

Briefing note

LGPS administration in lockdown



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We're now seven weeks into the Government's lockdown measures in response to the COVID-19 pandemic. From the conversations we've had with many of you, it's clear there has been an excellent reaction to enforced home working as we all adapt to the current situation. However, we recognise that this transition has proven easier for some administration teams than others.

While the focus has understandably been on setting your teams up for remote working and maintaining those core services [suggested by the Pensions Regulator](#) it's important not to lose sight of everything else that needs to be done. The purpose of this note is to consider:

- other immediate priorities apart from 'core' administration duties;
- some medium to longer term issues;
- some general guidance to inform further discussions on the actions you might wish to take, and
- introduce a framework that may help you with the priority order of these activities.

Issue	Considerations	Possible Actions
Administration		
Employer liaison	<p>Need to ensure closer relationship with scheme employers during the period of lockdown.</p> <p>Understand the impact that lockdown could have on employer outsourcings/employer mergers, etc.</p> <p>Consider bespoke employer communications to specific groups, reflecting their specific issues or needs</p>	<p>Issue employer communications setting out focus on core activities during lockdown and processes to be followed for other activities</p> <p>We recommend that this is completed on a more regular basis than during pre-Covid times. Ideally this should just be a short and sharp update for the employers keeping them updated and informed.</p>
Year-end	Impact remote working, and reduced capacity might have on scheme	Specific year-end communication to scheme employers.

Issue	Considerations	Possible Actions
	employer ability to meet year-end deadlines	<p>Log those employers who may be struggling</p> <p>Consider what support, if any, can be given to assist employers</p>
Scheme member communication	Need to ensure scheme members can access scheme information and/or are informed of immediate changes to working arrangements	<p>Specific communication to scheme members</p> <p>We recommend that this is completed on a more regular basis than during pre-Covid times. Ideally this should just be a short and sharp update for the members keeping them updated and informed.</p> <p>Promotion of on-line portal, if available</p>
Web-site	Need to ensure appropriate messaging relating to impact of lockdown on services	Update News items, together with bespoke banner message on Home page
Pensions Increase	Decide whether to run as normal in April, or defer until a later date and pay arrears	<p>Ensure pensions increase plan is in place, considering risks of actioning now or waiting until a later date</p> <p>Ensure pensioners are made fully aware of decision, given many could be considered as vulnerable individuals</p>
Non-core activities	<p>Assume tasks associated with new-joiners, leavers and transfer/inter-funds in and out/aggregations will be stockpiled in the short-term</p> <p>Need to consider whether to stockpile transfer or inter-fund in requests</p>	<p>Need to have processes in place to log cases</p> <p>If possible, consider what 'quick' communication can be sent to the members regarding these cases</p>
Annual benefit statements	Success will be linked to employer engagement with year-end processes, but you will also need to consider TPR's recent guidance on ABS deadlines	<p>Ensure you have a robust ABS plan in place</p> <p>Consider appropriate risks, assumptions and dependencies on the successful delivery of that plan</p> <p>Seek buy-in from senior officers, particularly if there are major issues with scheme employer engagement</p>

Issue	Considerations	Possible Actions
Pension savings statements (PSS)	<p>Assume success will be linked to year-end and ABS.</p> <p>No current suggestion that tax return deadlines will change, so need to assume the current deadlines remain</p>	<p>Ensure you have a robust PSS plan in place, together with robust procedures</p> <p>Start considering now the additional information you will require to complete this exercise</p>
Governance		
Schemes of delegation	You will need to be aware of how your scheme of delegation is expected to operate during the period of lockdown	<p>Understand where necessary delegations sit</p> <p>Agree plan for internal escalations, where necessary</p>
Staff wellbeing	Significant operational challenges could arise as a result of lockdown, particularly if it lasts for a longer period of time	<p>Need to ensure you maintain regular staff contact to manage impacts on service delivery, staff morale, productivity. We have seen that quick regular calls from senior staff members to their team members have been greatly welcomed and contribute to productivity</p> <p>Ensure appropriate safeguards are in place for those essential staff who may have to travel to work</p> <p>Consider training plans and/or career development arrangements that may be required during lockdown</p>
Pension Committee/Pension Board reporting	<p>Understand any changes to reporting requirements – e.g. frequency, detail, timescales, etc.</p> <p>Understand the impact of virtual meetings and how that impacts on the delivery of key messages</p> <p>Try to maintain business as usual and ongoing work with PC and PB as much as possible</p>	<p>Diarise committees</p> <p>Ensure reports are drafted in advance, to fit in with new, virtual, meeting procedures</p> <p>Continue with PC and PB business plans</p>
Pension Scams	<p>Ensure the Fund is vigilant with regards to the threat of pension scams and the impact on scheme members, especially pensioners.</p> <p>This has been a key communication of TPR since Covid-19 lockdown</p>	<p>Ensure suitable communication and support is available to scheme members</p> <p>Review current internal processes to ensure where required additional steps are in place to mitigate this threat</p>

Issue	Considerations	Possible Actions
Duration	<p>Appreciation that lockdown could last for a considerable length of time, especially for office-based workers.</p> <p>Understand the impacts any longer-term restrictions could have on service delivery and/or employer engagement</p> <p>Consider what actions you might need/want to take now to pre-empt lockdown extension or later re-introduction</p>	<p>Have a short and medium term plan in place, considering what additional changes or actions may be required were lockdown to be in place in some form for any considerable period</p>
Projects/other initiatives		
Data cleanse	<p>Often a popular post valuation exercise. Consider how this might be impacted by lockdown, particularly if you expect close employer liaison</p>	<p>Discuss practicalities of delaying this action and look at the impact to the fund's data accuracy</p> <p>Review your existing data improvement plan to consider Covid-19 impact</p>
Backlog clearance	<p>Could include current backlogs, but will certainly cover any backlogs built up during lockdown</p>	<p>Ensure processes are in place to log cases being stockpiled</p> <p>Put plan in place to manage their clearance once able to do so</p>
Regulatory changes (e.g. McCloud, £95k cap)	<p>Appreciate those overriding issues that might come to the fore, even during lockdown.</p> <p>Manage expectations locally in regard to ability to deliver.</p>	<p>Ensure highlighted in Committee/Board reporting</p>
Other project/initiatives	<p>Consider strategic importance of any other local projects or initiatives and whether or not to postpone or alter deliverables</p>	<p>Revisit your short to medium term business planning</p>

Prioritising your 'to do' list

With so much to do and continuing uncertainty as a result of the current lockdown it is vital that you are able to consider in what order you should tackle tasks such as those detailed above, especially when resources (be that people, time or budget) are limited. One of the tools used by the project managers in our Public Sector team is known by the acronym 'MoSCoW'.

MoSCoW stands for 'Must, Should, Could and Would (or Will not). Primarily developed as a tool for assessing requirements for technology development, it can be adapted to suit different circumstances. In the table below, we have outlined our interpretation of how this could apply to LGPS Funds. This is not exhaustive and should not be taken as advice – there are many other techniques that you may also find helpful.

MoSCoW level and definition	Possible examples	The Pensions Regulator view
<p>Must Do</p> <p><i>Critical activities for core responsibilities</i></p> <p>If I don't do this, there will be an immediate and detrimental impact to the Fund and/or members</p>	<p>Paying existing pensions</p> <p>Assessing and commencing new pensions, survivor benefits & death claims</p> <p>Receipt and reconciliation of contributions</p> <p>Essential scheme members' communications (for example, advising them of procedures or delays during lockdown)</p> <p>Holding Committee and Board meetings</p> <p>Actions to prevent pension scams</p>	<p>Censure if not done</p>
<p>Should Do</p> <p><i>Important but not necessarily in the short term</i></p> <p>I should and need to do this to fulfil the responsibilities of the Fund, but there is no immediate impact to the Fund and members</p>	<p>Delivering Annual Benefits Statements</p> <p>Employer liaison & communication</p> <p>Routine administration requests (leavers, joiners, transfers)</p> <p>Administration backlogs</p>	<p>Tolerant approach to delays</p>
<p>Note: It is important to continue to review tasks/activities in this category as they may become 'Must do's' in the future</p>		
<p>Could Do</p> <p><i>Desirable but not necessary, or optional</i></p> <p>I could do this if the resources are available and it would have a positive impact, but it is not essential to fulfil the responsibilities to the fund</p>	<p>Website development</p> <p>Improvement projects (such as process improvement)</p> <p>Recruitment of non-essential roles</p>	<p>No censure if not done</p>
<p>Would Like To Do or Will not do</p> <p><i>A 'nice to have' in an ideal world</i></p> <p>This is on my wish list but is the lowest priority</p>	<p>Non-critical projects</p>	<p>No censure if not done</p>

If you would like to discuss any of the items in this briefing note, please do not hesitate to get in touch.