



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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**Item 5**

3rd March 2021

**Appointment: Member Data Services**

**Purpose of Report:**

To conclude a tendering exercise for a member data services service provider.

**Recommendation:**

The Committee is asked to **APPROVE** the appointment of **Accurate Data Services** to provide member data services.

Ward No(s):

Citywide: ✓

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

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## **1 Background**

Review and procurement of a member data service is included as a development priority in the SPF 2020/21 business plan.

## **2 Requirement for Member Tracing**

The Fund's membership numbers have increased significantly in recent years: from 204,000 at the 2014 actuarial valuation to 222,000 at the 2017 valuation and currently around 258,000. In accordance with The Pensions Regulator's (TPR) guidance on record keeping the Fund is required to improve the accuracy of member's records. The majority of deferred members (around 42,000) do not have a frequent contact with the Fund and if moving house, tend not to inform the Strathclyde Pension Fund Office (SPFO). This results in a significant number of deferred members which the Fund does not hold a current address for.

Similarly the Fund is often not updated when a pensioner or dependant member dies.

In order to improve the accuracy of member records, the Fund requires address tracing and mortality screening services. This will allow the Fund to;

- re-establish contact with members and provide them with timely information in relation to scheme benefits; and
- avoid over payment of benefits where a pensioner or dependant member dies.

## **3 Current Contract**

The current contract for address tracing and mortality screening services is due to cease on 30th April 2021.

## **4 Tendering Process**

In line with the efficiency and effectiveness aim of the Council's Corporate Procurement and Commercial Improvement Strategy 2018 - 2022 (which promoted consideration 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 both Lot 1 and Lot 2 of the National Local Government Pension Scheme (LGPS) Member Data Services Framework agreement reference number NCCT41451.

## **5 Mini-Competition**

The tendering exercise commenced on 13<sup>th</sup> January 2021 when an Invitation to Mini-Competition was issued to all 4 suppliers appointed to the Framework.

The 4 suppliers who received the mini-competition documentation were:

- Accurate Data Services
- GB Group Plc (GBG)
- JLT Benefit Solutions
- Target Professional Services (UK) Ltd

Of the 4 suppliers, 3 submitted a tender by 12<sup>th</sup> February 2021, the deadline for submissions. The supplier that did not submit a tender indicated that it could not deliver all the requirements outlined in the scope.

The mini-competition documentation included a detailed scope of the services required by the Fund and requested responses to 6 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 | 40% |
| ▪ Price   | 60% |

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                | 87.37 |
| ▪ JLT Benefit Solutions                 | 59.99 |
| ▪ Target Professional Services (UK) Ltd | 85.62 |

On the basis of the award criteria Accurate Data Services tendered the most advantageous proposal for the Fund.

## 6 **Winning Supplier: Accurate Data Services**

With over 20 years' experience in the Financial Services industry, Accurate Data Services (ADS) create bespoke data cleansing and tracing programmes to assist clients to meet their requirements. They understand all regulatory requirements under which the LGPS operates and share best practice working closely with many similar clients. Their team has a variety of skills and experience which drives their ability to understand clients' requirements and develop innovative solutions and use the best tracing methodologies to get the required outcomes. They are actively involved in industry and regulatory developments. They participate in the Pension Dashboard Working Group and their experience has been called upon in an advisory role by The Pensions Regulator.

## 7 **Implementation**

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

Subject to conclusion of contract the appointment will be effective from 1<sup>st</sup> May 2021 and will run until 30<sup>th</sup> September 2024 in line with the conditions of the LGPS framework.

## 8 **Policy and Resource Implications**

### **Resource Implications:**

*Financial:* Total cost of the contract will depend on the specific service required. Net total cost of the contract is expected to be in the region of £45,000 per annum. This is in line with current expenditure for this service. Prices are fixed for the duration of the contract.

*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 direct personnel implications

*Procurement:* The framework and call off process are described in sections 2 and 3 above.

**Council Strategic Plan:** Strathclyde Pension Fund aligns with the theme of a well governed city.

**Equality and Socio-Economic Impacts:**

*Does the proposal support the Council's Equality Outcomes 2017-22* The procurement supports best practice in the procurement of services.

*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:*

**Sustainability Impacts:**

Environmental: No impacts identified. The supplier will ensure the services are delivered in the most environmentally sustainable manner and will seek improvements in this area wherever possible.

Social, including opportunities under Article 20 of the European Union Procurement Directive: Article 20 is not applicable as there are no known supported businesses in the market place which can provide the required services.

Economic: n/a

**Privacy and Data Protection impacts:** To be provided for in the legal documentation for the proposed service. No data protection impacts identified.

**9 Recommendation**

The Committee is asked to approve the appointment of **Accurate Data Services** to provide member data services.

### Scope of Service

#### Core Deliverables

In summary the core services that must be provided are:

- Address Tracing
- Postal Verification
- Mortality Screening
- Online Portal Access

#### Address Tracing

The supplier will provide address tracing services that include but are not limited to the following:

- Provide an initial scan of the Funds deferred membership data within 1 month of the contract start date at no cost. This should assess the current position of the Fund's data and enable a programme of tracing and correction to be formulated and agreed between the parties.
- Deliver a clear and comprehensible report on the outcomes of the initial scan of the Funds deferred membership. As a minimum this must provide analysis and recommendations, based on confidence levels, regarding the level of trace most likely to yield a successful outcome. The report should be completed within the timeframe specified by the Fund.
- Undertake a bulk address tracing exercise utilising extensive, current and appropriate data sets for efficient and economical tracing. This will be based on the recommendations suggested by the supplier as part of the initial scan and approved in advance by the Fund.
- The supplier must be able to undertake at least two different levels of tracing that as a minimum must cover:
  - A bronze equivalent member record verification check against multiple internal data sources providing a corrected address based on internal data.
  - A silver equivalent member record verification check against several internal and external data sources, providing a corrected address based on both data sets.

For a small number of records it is anticipated that a more in-depth trace, a gold equivalent, may be required. If necessary, the expectation is that this search would include significantly more in-depth tracing and manual intervention.

- The supplier will provide postcode correction information for existing addresses provided as part of the bulk exercise where a variance exists with the Fund's database.

### Scope of Service

#### Postal Verification

- Following the bulk address tracing exercise, the supplier will complete postal verification of the Fund's deferred membership. As a minimum a single hardcopy letter will be issued to those addresses identified and approved by the Fund.
- Postal verification will use joint communications in the format to be agreed with the Fund in advance of issue.
- The supplier will collect member email addresses as part of this process incorporating these into any reports subsequently provided.

Following this bulk address tracing exercise of deferred members, the Fund may have future requirements for smaller bulk tracing exercises however any potential demand is currently unknown.

#### 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 91,000 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.
- Ensure reports are provided on the 15<sup>th</sup> day of each month, in CSV or Excel format only.
- The supplier must accept a fresh data cut for screening purposes from the Fund on a monthly basis.
- Utilising extensive, current and appropriate data sets for efficient and economical screening. As a minimum, the supplier must run a bronze equivalent member record screening check using multiple internal data sources.
- 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.

#### Online Portal

- The supplier will provide access to a user friendly online web based portal by which SPF users can log in and undertake individual address searches as required. The portal must be able to access multiple internal data sources in order to increase match success rates.
- The self-key address tracing when using the portal must be real time and return an instant return or verification.

Access must be given to a minimum of 2 SPF users and allow a minimum of 1,000 searches within any 12 month period.