informative service to all beneficiaries, potential beneficiaries and employers at the point of need	A2(i)	Delays in award of contract	Ensure all paperwork completed and all deadlines are met in line with project schedule	4	1	4	Kevin McDonald /Jody Evans
	A2(ii)	Contractor does not have the capacity to deliver migration	Timely adoption of framework and adhering to contract requirements	4	1	4	Kevin McDonald /Jody Evans
	A2(iii)	New system not implemented in time	Mutually agreed implementation plan	4	1	4	Kevin McDonald /Jody Evans

## 9. Communication Implications

9.1 Ongoing communication with employers regarding the system change has continued throughout this project. Pensioners have also been notified via notifications within their monthly advice.

## 10. Finance and Resources Implications

10.1 The cost of this project (which is met from the Pension Fund) reported to the Board in December 2013 was £1.266m. To date the project is within budget and is forecast to remain within budget.

## 11. Background papers

11.1 Pension Board 9 December 2013, agenda item 14: Procurement for the supply, maintenance and development of new Pension Administration software.

11.2 Quarterly business plan updates for Pension Board meetings on 5 March 2014, 9 July 2014 and 17 September 2014.