Subject	Update on Pensions Administration Improvement Plan	Status	For Publication
Report to	Authority	Date	6 June2024
Report of	Assistant Director - Pensions		
Equality Impact Assessment	Not Required	Attached	
Contact Officer	Debbie Sharp, Assistant Director Pensions	Phone:	012260666480
E Mail:	dsharp@sypa.org.uk		

1 Purpose of the Report

1.1 To update the Board on the Pensions Administration Improvement Plan.

2 Recommendations

2.1 Members are recommended to:
   a. **Note and comment on the plans for Administration improvement that are being put in place.**

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.

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 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.

Valuing and engaging our Employees

To ensure that all our employees are able to develop a career with SYPA and are actively engaged in improving our services.

4   Implications for the Corporate Risk Register

4.1   The actions outlined in this report seek to address operational risks around data quality and backlogs in work (O2 and O6) and the people risks around vacancy levels and single points of failure (P1 and P2). The key mitigants of these risks identified are the plan to address backlogs on a systematic basis and the recruitment to new roles approved by the Authority which will increase the resilience of the team and ensure that there are sufficient resources to handle incoming work.

5   Background and Options

5.1   The Corporate Plan introduced an Administration Improvement Plan. The Plan is a series of interlinked activities, intended to address long standing issues, which have affected the underlying performance of the administration service, and to place the service on a stable and sustainable basis.
        The plan was influenced by;
        • Changes in the nature of the scheme caused by regulatory changes which will require the recalculation of benefits in payment and entitlements for a sizeable proportion of scheme members.
        • The need to address the long-standing backlogs and process issues within the administration service.
        • Developments within the Local Government Pension Scheme and the wider pensions industry such as the Pensions Dashboard.
        • Technological developments.
        • Feedback from stakeholder groups, including scheme members, employers and our staff.
        This programme of work incorporates the need also to address things over which the Authority has no choice, such as the need to implement the changes in the pension regulations arising from various legal challenges related to discrimination based on either age or gender. The improvement plan represents a significant volume of work for the team over a number of years and must not be underestimated.

5.2   The Administration Improvement Plan is to deliver:
        A1 – Improvements in Data Quality
        A2 – Recruit to the Pensions Administration structure approved at the end of 2023.
        A3 – System Improvements to ensure that the Authority is making the best use of technology.
        A4 – Clear backlogs
        A5 – Implement the McCloud Remedy
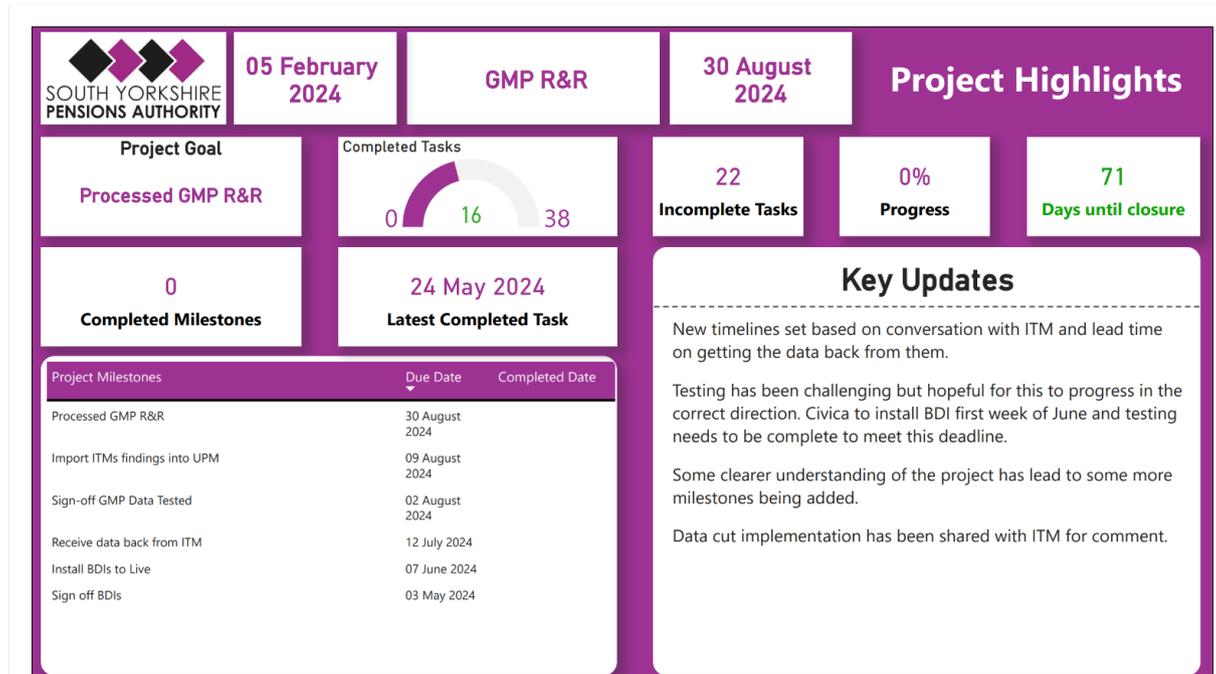   A6 – Successfully link SYPA to the Pensions Dashboards

5.3   A1 - Improvements in Data Quality
        A Data Improvement Strategy, part of which will be an annual improvement plan is to be drawn up. This will focus on overall data improvements not just TPR scores. Investigations have highlighted historical data issues, some of which go back to when the software system was implemented in 2014. These data issues need to be understood and categorised into whether they affect benefit calculations,

communications to members or are nice to have /insignificant. Recruitment to the new posts in Technical and Training Services is required before this can be realised. The current priority regarding improving data quality is therefore to complete the GMP reconciliation and rectification project.

This project is currently in a testing phase. The Authority contracted a third party to undergo the reconciliation and rectification work on the GMP data. To get the output into the Authorities Administration system requires a Bulk Data Interface to be designed by Civica. Staff are currently testing this facility. The Interface will ensure the reconciled GMP data is uploaded to the correct member records, correct any pensions, and pay any arrears due. The interface should also create a letter for the members affected. At present the project is running behind target and the revised correction date has moved to 31 August 2024.

GMP R&R Project- 25/05/24 Highlight Report

SOUTH YORKSHIRE PENSIONS AUTHORITY	05 February 2024	GMP R&R	30 August 2024	Project Highlights

Project Goal
Processed GMP R&R

Completed Tasks
0   16   38

22 Incomplete Tasks

0% Progress

71 Days until closure

0 Completed Milestones

24 May 2024 Latest Completed Task

Key Updates

New timelines set based on conversation with ITM and lead time on getting the data back from them.

Testing has been challenging but hopeful for this to progress in the correct direction. Civica to install BDI first week of June and testing needs to be complete to meet this deadline.

Some clearer understanding of the project has lead to some more milestones being added.

Data cut implementation has been shared with ITM for comment.

Project Milestones	Due Date	Completed Date
Processed GMP R&R	30 August 2024	
Import ITMs findings into UPM	09 August 2024	
Sign-off GMP Data Tested	02 August 2024	
Receive data back from ITM	12 July 2024	
Install BDIs to Live	07 June 2024	
Sign off BDIs	03 May 2024	

5.4   A2- Recruit to the Pensions Administration structure approved at the end of 2023. 2 Service Managers appointed and took up roles 1 May 20024, Employer Services Manager and Technical Support Manager. These 2 managers working together with the Assistant Director pensions and the Benefits Services manager a recruitment plan has now been drawn up and is awaiting signoff.
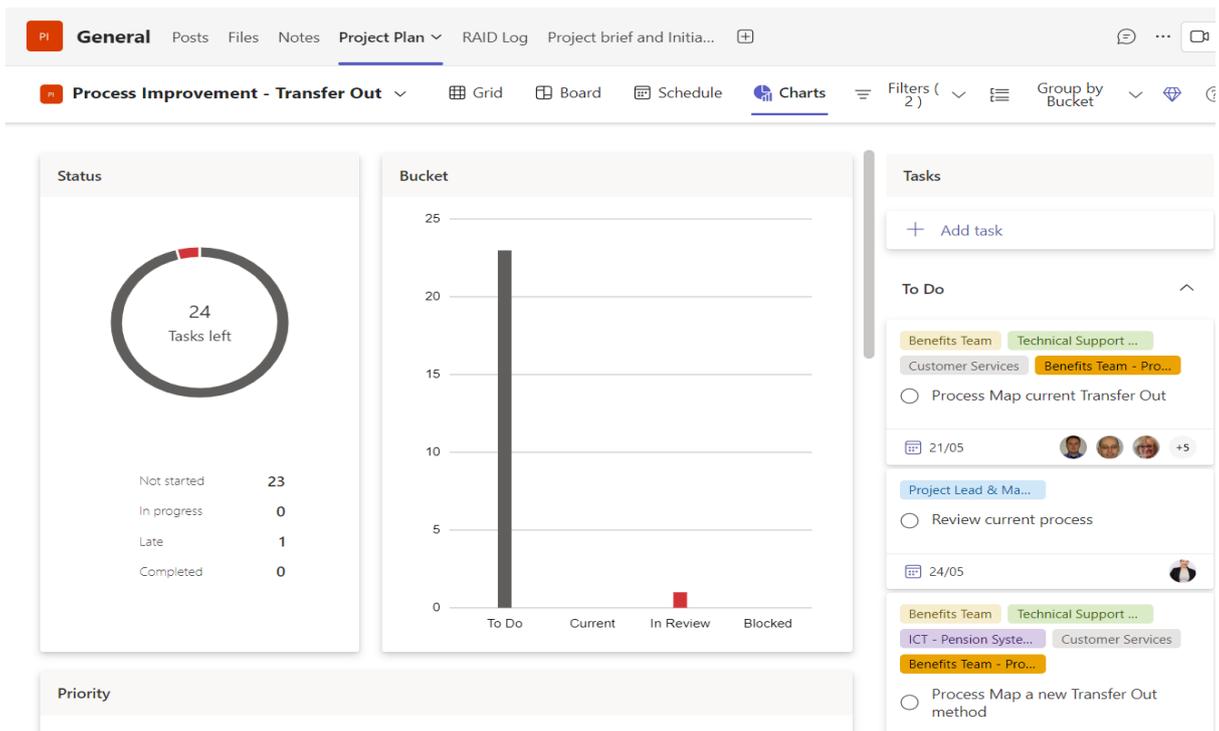
5.5   A3 – System Improvements - ensure Authority is making the best use of technology, review the operational workflows and an overhaul of performance reporting.

- An audit of how the Authority uses the Civica, UPM Administration system has been organised. It is scheduled to be undertaken 5 June 2024. Delayed from March due to Civica employee absence. The audit outcome will help shape a System Improvement Plan.
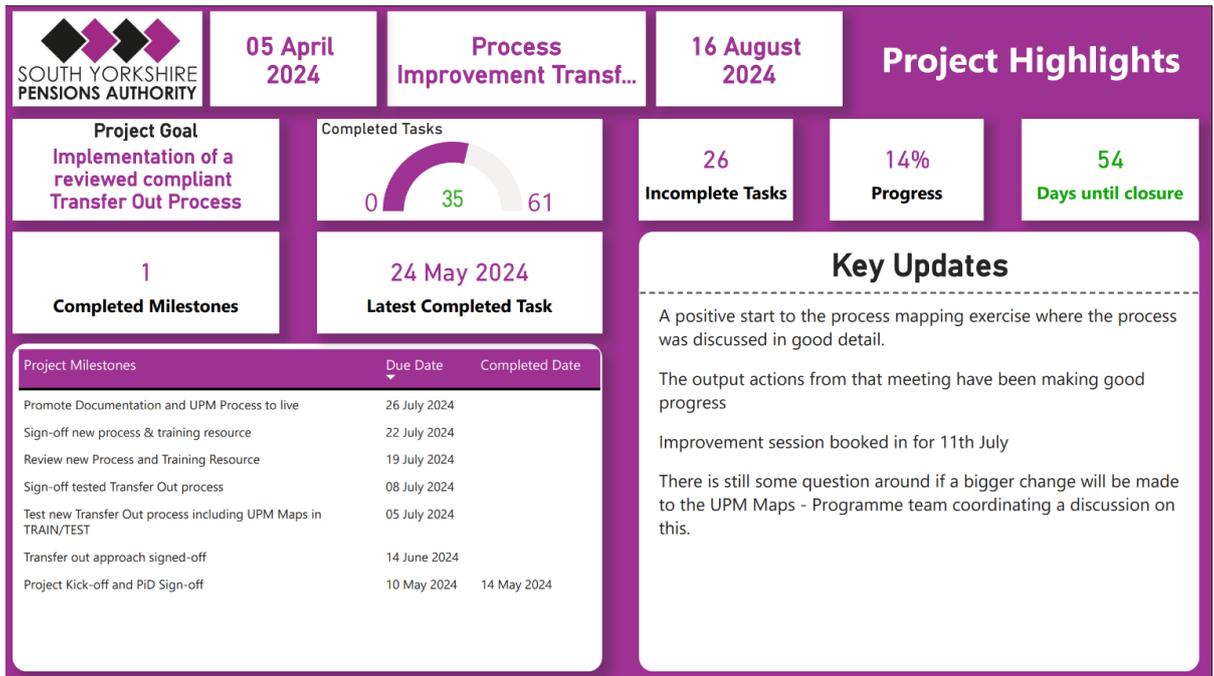
- A UPM Steering Group has been set up. The first meeting was held on 23rd May. Terms of reference were agreed, which include implementing the system improvement plan, when known. It will meet quarterly.
- A Pensions Team plan is now in place. Each of the 4 individual Teams now record and monitor work across their individual teams to ensure corporate improvements are delivered along with day-to-day workloads and other one-off projects. These are reported to the Assistant Director Pensions at least monthly.

	Total Number of Projects	Red	Amber	Green	Blocked
Benefits Team Plan 2024/26		2	0	11	0
	21	High	Medium	Low	Complete
		9	6	1	1

Project Name	Successful Outcome	Corporate Objective, BAU or Other	Priority	Lead Officer	Others Involved	Anticipated Start Date	Expected End Date	Actual End Date	Status Red - Behind Schedule Amber - Slipping Green - On Track Blue - Complete Purple - Blocked
Corporate Priorities									
Update Pensions Administration Strategy - A1.5				LG	DS				
recruitment programme for new structure posts -				LG	SM TS, SMES				G - On Track
Training Plan in place for new recruits - A2.3	Internal training material and plan. External training also planned								Not Started
Workflow Review - Require a formal project to systematically reassess workflows to streamline	Full plan for when each process will be reviewed	Corporate Objective	High	LG	JW, SMTS, AK	21/04/2024	31/05/2024		G - On Track
Draw up a plan to clear backlogs - A4.1	Estimated timescaled to clear backlogs and report to SMT and board	BAU	High	LG		01/02/2024	31/03/2024		B - Complete
Implement plan to clear backlogs - A4.2	Reporting of backlog plan. Volumes and age of backlog will reduce over the year with the end goal of all backlogs cleared by December	A4.2	High	LG		01/02/2024	31/03/2025		G - On Track
McCloud	McCloud processes fully ambedded and all system releases successful								G - On Track
Transfer Out Process Review	To have a clear transfer out guide and be fully complaint with TPR guidelines. Review the process so members have smooth journey with minimal impact to our workflows	BAU & Corporate Objective	High	LG	EU / ST / DH / JP / GC / VH	21/04/2024	31/07/2024		G - On Track
Capacity Plan	Capacity model is BAU	BAU	Med	LG					G - On Track
Backlog Recovery Updates	Monthly reporting to SMT plus quarterly reports to board	BAU	High	LG		01/03/2024	31/03/2025		G - On Track
Death Grant Form	Built into process	BAU	Med	LG	MR / TI's	01/01/2024	01/03/2024		R - Behind Schedule

Benefits Team | Customer Services Team | Technical Support Team | Employer Services Team | Corp Strategy

- The first Process workflow to be updated is the Transfer out process. This is to ensure compliance with overriding Regulations and statutory guidance. A working group has been set up and a project plan is in place. They have met twice, and a project plan is now in place.

Project Highlights

SOUTH YORKSHIRE PENSIONS AUTHORITY	05 April 2024	Process Improvement Transf...	16 August 2024

Project Goal
Implementation of a reviewed compliant Transfer Out Process

Completed Tasks
0   35   61

26 **Incomplete Tasks**

14% **Progress**

54 **Days until closure**

1 **Completed Milestones**

24 May 2024 **Latest Completed Task**

Key Updates

A positive start to the process mapping exercise where the process was discussed in good detail.

The output actions from that meeting have been making good progress

Improvement session booked in for 11th July

There is still some question around if a bigger change will be made to the UPM Maps - Programme team coordinating a discussion on this.

Project Milestones	Due Date	Completed Date
Promote Documentation and UPM Process to live	26 July 2024	
Sign-off new process & training resource	22 July 2024	
Review new Process and Training Resource	19 July 2024	
Sign-off tested Transfer Out process	08 July 2024	
Test new Transfer Out process including UPM Maps in TRAIN/TEST	05 July 2024	
Transfer out approach signed-off	14 June 2024	
Project Kick-off and PiD Sign-off	10 May 2024	14 May 2024

5.5   A4 – Clear backlogs.

A plan was introduced during February to reduce backlogs. Monthly monitoring is now in place. It is hoped that the outstanding supplemental Pension Increase payments may not have to be done completely manually so these have been taken out of the monitoring at present. Options are still being investigated. SEQ in the chart below, are Standard Employer Queries. This is where information is missing from the employer which means the team have been unable to close the record correctly. Internal guidance has been provided to the team, to enable them to determine the missing information where possible i.e., Final pensionable pay, leaving date, to calculate the correct benefit and close the record.

Backlog Reporting

As of: Wednesday, 15 May 2024

22860	17573	5287	77%	23%
Original Backlog	**Remaining Backlog**	**All Completed Backlog**	**Total Remaining**	**Completed**

Breakdown of Completed Backlog

225	317
Interfund In	**Refund Quotes**
643	942
Aggregation Quotes	**Leavers**
1044	946
Aggregation Settlements	**Deferments**
1115	55
Standard Employer Queries	**Recalculation of Benefits**

Breakdown of Remaining Backlog

259	119
Interfund In	**Refund Quotes**
1315	1740
Aggregation Quotes	**Leavers**
4798	6384
Aggregation Settlements	**Deferments**
2740	218
Standard Employer Queries	**Recalculation of Benefits**

Completed Per Month

● Backlog Cases ● All Cases

Cumulative Backlog Completions

Cumulative Backlog Completions

● Aggregation quotes
● Aggregation settlements
● Deferments
● Interfund In
● Leavers
● Recalculation of Retireme...
● Refund Quotes
  Standard Employer Queries
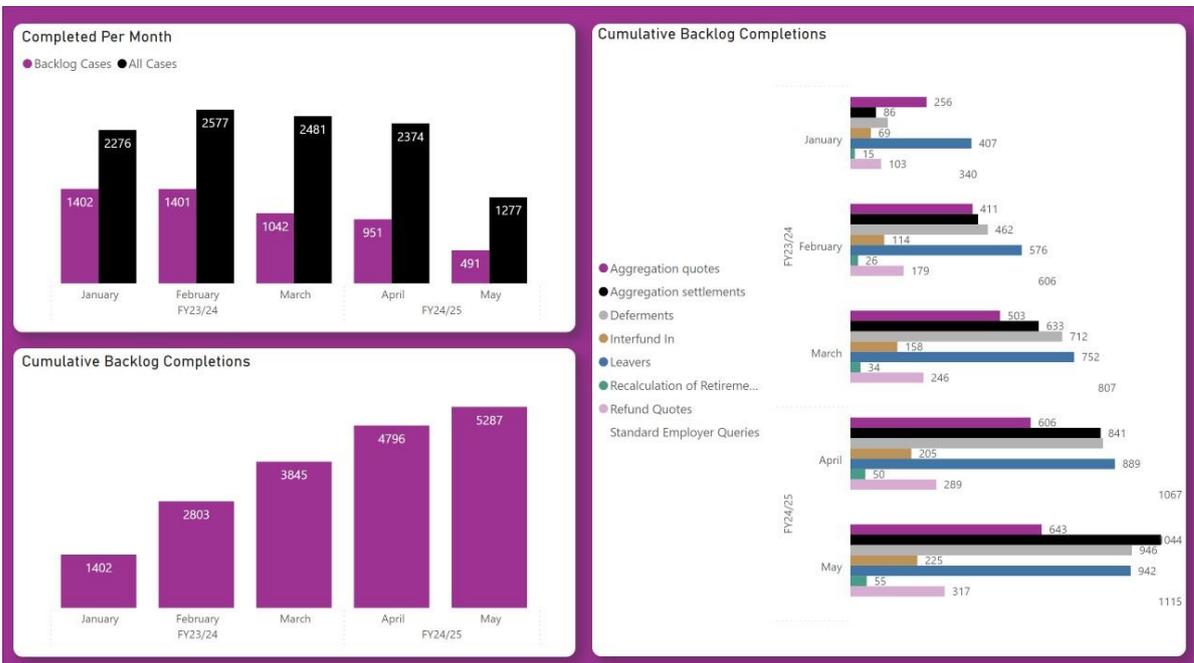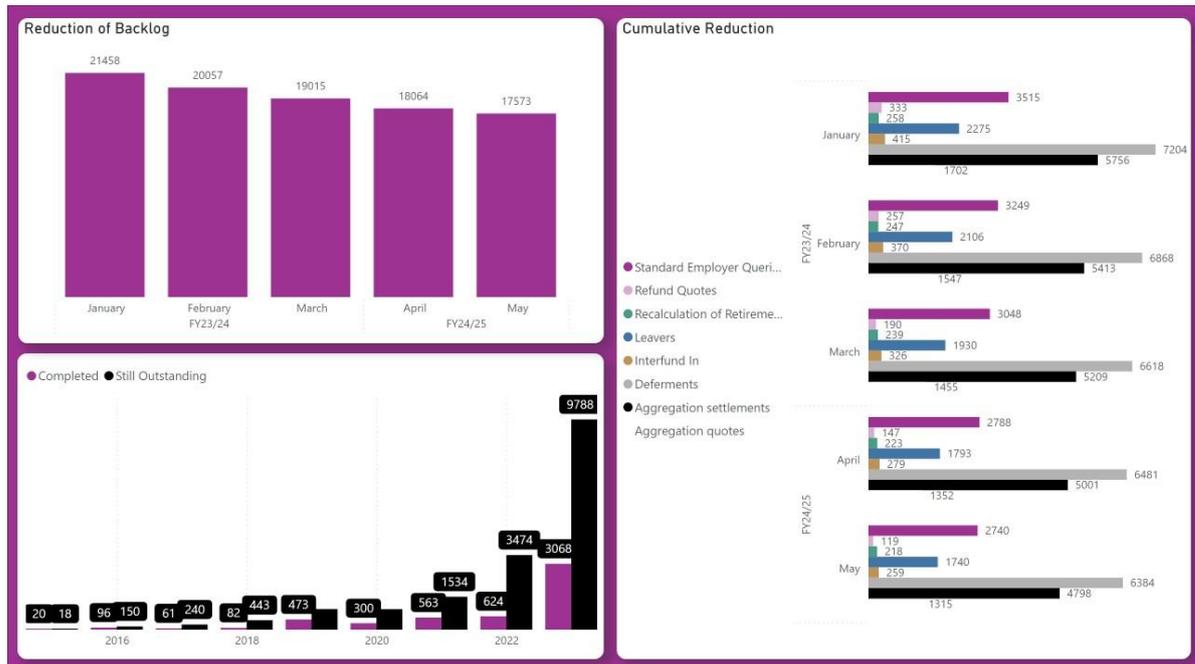
5.6　A5 – Implement the McCloud Remedy.

When the Government reformed public service pension schemes in 2014, for the Local Government Pension Scheme (LGPS), and 2015 for all other public services, transitional protections were introduced for older members. In the LGPS the transitional protections are known as the underpin. In December 2018, the Court of Appeal ruled that younger members of the judicial and firefighters' pension schemes had been unlawfully discriminated against because the protections did not apply to them. This ruling is called the McCloud judgment. All public service pension schemes that provided transitional protection, including the LGPS, must extend the protections to all affected by the judgment to remove the age discrimination found in the McCloud court case.

Implementing the McCloud remedy has been described as the biggest challenge to face the LGPS since the introduction of the CARE scheme in 2014. It is a multi-faceted project that will require considerable resource and it will take considerable time to complete the rectification work required as a result. The Authority must identify all qualifying members, including those who have left since 2014, and who did not qualify for the previous underpin, to recalculate their benefits. The Authority will also have to revisit those members who did qualify for the original underpin to see whether they are affected. That is because the original underpin regulations were not detailed enough to ensure all protected members received a CARE benefit which was at least as good as the final salary benefits would have been. The new underpin regulations include more detail to ensure it is consistently applied to all members. The Authority will need to include information about underpin protection for all qualifying members in Annual Benefit statements (ABS) from 2025.

Members will understand, managing the work required to comply with McCloud will be a significant undertaking for the Authority and may inevitably have an impact on service

levels and the Authority's ability to meet existing priorities, such as clearing historic backlogs.

The Software provider has released phase 1 of the McCloud system updates. The McCloud Project team is made up of staff from most services across the Authority. Phase 1 is hoped to be implemented by mid-summer. This will allow some active members who leave the scheme to have their benefit calculations run through the current scheme rules and also under the McCloud protections.

Phase 2 is expected to start in the Autumn 2024.

Project highlight Report
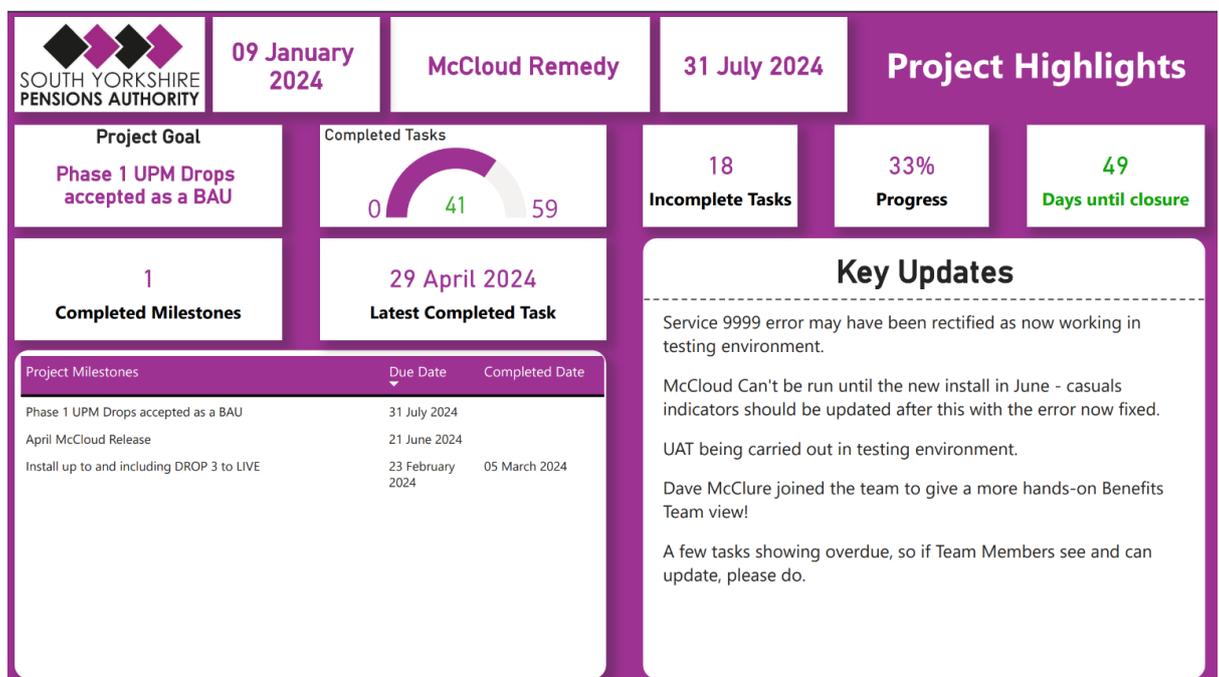
5.7   A6 - Successfully link SYPA to the Pensions Dashboards.

Currently assessing the Administration software providers offer. There is a considerable amount of work to be completed for the Authority to prepare for dashboards, both for the initial connection to the dashboards and the ongoing business as usual once the dashboards are live. A project team is being set up to comply with this obligation.

6   Implications

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

Financial	The costs from the improvements being implement have been included in the Authorities approved budget. The cost of overtime is being monitored on a monthly basis.

	Procuring an ISP to connect SYPA to Pensions Dashboards will increase costs.
Human Resources	The recruitment to the agreed revised structure may lead to further recruitment requirements. All new recruits will also require training.
ICT	None
Legal	None
Procurement	An ISP provider will need to be procured to connect to the Pensions Dashboards programme.

Debbie Sharp
Assistant Director Pensions

Background papers	
Document	**Place of Inspection**
None	