

## **Avon Pension Fund**

### **ICT Strategy**

The ICT vision for Pensions Administration is to be able to “deliver high quality, efficient and integrated digital services to employers and members” in an increasingly regulated and financially complex environment.

The strategy builds upon the work already undertaken to achieve a digital step change between Fund and Employers in the use of technology to promote a significant degree of self-service. Further development in design solutions are needed to achieve greater efficiency in the wake of growing demand and releasing resources to support the control framework of the digital model and support employers at the front end and with higher value service.

### **Drivers for change**

Whilst many of the drivers for change have been known and emerging for some time, demand growth and the financial climate are now the catalysts for greater focus on IT as the Fund and Employers grapple with a number of significant pension changes.

- There has been significant growth in employers and membership bringing with it a commensurate growth in demand, fuelled by the need for information about the Care Scheme and the ongoing downsizing and reorganising of public sector service provision
- The Care scheme itself requires far more data to be maintained about employees, compounded by the necessity to regularly auto enrol opted out members and the data management requirements of the Pensions Regulator
- The membership structure is highly complex with alternative working patterns created almost daily as employers look for increasing flexibility across the workforce.
- The Government Actuaries department also demands greater granularity of data as its cost sharing mechanism is applied as part of the valuation cycle.
- In the current financial climate, there is a need to operate as efficiently as possible and reduce the strain on the public purse and the Fund must play its part.
- The needs of employers are changing with many unaware of their complex pensions’ obligations and requiring the Fund to vary its service offer.
- Finally technology has taken major steps forward over the past decade in particular and the digital economy is now accessible to a wider community through mobile applications development, changing clients expectations about the way they want to engage with the Fund and want the Fund to engage with them

### **ICT Service Delivery Objectives**

ICT is now critical to the daily operations of the Fund Administration and is a key enabler of service improvement, sustainability and good governance. Its objectives can therefore be stated as;

- A. To manage control and make available accurate and timely member data to inform decision making and inform members and stakeholders about their respective benefits and liabilities

- B. To make this information available via multimedia channels in a secure way to ensure that members and employers are able to access information and services through all available technology
- C. To enable self-service in all communications and transactions between the Fund, its members and Employers
- D. To enable a fully digitised operating environment where all casework is electronically managed and processed
- E. To enable services to be delivered at any location, at any time from any device
- F. To manage technology risk and provide business continuity
- G. To ensure that technology skills are continuously developed and refreshed
- H. To ensure that ICT support arrangements are capable of supporting a highly digitised operating environment and continuously developing efficiency and improvement opportunities
- I. To establish meaningful partnerships with software providers enabling the fund to realise its service delivery ambitions
- J. To establish effective partnerships with stakeholders, employers and other agencies and organisations delivering innovation and service excellence

### **ICT Improvement Strategy**

Whilst the Fund has invested significantly in ICT over the years there is further work that needs to be undertaken in order to enhance service provision and strengthen governance and development of this important area. The ICT Strategy therefor has several strands;

- Maximising the use of existing technology
- Developing new facilities and services
- Building effective partnerships with key partners
- Developing Management information
- Investing in core skills
- Ensuring services are tailored to customer needs

### **Maximising the use of Existing Technology**

Improving our existing functionality has now taken priority, in particular mobilising case management automation, integrating existing work arounds into core product, data transfer to and from employers and extending self-service facilities. The full programme proposal is contained in the attached appendix.

### **Developing new facilities and services**

The Fund has identified a number of developments which enable improved interaction with customers and employers. These include enhancements to the web-site and its functionality; building connectivity with related service providers (eg AVC) to provide a one stop shop for pensions; provision of employers self-service discretionary policy tool; improving access channels to better reflect modern communication tools; improving mobility of staff to enable improved localised services; improved sign posting of services and a greater emphasis on self- service.

### **Building effective business partnerships with Suppliers**

A legacy of the way the ICT market has developed in the LGPS world is that there are very few providers and one with a dominant market share. Development when not driven by legislation is by means of consensus forcing a one paced response to demands. If the Fund is to manage its demand pressures a different relationship needs to be established whereby the Fund can advance its ideas and innovations in partnership with a committed supplier. This may mean that the Fund engages in more development and testing but will be rewarded with a more bespoke product rather than one which is designed by someone else. However it may also mean that the Fund will test the market to ensure that its suppliers are delivering value for money and the innovative solutions demanded of the future

### **Developing management information**

As the Fund continues its transformation journey the need for timely and useful management information is a necessity in ensuring effective and relevant service delivery in the digital age. Such information in respect of performance, quality and accuracy, permeates all aspects of our service whilst information on demand growth is important in shaping services going forward. Compliance plays an increasingly important part in the need to develop good quality data sets particularly as the TPR sets out its agenda and the cap and collar mechanism has a bigger influence on contribution rates and benefits. Understanding more about the membership structure and performance is key to effectively managing it

### **Investing in core skills**

It is expected that over the next five years the focus of administration will move away from processing data to controlling information flows and customer engagement, requiring a change in some roles and an increase of ICT infrastructure support as systems grow in use and complexity. The Fund will need to continue to invest in these emerging core skills and will need to consider how it can maintain its resilience possibly through greater collaboration and partnership

### **Ensuring services are tailored to customer needs**

Pensions are hugely complex to the extent that most people will need some financial advice at some point in order to maximise their benefits or run the risk of not doing so. Government freedoms also mean that individuals need to consider the totality of their pensions together and this may even impact on career choices, opting in or out and personal relationships. Whilst not overtly stated the direction is clear in that we need to work more closely with other agencies if we are to help individuals navigate this complex path. More importantly though our communication strategies and the tools we use will be crucial to getting that message across

## **Key Delivery Stages**

Compared to some peers the APF is in a strong starting position from which to make further improvements but nevertheless the developments will require a programmed approach over a period of time

The proposed delivery stages will incorporate existing planned work, some of which will operate in parallel as follows;

### **Work Stream 1**

Phase (i): Complete implementation of i-Connect

This enables the transfer of pension data between employers and the Fund to update member records on a continuous basis with minimum intervention. The implementation is ongoing across all employers and is due to be completed by the end of 2019.

Phase (ii) Harmonising monthly contribution & i-Connect submission

The next phase will aim to reconcile employee contributions paid to i-Connect submissions to enable employers to submit one payment and one return each month to meet all the Fund's requirements, utilising the existing Employer Relationship Management system (ERM)

### **Work Stream 2 Creating a shared development Agenda with Software Suppliers**

This focuses on a number of critical areas:

- Consolidating the Employer entry portals to a single access channel which caters for all categories of employer and transaction including online leaver forms and the ability to send all types of correspondence and files via i-Connect
- Developing the self-service agenda for employers effectively automating processes and removing Fund intervention
- Continued development of the Member Self Service (MSS) facility and requirements for the planned Pensions Dashboard.

### **Work Stream 3 Investing in Core skills**

This will primarily support work stream 1 to ensure sufficient system knowledge to support the activities of the administration. There will be ongoing user training as part of the Fund's training programme or project implementations for specific stakeholder groups. It is anticipated that embedded working can take place with our suppliers to enhance systems knowledge.

### **Work Stream 4 Developing services for customers**

This will involve both enhancements to systems and website to provide a suite of information and functionality delivering more relevant information to users, targeted where possible, greater use of nationally available material such as video and training suites, and greater self-service functionality.

The aim will be to have more documents available to view on My Pension Online (for example retirement packs and estimates) to streamline processes, reduce postage and improve the customer experience.

Pensioner members will also benefit from the development of better online provision of their P60s and payslips, accessed through My Pension Online.

#### **Work Stream 5 Developing management information**

This work stream continues to prioritise the Pensions Regulator Improvement plan requirements and will be developed in line with further clarification of scheme specific data from the Scheme Advisory Board in 2019.

As more employers move to i-Connect submissions adequate monitoring and control needs to be in place to ensure submissions are on time and the data is accurate as well as mitigating any risks to the integrity of the Fund's data held on Altair.

#### **Work Stream 6 New Employer Website**

A new employer website is in initial development stages and will be in place in early 2020. The new site will be a more interactive experience for employers and link directly to all aspects of the Service Level Agreement and supporting information. It will also contain more bite size training videos to assist employers understanding of responsibilities.