

SOUTH YORKSHIRE PENSIONS AUTHORITY

14 March 2019

Report of the Head of Pensions Administration

KEY SERVICE STANDARDS

1) Purpose of the Report

To update Members on the results of research conducted with customers, CIPFA and other LGPS funds and to propose revisions to certain administration service standards from 1 April 2019 to improve transparency of performance and allow improved focus on priority case work.

2) Recommendations

Members are recommended to approve the adoption of a revised set of administration standards from 1 April 2019 to improve benchmarking of performance and allow improved focus on key targets whilst maintaining high standards of customer service.

3) Background Information

- 3.1 SYPA has a set of customer standards for case work that have been in place for many years without review. These targets were set prior to the complexities introduced by both the 2008 and 2014 schemes and before the significant increases in scheme membership as well as the numbers of employers in the Fund over recent years. There are currently no national case work targets for the LGPS and funds have historically taken their own view as to the target times for completing case work.
- 3.2 CIPFA have recognised that there is no consistency of reporting on administration performance and this makes direct “quality” benchmarking between LGPS funds (and other sectors) difficult to achieve. This has led to a tendency to focus on “cost per member” comparisons for administration which has obvious value but can be a crude measure of administrative efficiency and ignores the importance of measuring the customer experience.
- 3.3 In an attempt to provide greater transparency and to address the lack of meaningful comparative data, CIPFA has published draft guidance on a range of administration case work data which it recommends should be included in the Annual Report produced by LGPS funds. This data would also be used to help compile the administration performance comparators for the CIPFA benchmarking club in which SYPA participates annually.

3.4 The list of recommended processes for publication are detailed in column (1) of the Table at **Appendix A**. These are detailed alongside the statutory requirements for handling the various processes as set out in column (3) and CIPFA's own suggested performance target in column (2). The list of processes detailed in the CIPFA guidance and in Appendix A is consistent with the Key Performance Indicators (KPIs) that SYPA have been reporting to members for some time.

4. Customer Feedback

4.1 To complement the work that CIPFA have carried out, SYPA consulted with scheme members who had either recently retired or transferred out their pension rights to another arrangement. Scheme members were asked for their views on appropriate time scales for processing case work around the transfers and retirement process and their responses are included in column (6) of **Appendix A**. Due to the obvious sensitivities it was not felt appropriate to survey members who had been dealing with SYPA as a result of a bereavement or as a result of divorce proceedings.

5. Comparative Data from other LGPS Funds

5.1 In the absence of a national set of KPI data, SYPA also sought information from other funds in the Border to Coast Pensions Partnership in relation to their administration of KPIs to provide some informal comparator data. At the time of writing, three funds had provided information regarding their own KPIs and this data is included in columns (6) to (10) of **Appendix A** for reference.

6. Recommendations for Change

6.1 Taking into account all the information presented in the Table in relation to statutory requirements, CIPFA suggestions, customer feedback and comparator data, column (5) has a number of areas highlighted in red where it is proposed a variation to the existing KPI be agreed by members from 1 April 2019.

6.2 Although this is a slight relaxing of the historic measurements, in all proposed areas of change the proposed KPI continues to be at least equal to, or more stringent than, any of the other comparator or statutory data shown and well within the suggested time scales indicated by our customers. It is not anticipated therefore that this will lead to any reduction in levels of customer satisfaction with the service provided.

6.3 Members will be aware that overall achievement levels against existing KPIs are running at around 80%. These levels of achievement are measurements against historic targets and there is a risk in the current operating environment that administration staff are focusing their efforts on meeting KPI targets that are neither appropriate nor achievable. This can lead to a focus on quantity rather than quality as well as having a demotivating impact on dedicated staff.

7. Ongoing Quality Review

- 7.1 One key consideration is to be able to recognise that the level of service provided to members is meeting their expectations. One way of measuring this is through the volumes of complaints received and this will continue to be reported to members. However, scheme members should also be provided with an opportunity to provide feedback on their experiences.
- 7.2 Given that the retirement process is a key part of the administration function, it is intended to survey all retiring members on a quarterly basis going forward and report the outcome as part of the quarterly administration report. Other areas (e.g. new joiners, transfers, aggregations, etc) will be addressed on a rolling basis. Given the sensitivity of the bereavement process, it is not intended to survey dependants at this time.
- 7.3 In the unlikely event that the outcome of this programme of continuous assessment suggests that there has been a deterioration in levels of customer satisfaction related to a change in response times, this will be brought back to members for further consideration. In practice, it is hoped that the proposed revisions will lead to an overall improvement in levels of customer satisfaction.

8. Implications

- **Financial** - None
- **Legal** - None
- **Diversity** - None
- **Risk** - Risk of reduction in quality of service will be managed by regular review of the customer experience.

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Background papers used in the preparation of this report are available for inspection from the offices of South Yorkshire Pensions Authority