

Appendix A

Pensions Administration

Business Plan

2026 - 2027

Level One – Changes that impact on the Pensions Section

	Priority (Not business as usual)	Key Actions	Performance measures / KPI	Impact	Support required from another service	Customer	Timescale/ Due Date
1	Implement the final stages for the national "pensions dashboard" Project for LGPS and Additional Voluntary Contributions (AVCs) and go live	<ul style="list-style-type: none"> Ongoing data cleanse member data Ongoing reduction of preserved benefits and aggregations Communicate dashboards to employers and fund members 	<ul style="list-style-type: none"> Monitor the internal KPI measuring improved take up of the Fund's new member self-service. Monitor future increases in member self-service take up once linked to the national dashboard 	<ul style="list-style-type: none"> Increased member enquiries about LGPS benefits Increased sign up to the Fund's new member self-service solution Review and amend communications and letters to include the national pensions dashboard 	<ul style="list-style-type: none"> Heywood (system provider) Prudential for member's AVCs Fund employers 	<ul style="list-style-type: none"> Pension Sections 109,000 scheme members 	<ul style="list-style-type: none"> Reduce backlogs – ongoing Communication – to align with national exercise Summer/Autumn 2026 Dashboard proposed live date for all schemes - October 2026
2	SAB – Good Governance Project/Fit for the Future (admin elements) from April 2026	<ul style="list-style-type: none"> Implement the administrative final areas of recommendation (e.g. admin strategy, peer reviews) 	<ul style="list-style-type: none"> National guidance Scheme Advisory Board Report progress to Board/Committee 	<ul style="list-style-type: none"> Increase in administration changes from Fit for the Future Improve the governance of the Fund Reduce risk 	<ul style="list-style-type: none"> Hymans Pensions Board, Committee and Democratic Services SAB/LGA – peer reviews 	<ul style="list-style-type: none"> Scheme members 	<ul style="list-style-type: none"> Peer reviews - 3 years from April 2026 (to align with valuation cycle) LGA reviews – ongoing (prior to the peer reviews) Other admin changes – e.g. admin strategy – 30 September 2026

	Priority (<u>Not</u> business as usual)	Key Actions	Performance measures / KPI	Impact	Support required from another service	Customer	Timescale/ Due Date
3	Implement "phase two" of the McCloud remedy – the retrospective recalculation of in scope member benefits with the McCloud period (1 April 2014 to 31 March 2022)	<ul style="list-style-type: none"> Recalculate pension benefits for in scope members since April 2014 Calculate LG benefits for in scope Teachers 	<ul style="list-style-type: none"> Revise benefits and adjust payments where necessary Regular reports detailing progress and risk to the Pension Board 	<ul style="list-style-type: none"> Additional time to recalculate leavers and deaths Additional time to pay any arrears due 	<ul style="list-style-type: none"> Pension colleagues (internal) Pensioner payroll colleagues Heywood (system changes) LGA Legal Services (potential for legal appeals) Teachers (multiple employment cases) Other public sector schemes for non-aggregations 	<ul style="list-style-type: none"> Revised in scope pensions Revised in scope transfers out Revised in scope death benefits Revised in scope trivial commutations 	<ul style="list-style-type: none"> Recalculate and pay arrears due to existing leavers and pensioners 31 August 2026
4	Review the Fund's contractual arrangements. <ol style="list-style-type: none"> Member address tracing service Mortality screening 	<ul style="list-style-type: none"> Review the market using a suitable national framework Procure contract provider/s via the Framework 	<ul style="list-style-type: none"> Reports to the Board Measure cost efficiency improvements using procured provider/s for elements of member address tracing and mortality screening 	<ul style="list-style-type: none"> Reduce risk Improve data quality Improve the customer experience Reduce potential fraud to deceased pensioners Improve operational efficiency and costs 	<ul style="list-style-type: none"> Pension colleagues (internal) The successful provider/s Legal services on the contractual arrangements ICT National Framework Internal Audit 	<ul style="list-style-type: none"> Scheme members and their dependants National dashboards 	<ul style="list-style-type: none"> Target date for completion – Summer 2026

	Priority (Not business as usual)	Key Actions	Performance measures / KPI	Impact	Support required from another service	Customer	Timescale/ Due Date
5	<p>Review the Fund's contractual arrangements for an "end to end" pension administration system – to include;</p> <ul style="list-style-type: none"> • Calculations • Annual statements • Member online portal • Pensioner payroll • Image • Task/workflow • Reporting • Employer data submission • Dashboards requirements • Website 	<ul style="list-style-type: none"> • Review the market using a suitable national framework • Procure contract provider/s via the Framework 	<ul style="list-style-type: none"> • Reports to the Board • Drive system cost efficiency 	<ul style="list-style-type: none"> • Manage risk whilst still two full years on the existing contract remain • Secure a long-term contract to provide administration stability • Improve the customer experience with online opportunities • Security to mitigate the risk of hacking and fraud • Improve operational efficiency and costs 	<ul style="list-style-type: none"> • Pension colleagues (internal) • The successful provider/s • Legal services on the contractual arrangements • ICT • National Framework • Internal Audit 	<ul style="list-style-type: none"> • Scheme members and their dependants • Fund employers • Pension colleagues (internal) • Pensioner payroll colleagues (EMSS) 	<ul style="list-style-type: none"> • Target date for completion – March 2027
6	<p>Review and implement pension changes from Local Government Reorganisation (LGR)</p>	<ul style="list-style-type: none"> • New or amended employer rates • Employers ceasing • Comms to scheme members • Pension system changes to scheme member records • New employer discretions • Actuarial changes to employer assets and liabilities 	<ul style="list-style-type: none"> • Reports to the Board • Measure workloads and impact on resource 	<ul style="list-style-type: none"> • Increased administration time and costs • Increased system costs • Increased actuarial costs 	<ul style="list-style-type: none"> • Pension colleagues (internal) • Pension investments • Fund employers • Heywood (system provider) • Hymans (Fund Actuary) • Board or Committee members 	<ul style="list-style-type: none"> • Central Government and the impacted employers 	<ul style="list-style-type: none"> • Preparation from Summer/Autumn 2026 after Government decide their favoured option

	Priority (<u>Not</u> business as usual)	Key Actions	Performance measures / KPI	Impact	Support required from another service	Customer	Timescale/ Due Date
7	Implement changes from the outcomes of Access and Fairness and Access and Protection consultations Fairness <ul style="list-style-type: none"> Survivor benefits Gender pension gap Opt outs Forfeiture Protections <ul style="list-style-type: none"> Minimum pension age Mayors and Cllrs Acads – direction orders New Fair Deal 	<ul style="list-style-type: none"> Implement the various changes Test system changes Contact impacted members or their families Liaise with a new group of scheme members (Cllrs) and their employers 	<ul style="list-style-type: none"> Reports to the Board Measure workloads and impact on resource 	<ul style="list-style-type: none"> Increased administration time System changes and testing Revised processes Comms to impacted members Comms to impacted employers 	<ul style="list-style-type: none"> Pension colleagues (internal) Heywood (system changes) LGA Employers – Acads Outsourcing employers and the contractor 	<ul style="list-style-type: none"> Scheme members and their families Central Government Employers Contractors Mayors and Cllrs 	<ul style="list-style-type: none"> April 2026 onwards as the changes are implemented

Level Two – Changes that impact on or from Corporate Resources

	Priority (Not business as usual)	Key Actions	Performance measures / KPIs	Impact	Support required from another service	Customer	Timescale / Due Date
8	County Council project; To implement Salary Sacrifice Shared Cost Additional Voluntary Contributions (SSSCAVCs)	<ul style="list-style-type: none"> Assist County colleagues implement SSSCAVCs 	<ul style="list-style-type: none"> Increased County AVC take up Assist the County generate corporate savings 	<ul style="list-style-type: none"> System changes in Fusion Payroll changes Communication exercise with existing and new AVC payers 	<ul style="list-style-type: none"> The Pension Section EMSS Payroll Corporate communications Accountants The Fund's AVC provider 	<ul style="list-style-type: none"> Funds County AVC payers Potential new County AVC payers County Council 	Spring/Summer 2026

Level Three – Pensions Section (continuous improvement) – Business as Usual and continually monitored

	Priority (Business as usual)	Key Actions	Performance measures / KPI	Impact	Support required from another service	EHRIA required Y/N	Officer	Timescale/ Due Date
9	Review and maintain the Local Government KPIs at or above target, for all areas of Local Government pension administration for; <ul style="list-style-type: none"> Fund Annual report Quarterly Board reports 	<ul style="list-style-type: none"> To meet all statutory reporting requirements. Review and amend workflow tasks to enable correct reporting results Ensure customer service remains highest priority in all areas covered in the KPIs 	<ul style="list-style-type: none"> Fund annual report and Committee Quarterly Board reports Council quarterly KPIs Monthly Pension Section management targets 	<ul style="list-style-type: none"> Meet all statutory reporting requirements Maintain and improve customer service Highlights any falls in service so these can be addressed quickly Promote colleagues working from individual task boxes to better manage and target casework 	<ul style="list-style-type: none"> All fund employers Heywood for workflow task changes Pension section colleagues for new tasks Develop insight reporting 	N	Ian Howe	On-going throughout 2026

	Priority (Business as usual)	Key Actions	Performance measures / KPI	Impact	Support required from another service	EHR/IA required Y/N	Officer	Timescale/ Due Date
	<ul style="list-style-type: none"> County Council quarterly KPIs Monthly Pension Section management and colleagues Covers timescales for work completion and work volumes 	(especially retirements, deaths and payments) <ul style="list-style-type: none"> Target casework by age and employer Work closely with Pension Team Managers Monitor and measuring workloads Demonstrate value for money 		<ul style="list-style-type: none"> Increased officer morale – positive feedback is very welcome 				
10	Implement ongoing customer service improvements	<ul style="list-style-type: none"> Team Managers to explore ongoing customer service improvement opportunities Reduce calls to the helpdesk by directing members to an enhanced website 	<ul style="list-style-type: none"> Implement new KPI's and review measuring techniques Reduce phone calls 	<ul style="list-style-type: none"> Ensure the highest level of service available Continually look to enhance and improve the customer experience including ongoing improvements to the helpdesk, capturing member feedback, communications, processes, online submission of data, member self-service Provide information more easily online, to enhance the customer experience 	N	N	Ian Howe	On-going
11	Manage and reduce employer risk	<ul style="list-style-type: none"> Implications of New Fair Deal (removal of 	<ul style="list-style-type: none"> Negate the need for admissions/full 	<ul style="list-style-type: none"> Reduce fund related employer risk 	<ul style="list-style-type: none"> Hymans Pensions Liaison Officer 	N	Ian Howe	On-going

	Priority (Business as usual)	Key Actions	Performance measures / KPI	Impact	Support required from another service	EHRIA required Y/N	Officer	Timescale/ Due Date
	Keep the employer tracking system (EPIC) updated for monitoring employer changes and risks	<ul style="list-style-type: none"> admissions) – links to an element in point 6 Continue to review bonds and guarantors where appropriate Monitor FE bodies under the DfE guarantee 	<ul style="list-style-type: none"> bonds where possible Inform the Board each quarter 	<ul style="list-style-type: none"> Reduce full bond values by moving to pass-through when appropriate (older cases) Reduce outsourcing pension costs and risk Reduce the risk of default by new employers at TUPE 	<ul style="list-style-type: none"> Legal services Employers Contractors 			New Fair Deal – potentially 6 months after Regs are implemented
12	Achieve all the statutory deadlines – ABS by 31 August and pension taxation statements by 6 October	<ul style="list-style-type: none"> Work closely with Fund employers, especially those changing payroll providers 	<ul style="list-style-type: none"> Regulatory statutory deadlines 	<ul style="list-style-type: none"> Failure is a reportable “material breach” of pension rules Reportable to The Pensions Regulator Inform the Local Pension Board Reputational damage 	<ul style="list-style-type: none"> All fund employers and their payroll providers EMSS 	N	Ian Howe	31 August 6 October
13	Maintain the list of all fund policies and documents	<ul style="list-style-type: none"> Monitor and make changes as required Report changes to Board and Committee 	<ul style="list-style-type: none"> Annual report to Board and Committee 	<ul style="list-style-type: none"> Failure to deliver the service Complaints and appeals Reputational damage 	<ul style="list-style-type: none"> Investment colleagues Democratic services Legal Internal audit 	N	Ian Howe	On-going (annual review)
14	Manage staff sickness levels within the Pension Section	<ul style="list-style-type: none"> Team Managers to continue to manage sickness to keep as low as possible 	<ul style="list-style-type: none"> Pension Section target of 5.0 	<ul style="list-style-type: none"> Increased sickness – negative impact on morale, KPIs and targets, increased risk of failure with customer service standards and increases time for work completion 	N	N	Ian Howe	On-going

	Priority (Business as usual)	Key Actions	Performance measures / KPI	Impact	Support required from another service	EHRIA required Y/N	Officer	Timescale/ Due Date
15	Develop staff training and succession planning	<ul style="list-style-type: none"> • Team Managers continue to develop and monitor staff training • Team Managers continue to consider/review succession planning • Promote external training options (especially the Barnett Waddingham levels two and three, pension qualifications) • Review apprenticeships 	<ul style="list-style-type: none"> • One to ones • Annual performance reviews • Career grade progression • Barnett Waddingham - Level two (equivalent to GCSE) – introduction to general pensions • Barnett Waddingham – Level three (equivalent to A level) – LGPS specific training • Barnett Waddingham (levels 4 and 5 once available) • More qualified colleagues in the Section 	<ul style="list-style-type: none"> • Increased risk of operational delays • Failure to meet KPIs and targets • Greater pressure on colleagues • Reduced morale • Complaints and appeals • Reputational damage 	N	N	Ian Howe	On-going
16	Implement 50% return to the office	<ul style="list-style-type: none"> • Team Managers to maintain close contact with all colleagues to facilitate a 50% return to the office 	<ul style="list-style-type: none"> • Set up a team monitoring system to record 50% home/office working • Measure and monitor performance through the 	<ul style="list-style-type: none"> • Manage staff morale • Monitor efficiency • Consider individual needs assessed against the policy • Maintain regular dialog with colleagues and make necessary adjustments where necessary 	N	N	Ian Howe	April 2026 On-going

	Priority (Business as usual)	Key Actions	Performance measures / KPI	Impact	Support required from another service	EHRIA required Y/N	Officer	Timescale/ Due Date
			Sections existing KPIs	<ul style="list-style-type: none"> Ensure the working environment and equipment is suitable 				

Pensions Administration

Overview

- Provides a statutory service administering the Local Government Pension Scheme to over 190 employers in the Leicestershire Fund with over 109,000 scheme members.
- Rated highly by customers for providing a positive customer experience
- Reports to the Leicestershire Local Pension Board and Pensions Committee, made up of both employee and employer representatives

Key drivers

- Achieve or better, key performance indicators in business processes and customer satisfaction
- Conclude phase two of the McCloud remedy
- Go-live of dashboards
- Implement solutions for member address tracing and mortality screening
- Prepare for the outcome of LGR

Ian Howe – December 2025 (draft)