

Subject	Update on Pensions Administration Improvement Plan	Status	For Publication
Report to	Authority	Date	13 March 2025
Report of	Assistant Director - Pensions		
Equality Impact Assessment	Not Required		
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1 Purpose of the Report

- 1.1 To update the Board on the Pensions Administration Improvement Plan.
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2 Recommendations

- 2.1 Members are recommended to:
- a. **Note and comment on the 2024/2025 plans for Administration improvement that are in place.**
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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 increased the resilience of the team and ensures that there will be sufficient resources to handle incoming work.

5 Executive Summary and highlights

- 5.1 Further work was undertaken on improving the Authority's pension administration service in the last quarter. This was as well as submitting the Pension Regulators Annual return, complying with the statutory deadlines for benefit and transfer payments, onboarding new employers and ceasing those that no longer have active members in the Fund as well as collecting monthly membership data.
- 5.2 63% of the backlog has been cleared.
- 5.3 RAG status for Administration improvement activities;

Corporate Action	Update	On Target
A1 – Improvements in Data Quality	GMP reconciliation and rectification project completed. Focus is now to plan the data improvement for 2025/26 .	Yes
A2 – Recruit to the Pensions Administration structure	Completed	Completed
A3–System Improvements	System Audit actions slowed due to resource issues. Work complete on the first process improvement. Next processes for improvement identified and project plans being drawn up.	At Risk
A4– Clear backlogs	63% of backlog cleared as at end of February 2025. Behind target and focus is currently on clearing backlog work that will have the biggest impact on the Fund valuation.	At Risk
A5 – Implement the McCloud Remedy	Dependant on Software supplier developments. Delays for phase 2 developments.	No
A6 – Successfully link SYPA to the Pensions Dashboards	ISP contract awarded to Civica. Phase 2 has started, which will see the connection to the Pensions Dashboards by 31 October 2025.	Yes

- 5.4 The Authority added the McCloud Risk to the corporate risk register. The Autumn software release for McCloud has still not been released. It is probable that the Authority will not be in a position to fulfil its statutory obligations in 2025 regarding the McCloud rectification work.

6 Background and Options

- 6.1 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.

- 6.2 The Administration Improvement Plan aims to deliver in six key areas:

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

- 6.3 A1 - Improvements in Data Quality

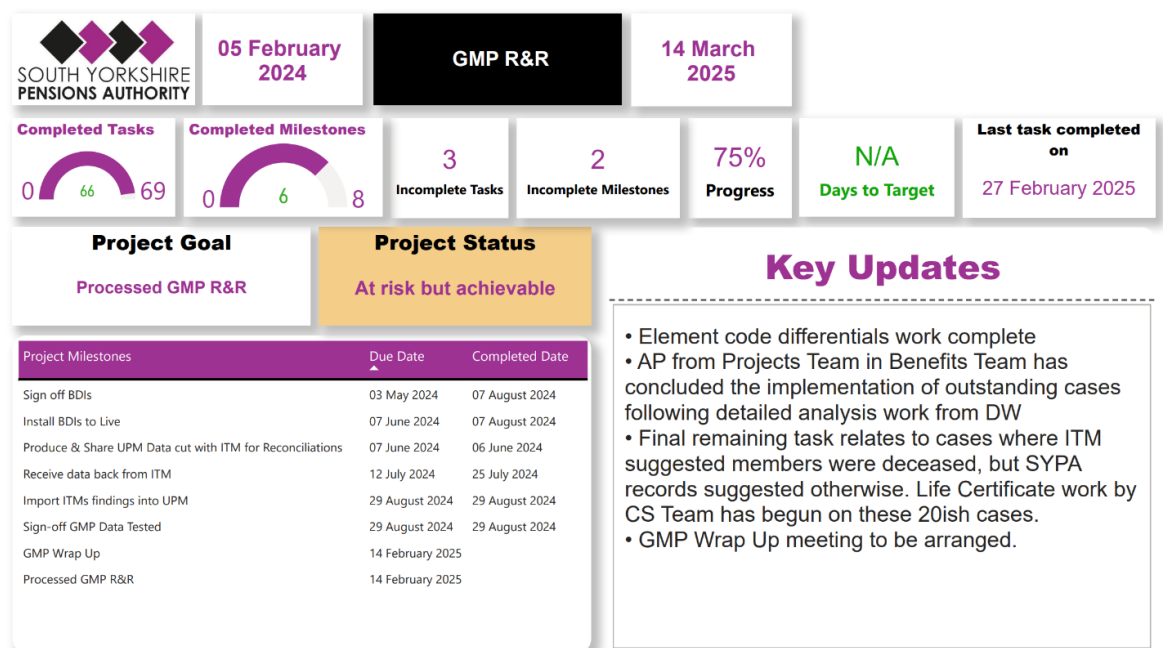
A Data Improvement Strategy, part of which will be an annual improvement plan is being drawn up. This will focus on overall data improvements not just TPR scores. Investigations have highlighted historical data issues, some of which go back to when the software system was implemented in 2014. The data issues identified are being analysed and categorised into whether they affect benefit calculations, communications to members or are nice to have/insignificant. The data cleansing work that has been carried out over the past 2 quarters, for the Annual Benefit Statement production, the Pension Regulator's annual return as well as early work on the 2025 Triennial Valuation has been captured and is being used to shape the Authority's data

improvement strategy and then will form the basis for the improvement plan for 2025/2026/2027.

Data improvements are being targeted to areas that will improve the data quality for the Actuarial Valuation. The Authority has been working with the Actuary to ensure resources are assigned correctly.

The GMP reconciliation and rectification project has just 2 milestones outstanding. One being the wrap up meeting that is to be arranged shortly. All recalculation cases have been cleared.

GMP R&R Project – 14.03.2025 Highlight Report



6.4 A2- Recruit to the Pensions Administration structure approved at the end of 2023.

This action is now complete.

6.5 A3 – System Improvements

The focus in this area is to ensure Authority is making the best use of technology, review the operational workflows and an overhaul of performance reporting.

As previously reported an audit of how the Authority uses the Civica, UPM Administration system was undertaken on 5 June 2024 and due to staff issues and other project pressures this project is currently on hold.

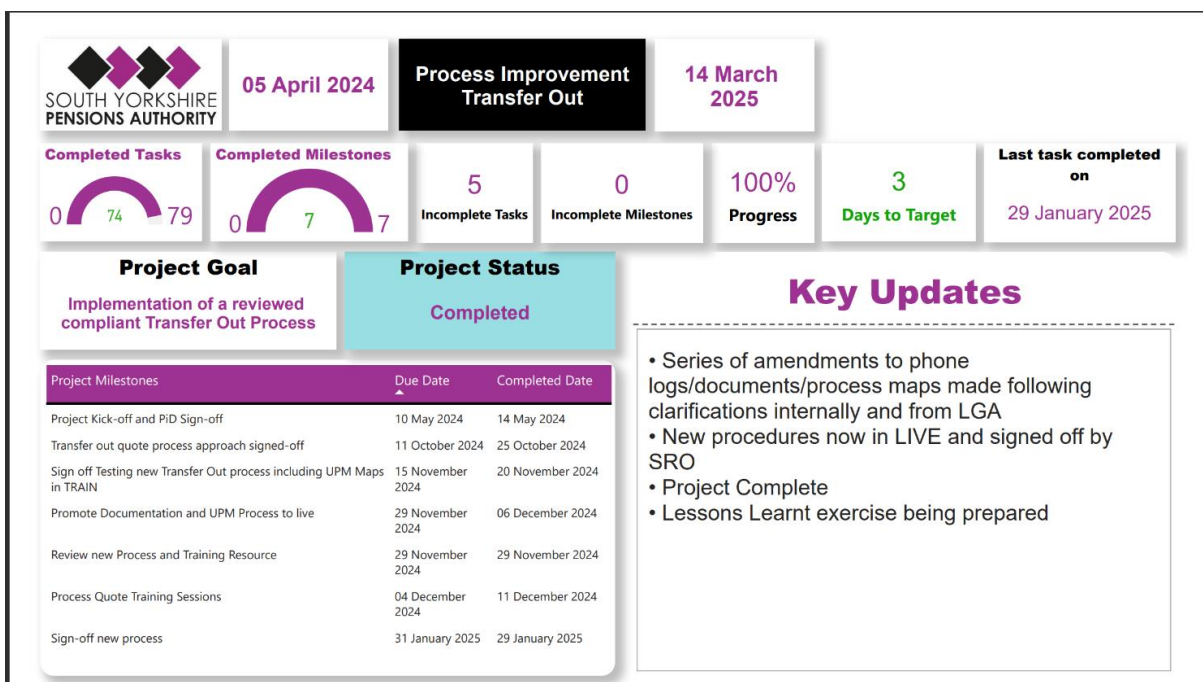
UPM Steering Group is meeting quarterly.

Pensions’ Team plan is monitored monthly by the Pensions management team. Work across the 4 individual teams is targeted to ensure corporate improvements are delivered along with day-to-day workloads and other one-off projects.

Performance reporting – Dashboards have been introduced that are helping the Pension Team understand the Team’s performance, output and workloads.

Transfer Out Process Improvement Project

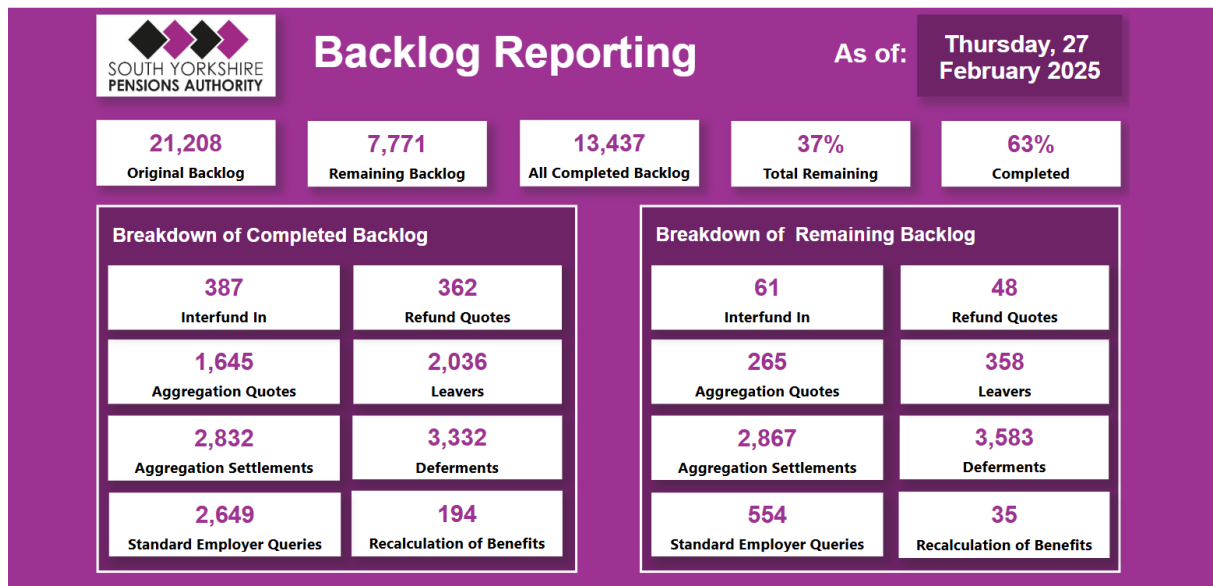
This project is now complete and represents a significant step forward in ensuring compliance, reducing risk, and improving the member experience. Collaboration with the LGA has provided valuable insight that will continue to shape the Authority’s processes.



6.6 A4 – Clear backlogs.

Progress on addressing the backlog continues with 63% of cases now complete. Due to performance data being shown in new ways the team have access to more detailed statistics of the volume and quality of work for each member of the benefits team. This new analysis is helping identify areas for individual training. At the current rate the team would be on track to clear the backlog by 31 December 2025 with overtime. However, overtime is not planned to be used post April and there will be additional work for the team from McCloud rectifications, valuation and setting up the connection to the Pensions Dashboards. Backlog clearance is being targeted to the areas most helpful to employers for their valuation outcomes.

Outstanding supplemental Pension Increases, due on some retirement Grants, that had not been processed since 2018, have now been completed. Procedures have been put in place to ensure these are processed annually going forward.



6.7 A5 – Implement the McCloud Remedy.

Risk of Authority not being able to implement the McCloud remedy within timescales laid down in statutory guidance due to delays in software developments has been added to the corporate risk register.

No further update.

6.8 A6 - Successfully link SYPA to the Pensions Dashboards.

The Authority will connect to the Pension Dashboards ecosystem via a third party - an integrated service provider (ISP). The Authority has appointed Civica to undertake this service.

The ISP will use their processes to meet the data standards. However, as the standards apply to administering authorities, the Authority will remain responsible for compliance. The project team will ensure the Authority complies with its connection deadline, which is 31 October 2025.

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.

7 Implications

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

Financial	The costs from the improvements being implement have been included in the Authority's approved budget. The cost of overtime is being monitored on a monthly basis within an agreed budget.
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	Procuring an ISP to connect SYPA to Pensions Dashboards will increase annual costs and will be reflected in future year's budgets.
Human Resources	The recruitment to the agreed revised structure may lead to further recruitment requirements due to the cascade effect of internal promotions. All new recruits will also require training.
ICT	None
Legal	None
Procurement	An ISP provider has been procured to connect to the Pensions Dashboards programme.

Debbie Sharp
Assistant Director Pensions

Background papers	
Document	Place of Inspection
None	