Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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Item 9

24th June 2025

Pension Administration System: Proposal for Cloud Hosting

Purpose of Report:

To present a proposal to migrate hosting of the SPF pension administration system from on premises to a cloud-based solution.

Recommendations:

The Committee is asked **to APPROVE** the proposed migration to a cloud-based solution.

Ward No(s):   Citywide: ✓

Local member(s) advised: Yes ☐ No ☐   consulted: Yes ☐ No ☐

1   Background
Review of SPF's ICT arrangements was included as a priority in the SPF 2024/25 Business Plan. As a result of this, Migration to a cloud-based solution is included as a priority in the 2025/26 business plan.

2   SPF Systems & ICT
SPFO is an established user of *Altair* – a bespoke Local Government Pension Scheme administration system provided by leading pension technology provider, Heywood. The *Altair* application is upgraded four times a year and SPFO is currently running version *25.1.* Within *Altair*, SPFO has implemented *Task Management, Workflow* and *Performance Measurement* modules. These, along with *Altair Insights* form the core of process planning, management and monitoring, data analytics and measuring data quality. *Altair* is aligned with a Document Image Processing System (DIPS) to achieve straight-through electronic processing.

It also provides:
- *i-Connect,* a secure portal which allows employers to send data submissions direct to SPFO and to upload documents for processing; and
- internet based Member Self Service functionality through the member portal, *SPFOnline.* In early 2025, SPFO will migrate to the new platform *Engage*, which has been built following Web Content Accessibility Guidelines (WCAG) with member experience at the forefront. For SPF members this means a portal that will be more intuitive to navigate with information presented in a way that's easier to understand. Being a new application *Engage* also comes with stringent security measures, including multi-factor authentication (MFA) and Electronic Identification Verification (EIdV).

3   Hosting Arrangements
With the exception of the core Altair system and database, all applications are hosted by Heywood. Altair itself is hosted on premises by Glasgow City council's primary IT contractor, CGI. In order to simplify arrangements and to take advantage of the benefits and additional features of the Heywood solution and their support of the application it is proposed that Altair should now move to Cloud Hosting with Heywood.

4   Contract Change
CGI have provided a detailed contract change proposal.
The Contract Change proposal includes:

- New design for hosting and implementing Altair Cloud, testing and migration activities of on-premise Altair to Altair Cloud.

- New design and implementation for the integration of Altair Management Toolkit, Altair Scan Client and Mail Gateway to the new platform.

- New design and implementation for Altair Cloud extracts and integration (via batch transfer) to Bulk Printing (Adare), BACS and SAP ECC General Ledger.

- Decommission the existing on-premise Altair infrastructure.

A solution overview is set out at **Appendix A**.

6 Costs

Total costs as set out in the proposal are as follows.

Charges payable to the Supplier	TOTAL (£)
Project charges	261,956
Service charges (excluding third party)	28,944
3rd Party Service Charges & Agency Fees	1,733,902
Total charges payable to the Supplier	**2,024,802**
Direct costs to the Authority	**TOTAL (£)**
Direct project costs	0
Direct service costs	0
Total direct costs to the Authority	**0**
Total cost of ownership to the Authority	**2,024,802**

These charges anticipate migration during 2025/26 and cover the period to 2029/30.

There will be some offset against these costs in terms of reduced or deleted charges for services currently carried out by CGI – including the quarterly Altair upgrade. This has still to be quantified.

7 Benefits

The primary benefit is that simplification of the hosting arrangement is expected to provide a more resilient ICT environment for SPFO. This will reduce risk exposure to network and compatibility issues between applications, and improve system reliability and availability.

During the development stage of this project SPF spoke at length with 4 other LGPS funds, all of whom use the Heywood cloud-hosted solution. Their comments were universally positive.

In summary, migration to Heywood has simplified their arrangements, taken away a reliance on local ICT with competing priorities, and reduced the number of incidences of downtime whilst speeding up recovery. (These are all issues which SPFO frequently experiences with the current dual-hosted arrangement.)

Specific areas highlighted by other funds, and which would represent a significant improvement in comparison to the current service provided by CGI to SPFO include:
- Overnight upgrades work – achieving two full days per year improvement in system availability (or 900 working hours gained).
- Live to test refreshes;
- Simplified process for making requests, such as responses to audit queries;

- Greatly improved Disaster Recovery testing. Heywood will set up access to a DR site (likely the Test server) with a login to test that the restore has been completed as expected.
- Nightly email confirmation of successful backups as standard.
- Easy to arrange cancelling a backup.
- No reliance on the VPN support connection which regularly expires (by design) and can cause delay in Heywood carrying out investigations or work while it's reissued.
- All funds said they got speedier responses from Heywood when issues arose than with existing local arrangements.
- Server and OS patches don't seem to cause them any issues
- Nobody can recall having any capacity issues, or if there were any warnings they were cleared up without their involvement, with cloud hosting scaling as needed.

8   Policy and Resource Implications

Resource Implications:

Financial:	See paragraph 7.
Legal:	Per CGI Contract Change.
Personnel:	None
Procurement:	None
Council Strategic Plan:	SPF supports all Missions within the Grand Challenge of: ***Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.*** The LGPS is one of the key benefits which enables the Council to recruit and retain staff.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.	N/a.
What are the potential equality impacts as a result of this report?	No significant impact.
Please highlight if the policy/proposal will help address socio-economic	N/a.

disadvantage.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify: N/a.

What are the potential climate impacts as a result of this proposal?   N/a.

Will the proposal contribute to Glasgow's net zero carbon target?   N/a.

Privacy and Data Protection Impacts:

Are there any potential data protection impacts as a result of this report Y/N   No.

If Yes, please confirm that a Data Protection Impact Assessment (DPIA) has been carried out   N/a.

9   **Recommendations**
The Committee is asked **to APPROVE** the the proposed migration to a cloud-based solution.

Appendices

Appendix A -   **CGI Final Contract Change Proposal – Migrate Altair to Heywood Cloud Hosting – Solution Overview.**

CGI Final Contract Change Proposal – Migrate Altair to Heywood Cloud Hosting – Solution Overview

1. Overview of the proposed Solution

1.1 Context and Solution Overview

The Authority (Strathclyde Pension Fund) uses Heywood's (hereafter "the Vendor") application Altair in order to administer the Local Government Pension Scheme. The Authority currently has approximately 160,000 members signed up across all scheme statuses and 100 users within Authority offices.

The Authority has requested that the Supplier migrate the current on-premise Altair solution to Heywood's new AWS-based cloud Altair infrastructure (referred as "Altair Cloud").

This Contract Change will include:

• New design for hosting and implementing Altair Cloud, testing and migration activities of on-premise Altair to Altair Cloud.

• New design and implementation for the integration of Altair Management Toolkit, Altair Scan Client and Mail Gateway to the new platform.

• New design and implementation for Altair Cloud extracts and integration (via batch transfer) to Bulk Printing (Adare), BACS and SAP ECC General Ledger.

• Decommission the existing on-premise Altair infrastructure.

1.2 Implementation approach

This Contract Change implementation is divided into following phases.

1.2.1 Preparation Phase

During the Preparation phase, all Parties will come together to kick off the implementation project. The Authority and the Supplier will complete the Vendor's technical questionnaire to enable the Vendor to prepare a PID (Project Initiation Document). The Authority will review and sign off the PID to progress with the project.

Testing, together with success criteria, will be agreed prior to commencing any testing. Notwithstanding the outcome of any testing, Altair Cloud will be deemed to have been accepted by the Authority upon the earlier of the Authority reporting no issues with Altair Cloud within 60 days of it being made available for the Authority's use, or the Authority taking the Altair Cloud into 'Live'.

1.2.2 Design Phase

The Vendor will prepare a Technical Study to define the technical aspects that need to be considered for migrating from the existing Supplier hosted on-premises infrastructure to AWS based Heywood's new cloud Altair infrastructure. It will address the new Altair Cloud Environments (UAT/Test and Production) and any associated automated processes.

Access to the new Altair Cloud will be via URL. A connectivity method will be discussed and agreed prior to production of Technical Study. Users can connect via an IPSEC site-to-site VPN tunnel or Public URL protected by whitelisted IP addresses, multi-factor authentication, or a combination. Access is controlled with the Ping Identity Access Management product suite.

The design activity will address the following integrations as well.

CGI Final Contract Change Proposal – Migrate Altair to Heywood Cloud Hosting – Solution Overview

• Altair Management Toolkit (AMT). This will be Cloud Hosted. Heywood will provide access to the 3 existing users named by the Authority. The access to AMT setup will be via the PING Desktop.
• Altair Scan Client. The Altair Scan Client will remain as a thick local client at SPFO sites. The scan stations will be re-pointed to the new Altair Cloud Live Service.
• Mail Gateway. The Vendor have its own mail relay and external mail filtering service. However, this will be reviewed with the Authority prior to deciding on the future choice.
• Adare Bulk Printing. The existing setup will form part of the inputs for the review discussion.
• BACS. The Vendor has the ability to support file transfers using Managed File Transfer service (MFT) which can move files to and from any of the following targets viz., SFTP Server, S3 Bucket or Azure Blob Storage. This will be reviewed with the Authority and the Supplier prior to automating the process .
• Altair-to-SAP. Currently, Altair sends Pensions extract file to the GIFT server , which in turn sends it onto the Post Office server to get processed by SAP. See notes against BACS.
The Supplier will produce a Solution Blueprint, a High-Level Design (HLD) design documentation and carry out Security Assessment and Cloud Risk Assessment (CRA).
The Authority will review and approve the above Technical Study and design documentation. It will also include its Network Services Tower Replacement Tower Service Provider in design any networking requirements.

1.2.3 Development and Rollout Phase
The Vendor will build and deploy the new Test and Production environments and Integrations as per the agreed design, and provide access to the Authority confirmed users.
Altair Scan Client will be updated to repoint to the Altair Cloud. The Supplier will package and deploy the updated Altair Scan Client to local SPFO offices and support the Vendor in deploying the remaining updated integrations as defined in the Technical Study.
The Supplier will upload the backups of the data on the live on-premise Altair server and database server that are taken at the point of the test and live data migrations, and upload to the Vendor provided location using SFTP.
The Authority will ensure its Network Services Tower Replacement Tower Service Provider will implement the network or connectivity to the Altair Cloud Environments.

1.2.4 UAT Phase
The Supplier will perform connectivity testing prior to requesting the Authority to perform UAT, and provide coordination and defect management support.
The Authority will define the test scripts that will be used during User Acceptance Testing (UAT) and provide users to deliver User Acceptance Testing. It will conduct UAT on functionality within Altair Cloud with the Vendor, and to test all redesigned integrations.
• Integration and connectivity changes to Altair management Toolkit.
• Integration and connectivity changes to Altair Scan Client.

CGI Final Contract Change Proposal – Migrate Altair to Heywood Cloud Hosting – Solution Overview

•   Integration and connectivity changes to Mail Gateway.
•   Extract, transfer and integration changes to Adare Bulk Printing.
•   Extract, transfer and integration changes to BACS.
•   Extract, transfer and integration changes to SAP / SAP ECC General Ledger.
•   Integrations with i-Connect, Insights, Dashboard or Engage.

1.2.5 Live Implementation and Early Life Support

The Supplier will take another fresh backup of on-premise Altair server and database server, and upload to the Vendor provided SFTP location. The Vendor will apply into the new Live Altair Cloud Environments and perform re-configuration and access provision.

The Supplier will provide Early Life Support (ELS) for a duration of two eight weeks or until any Severity 1 or 2 incidents raised during ELS are closed. The ELS duration has been extended to cover the period until the first payment is made in Altair Cloud.

1.2.6 Decommission of on-premise Altair

The Supplier will decommission existing on-premise Altair servers, starting two working weeks after the end of ELS. The Vendor will support and provide assistance with running any final backups of on-premise Altair and its schemas before decommissioning.

The Supplier will uninstall Altair Management Toolkit from user desktops.

The Authority will ensure its Network Services Tower Replacement Tower Service Provider closes firewalls that enabled the Vendor access to Altair on-premise system.