

Agenda Item 14

Subject	Administration Action Plan Update Quarter 2 2023-24	Status	For Publication	
Report to	Local Pension Board	Date	30/10/23	
Report of	Interim Assistant Director - Pensions			
Equality Impact Assessment	Not Required	N/A	N/a	
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1 Purpose of the Report

- 1.1 To update Members on administration performance and issues for the period from 1st July 2023 to 30th September 2023.

2 Recommendations

- 2.1 Members are recommended to:

- a. **Note the content of this update report and indicate any areas where they would like to receive further detail.**

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following 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.

Listening to our stakeholders

To ensure that stakeholders' views are heard within our decision-making processes. The report includes information about the engagement with the employers in the scheme and how SYPA (South Yorkshire Pension Authority) can support them to complete their responsibilities.

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

- 4.1 The actions outlined in this report do not have implications for the Corporate Risk Register.

5 Background and Options

Administration Action Plan (AAP)

- 5.1 As mentioned at the last meeting, the management team were in the process of formulating an action plan to address three key issues: caseload backlogs, employer data processing backlogs and improving data quality.
- 5.2 Following a series of workshops and Focus Groups, three key areas were identified for action:
- A plan to address capacity issues in the Benefits Team and structural realignments to address training needs, improve employer support and to build on the success of the new approach to managing monthly employer data returns.
 - Maximising the effective use of available IT solutions to automate processes wherever possible.
 - Take steps to recognise the need for a more strategic approach to data management.
- 5.3 The steps that are being taken to address the above are set out below.

Benefits team resourcing and structural changes

54. Having the right level of resource with the right people in the right place doing the right things is critical to reducing backlogs, preventing future issues (in terms of backlog accumulation, staff under-skilling, shortage of employer support, SLA underperformance etc) and working towards improving customer service.
- 5.5 The proposals submitted to the Staffing Committee on 31 October (set out in Appendixes A – D seek to address this and form the backbone of the measures in the AAP. As these proposals are subject to ongoing consultation with staff and trade unions they are confidential and thus are included within part 2. Officers will be happy to discuss the general principles of the proposals in open session but if the discussion gets into specifics, it may be necessary to move into private session.

Automated and Bulk Processing

- 5.6 UPM developments (aside from routine maintenance and statutory updates) will focus on areas which deliver the greatest impact in the shortest amount of time. Since April, work on the aggregations process has now almost reached a conclusion, which will help to reduce backlogs in this area.
- 5.7 Similar work is taking place to investigate automating the leaver process. However, the efficacy of automating the leaver process is very much dependent on the supply and completeness of member data, which whilst much improved due to the work of the Engagement and MDC teams, still presents a limiting factor to the pace of implementation of changes.

- 5.8 In addition to reviewing and approving development requests emerging from across the business, a Pensions Systems Steering Group (chaired by the AD – Pensions) is tasked with producing a strategic, forward-looking update/development timetable (as far as is practicable, given some that some urgent updates can arise at short notice), so that resources can be planned accordingly.

Data Quality

- 5.9 The need to acquire and maintain for good quality data is not only necessary to discharge our responsibilities under the GDPR but also to provide an effective administration service. And whilst we are consistently returning good data quality scores for the purposes of TPR reporting, this does not equate to the data quality we require to improve the efficiency of our service.
- 5.10 These views were reiterated at a recent Leadership Team workshop, where data quality was identified as a key corporate priority.
- 5.11 The proposed Data Management Board (draft terms of reference attached at Annex A to Appendix E) will provide a strategic focus to data management, rather the event-driven approach that prevails at present.

Performance Standards Review Update

- 5.12 As reported to the last meeting of the Local Pensions Board, a review of the SLA targets for “Priority” work (retirements and deaths), which all have a five-day SLA attached to them, concluded that given the increasing complexity in the administration of the scheme, this is a very challenging target and one which we are consistently struggling to achieve. Comparisons of the SLA’s used in comparably-sized funds (and again being mindful that direct comparisons are problematic given that each organisation will use different processes and may use different definitions of the time taken on cases) show that five-day SLA targets for these types of cases are very rarely in use, which recognises how difficult this is to achieve.
- 5.13 The report concluded that a five-day SLA is neither appropriate (given the nature of the scheme in 2023), nor achievable on a consistent basis, and that we would come back to the Board with proposals for a new target for this category of work. Subsequent analysis suggests that adopting an eight-day SLA would be both more consistently achievable and not out of step with common practice. Subject to approval by the Board in December, this can go live in 2024.
- 5.14 With regard to other casework (referred to as “non-priority”), analysis of the various SLA’s attached to those processes suggests that these should remain unchanged for the following reasons:
- The SLA’s currently in place align closely with those used in comparable funds, and as such represented standard practice.
 - Variations in SLA achievement is largely influenced by the extent to which the cases processed in any given period are backlog cases which by definition are already out of target.
 - Once the resourcing issues in the Benefits Team are resolved, SLA achievement in this area should improve.

6 Implications

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

Financial	The programme of improvement activities outlined in this report is likely to require additional resources which will need to be approved by the Authority in line with the appropriate procedures.
Human Resources	Attention needs to be paid to achieving a better balance of experience across the Pension Officer group and developing significantly improved levels of technical knowledge across the Pensions Service and this will require investment in a more structured approach to training within the career grade. In addition, the capacity planning exercise has resulted in the need for further recruitment which could exacerbate this imbalance in the levels of experience across the workforce in the short / medium term which will require careful management.
ICT	A significant degree of focus in terms of ICT development resources on addressing root causes of some of the systems challenges the service faces is required and this may require some one-off investment to expedite delivery.
Legal	None
Procurement	None

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Background papers	
Document	Place of Inspection
None	