

<b>Subject</b>	<b>Pensions Administration Performance Standards</b>	<b>Status</b>	For publication
<b>Report to</b>	Authority	<b>Date</b>	08 June 2023
<b>Report of</b>	Interim Assistant Director - Pensions		
<b>Equality Impact Assessment</b>	N/A		
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## 1 **Purpose of the Report**

To inform members of pensions administration performance for the year ending 31 March 2023 and planned actions over the coming months.

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## 2 **Recommendations**

2.1 Members are recommended to:

- a) Note the actions proposed by officers in para 5.4 of this report.
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## 3 **Link to Corporate Objectives**

### **Customer Focus**

To design our services around the needs of our customers (whether scheme members or employers). The report includes reference to feedback from our customers.

### **Effective and Transparent Governance**

To uphold effective governance showing prudence and propriety at all times. The report includes detail on the overall administration performance to ensure Members are able to scrutinise the service being provided to our customers.

## 4 **Implications for the Corporate Risk Register**

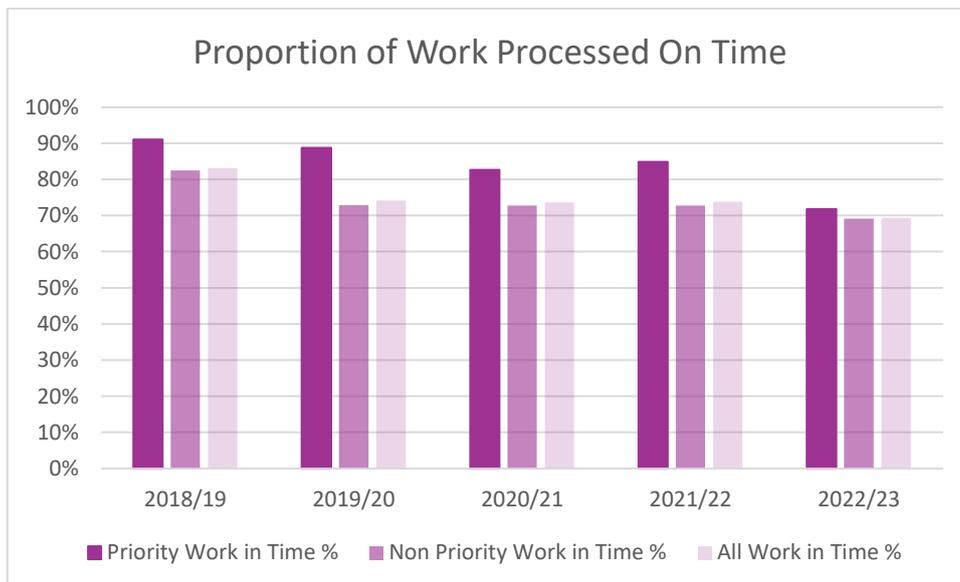
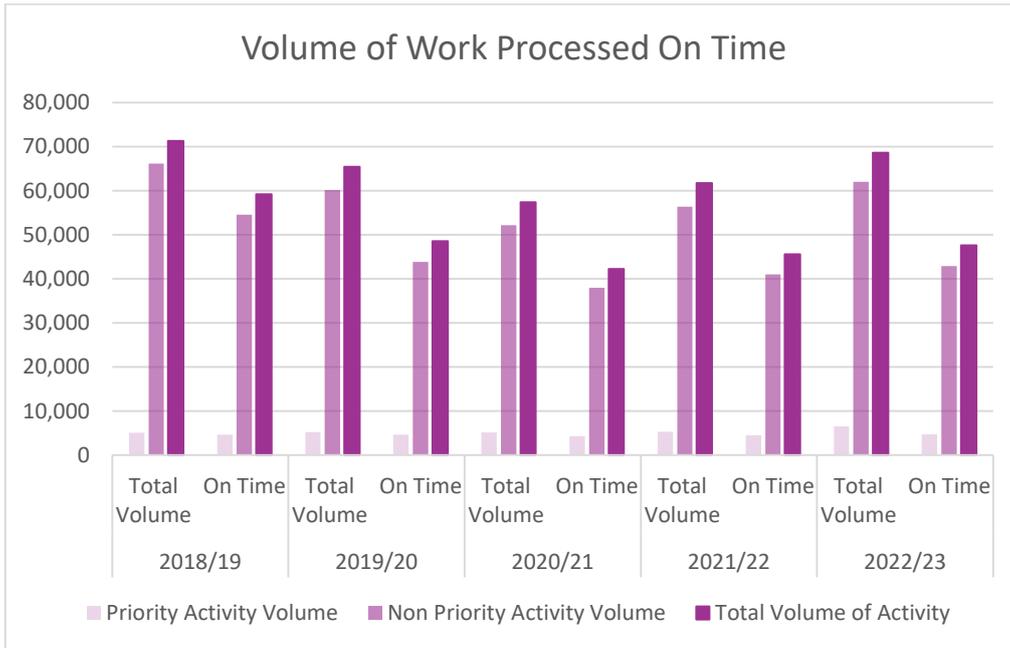
None

## 5 **Background and Options**

5.1 The Pensions Administration team which undertakes the Fund's administration functions has faced another challenging year with further increases in the volume of incoming work compared to last year and delays in the issuing of key regulations by the Government delaying progress on some major pieces of work such as the

McCloud remedy. Nonetheless, progress has continued to be made on several fronts with over 800 of our deferred members having been able to deal with their retirement on-line for the first time and a significant programme of activity aligned with initiatives such as Pensions Awareness week to increase scheme members' knowledge of the value of their pension to them.

5.2 The graphs below show the total volume of work we have dealt with over the last five years and our performance in processing priority and non-priority tasks within the targets which we set for ourselves which are more stringent than those which generally apply across the industry.



What this shows is that over the last five years we have seen a small reduction in the overall volume of incoming work (although it has increased significantly compared to last year) while we have been processing less of this work on time, although our target timescales are often half of those commonly used across the industry. Given that this has not resulted in a

significant increase in the volume of complaints it is reasonable to assume that most scheme members feel that we are dealing with their issue in a reasonable timescale. While this might well be the case, we need to understand and address the underlying causes of this apparent fall in productivity and whether our performance standards which have been in place for many years remain appropriate. In addition to this we are reviewing the level of resources we have in place to address the volume of incoming work and will make changes during 2023/24 if the evidence supports this.

- 5.3 Despite the decline in performance in relation to our own strict timescales, we have continued to ensure that statutory deadlines are met where they apply. While this is reassuring it is not something that we can, or should, take comfort from and as stated above we are reviewing both our own performance standards and the level of resources available for casework processing to bring performance in this area closer to the levels that we should be achieving. Beyond addressing performance on these key indicators, there remain significant volumes of casework related to unprocessed leavers and aggregations which we must get on top of in order to stabilise the overall performance of the service and we will be seeking to make significant inroads in these areas in the coming year.
- 5.4 To that end, officers have identified a number of actions which will be taken forward over the coming months:
- Placing a stronger emphasis on staff training and development, supported by enhancements to our in-house technical training capacity and approach
  - Prioritising the development of automated processes within our pensions administration system to tackle caseload backlogs and allow us to operate more efficiently
  - Taking a more strategic approach to data collection, validation and management, with resources and processes dedicated to improving and maintaining the integrity of our member data
  - Ensuring that we have the right level of resources with the right skill sets in the right areas of the pensions administration function
  - Reviewing our pensions administration performance measures to ensure that they are fit for purpose for the Local Government Pension Scheme in 2023 and beyond
- 5.5 To facilitate the above, we will be working with staff to assess whether it is necessary (and to what extent) to realign some existing resources to implement these actions, as well as both broadening and deepening the organisations knowledge, skills and experience with external recruitment where necessary.

## 6 **Implications**

6.1 The proposals outlined in this report have the following implications:

Financial	There will be additional staff costs, although these cannot be quantified at this time and will be subject to appropriate budgetary approval where necessary.
Human Resources	We will consult with HR as and when required.
ICT	N/A
Legal	N/A
Procurement	N/A

**Nigel Keogh**

**Interim Assistant Director – Pensions**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>