National Health Service Superannuation Scheme
Circular No 5/2006

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29 September 2006

Dear Sir/Madam,

NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (SCOTLAND)

Changes in the Administration of the NHS Superannuation Scheme

I wrote to you in August 2005 and again in April 2006 advising you of a major change programme being undertaken at the SPPA and asking you to ensure that the relevant staff within your organisation were made aware of this.

The UK Government's proposals to introduce substantial reforms to the various public sector pension schemes during 2006 and 2007 prompted the Agency to carry out a review of its current arrangements for administering the NHS Superannuation Scheme.

It was clear that the scale of changes necessary to respond to the pension reforms require the Agency to replace its existing IT system. A dedicated project team was therefore set up to plan and coordinate this activity. The procurement process commenced in April this year and the final selection of the main supplier will be made in the Autumn. Work is expected to start with the selected supplier in February 2007.

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What this means for you:

➢ **Employer Engagement** - The Agency already has a long established technical working group involving NHS employers which meets quarterly. In addition, it has also held two project specific workshops with NHS employers, on 17 January and 10 May 2006. Once an IT supplier has been selected we plan to establish a further working group consisting of a representative cross-section of employer organisations and the IT supplier to help us to implement the new system. The group will consider issues such as data validation, the electronic transfer of data and the development of new web/on-line services.

➢ **Electronic Interfaces** - It is planned that as part of the new IT system, SPPA will introduce fully electronic interfaces with employing organisations. Our discussions with employers have helped us to scope the requirements and implications of this for all parties. The working group will take this work forward by helping to ensure that the transition is managed smoothly..

➢ **Web On-line Services** – Over time we intend to develop a range of new web based on-line services both for employers and scheme members. These will allow instant access to things like member service records and benefit statements and allow a number of 'what if' calculations to be carried out. The working group will play key role in facilitating the development of these services.

➢ **Data Cleanse** - We are also working to ensure that data about individual scheme members is in the very best possible condition before we migrate it to the new IT system. An intensive data cleanse exercise is therefore currently being carried out. Employers will be kept informed of progress through the working group and through the issue of written updates.

➢ **Data Validation** – The new IT system will include a comprehensive data validation process which is designed to ensure that all member information is up to date and accurate. SPPA will work with the working group to ensure that employers develop the knowledge and skills required to supply the Agency with valid information.

Timing

The deadline for receiving bids from IT suppliers was 1 September 2006. A rigorous evaluation exercise is now underway to recommend a preferred supplier by late October. The contract with the supplier will commence early February 2007.

During the rest of 2007 the design, development, testing, training and data migration for the new system will take place with go live for the NHS system scheduled for March 2008. Full electronic interfaces and web/on-line services will be available late summer 2008 as part of a phased implementation.

Ministers have yet to decide when the new NHS superannuation scheme will be introduced, but it is likely to be before the new IT system go-live date of March 2008. The Agency is therefore developing interim arrangements to handle new scheme members who join the scheme between the point at which it is introduced and the point at which the SPPA's new IT system becomes operational.

An Agency of the Scottish Executive

To be a success, the Pension Change Project needs the support and engagement of all our key stakeholders, particularly NHS employers. This will ensure that the new system provides scheme members with the highest possible level of service while also reducing the associated administrative burden for employers and Agency alike.

If you have any comments or questions about anything in this letter then please do not hesitate to contact me or the Pension Change Project Team on:

pensionchangeproject@scotland.gsi.gov.uk

Yours faithfully,

Neville Mackay
Chief Executive
Scottish Public Pensions Agency.

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