



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

Contact: Linda Welsh, Pension Scheme Manager, Ext: 77463

Item 2(a)

27th November 2024

Appointment: Data Services - Mortality Screening

Purpose of Report:

To conclude a tendering exercise for the provision of a mortality screening service.

Recommendations:

The Committee is asked to **APPROVE** the appointment of **Heywood Pension Technologies** to provide mortality screening services.

Ward No(s):

Citywide: ✓

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

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1 Background

Review of the member data services arrangements and contract is included as a development priority in the SPF 2024/25 business plan.

The main objective of the required service is to improve the accuracy of member records in accordance with TPR guidance on record keeping. Mortality screening services will allow SPF to check the existence of members thus avoiding the over-payment of pension benefits and the potential of fraud where pensioner or dependant members have died. SPF is therefore seeking to appoint an efficient and effective supplier to deliver the member data services.

The current contract for member data services ceased on 30th September 2024.

2 Tendering Process

Following consultation with GCC's Corporate Procurement Unit and promotion of National and collaborative Frameworks, it was agreed that the most appropriate procurement route to deliver this contract would be a mini-competition process under Lot 3 of the National Local Government Pension Scheme (LGPS) ISP and Member Data Services Framework agreement, reference number NCCT42646.

After a previous tendering exercise was, curtailed this exercise commenced on 16th September 2024 when an Invitation to Mini-Competition was issued to all 6 suppliers appointed to the framework.

The 6 suppliers who received the mini-competition documentation were:

- Accurate Data Services Limited
- Capita Pension Solutions Ltd
- Heywood Pension Technologies
- Lexis Nexis Risk Solutions UK Ltd
- Target Professional Services (UK) Ltd
- The Tracing Group Ltd

Of the 6 suppliers, 4 submitted a tender by 1st October 2024, the deadline for submissions.

The mini-competition documentation included a detailed scope of the services required by the Fund and requested responses to 3 technical questions designed to assess the quality of each of the suppliers' proposals, as well as seeking detailed pricing information for commercial and value for money assessment. Fair work practices were also assessed, and details of voluntary community benefits were requested. The mini-competition award criteria were divided as follows:

- | | |
|-----------|-----|
| • Quality | 80% |
| • Price | 20% |

The evaluation panel comprising officers of the Fund and the Corporate Procurement Unit (CPU) assessed the tender responses and allocated a score to each candidate. CPU assessed the pricing and fair work practices submissions and allocated a score to each candidate. The final scores for each candidate were as follows:

• Accurate Data Services Ltd	84.5
• Capita Pension Solutions Ltd	87
• Heywood Pension Technologies	92
• The Tracing Group Ltd	66

On the basis of the award criteria, **Heywood Pension Technologies** tendered the most advantageous proposal for the Fund.

3 Top Scoring Supplier: Heywood Pension Technologies

Heywood:

- have been providing industry-leading software solutions for over 50 years;
- have the solutions, capabilities and experience to meet the requirements of the contract;
- are the existing provider of SPF's pensions database system;
- have a wealth of other clients including 68 of the 98 LGPS administering authorities and 54 Police & Fire schemes; and
- provide solutions to the Scottish Public Pensions Agency (SPPA) which administers Scottish schemes for Police & Fire, NHS, and Teachers, serving over half a million members, as well as the national health and social care pension scheme in Northern Ireland through HSC BSO.

This ensures that they continue to invest and develop their software and their people, enabling them to continue to meet the needs of their customers without distraction by:

- harnessing the power of digital engagement
- driving operational efficiency
- delivering unique insights through advanced data analytics

Heywood have over 200 staff based at their Altrincham office and, on average, their consultants have ten years' experience in the industry. Their staff are heavily involved in industry initiatives and have representatives on PASA's Pensions Dashboards, and Data Working Groups.

4 Implementation

Appendix A provides a summary of the scope of service required by the Fund.

Subject to conclusion of contract, the appointment will be effective from 6th December 2024 and will run until 5th December 2030 in line with the conditions of the LGPS framework.

5 Policy and Resource Implications

Resource Implications:

Financial:

Total cost of the contract is expected to be in the region of £14,000 per annum over a 6-year period. This is in line with current expenditure for this service. Prices are fixed for the first year then subject to inflation.

Legal:

Standard call-off terms are agreed with

suppliers when the framework is put in place, allowing only for minor amendments by clients. These terms have already been reviewed by a GCC solicitor.

Personnel: No issues.

Procurement: The framework and call off process are described in section 2 above.

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. No impact

What are the potential equality impacts as a result of this report? No specific impacts.

Please highlight if the policy/proposal will help address socio-economic disadvantage. n/a

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify: No

What are the potential climate impacts as a result of this proposal? None

*Will the proposal
contribute to
Glasgow's net zero
carbon target?*

No

**Privacy and Data
Protection Impacts:** To be provided for in the legal documentation
for the proposed service.

Are there any potential data protection impacts as a result of this report
Y/N

No data protection impacts identified.

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

Yes

6 Recommendation

The Committee is asked to **APPROVE** the appointment of **Heywood Pension Technologies** to provide Mortality Screening services.

Scope of Service

Core Service – Mortality Screening

The supplier will provide mortality screening services that include but are not limited to the following;

- Monthly mortality screening reports for pensioner, dependant and teachers compensation members. Approximately 102,000 records currently fall into this category and are being screened on a monthly basis. This figure is likely to increase by between 5-10% during the duration of the contract.
- Be able to accept and return all data electronically to and from the Fund using a secure and encrypted data transfer method.
- Ensure reports are provided on the fifth day of each month, in CSV or Excel format only.
- The supplier must accept a fresh data cut for screening purposes from the Fund monthly.
- Utilising extensive, current and appropriate data sets for efficient and economical screening.
- Ensure monthly reports are comprehensive, accurate and include clear confidence indicators confirming the source of the notification and how likely the match is that has been found.
- Ensure the data sources utilised are frequently updated with all confirmed positive match results removed immediately to ensure duplicate or unnecessary processing is minimised.
- The supplier must ensure all data is received, processed and returned in accordance with the highest industry standards for data management and protection.