Subject	Update on Pensions Administration Improvement Plan	Status	For Publication
Report to	Authority	Date	5 June 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 Authority 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.
   b. Agree the Data Quality Strategy at Appendix A

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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 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   A Data Quality Strategy is attached to this report at Appendix A for approval.

5.3   At time of writing 70% of the backlog has been cleared.

5.4   RAG status for Administration Improvement activities

Corporate Action	Update	On Target
A1 – Improvements in Data Quality	GMP reconciliation and rectification project completed. Data Quality Policy in draft for Board agreement.	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	67% of backlog cleared as at end of March 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. Authority determining that the McCloud remedy will be delayed until 31 August 2025.	No
A6 – Successfully link SYPA to the	ISP contract awarded to Civica. Phase 2 has started, which will see the connection to the Pensions Dashboards by 31 October 2025.	Yes

Pensions Dashboards		

5.5   Members have been asked as part of a separate item on this agenda to agree to a determination that as the Authority will not be in a position to fulfil its statutory obligations in 2025 regarding the McCloud rectification work, this is delayed to 31 August 2026. This course of action minimises both the regulatory and operational risks related to this 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 Quality Strategy is attached at **Appendix A** for agreement. This focuses on overall data quality not just The Pension Regulators (TPR) annual scores.

As the Authority is continually monitoring data quality individual data improvement plans are put in place for separate activities, including end of year data cleansing,

queries arising from the valuation and Pensions Dashboards. The inhouse data reporting tool DART is used to help monitor the presence, quality and format of data and this helps determine further steps needed as part of specific data improvement activities.

Keeping and maintaining high quality data has become increasingly challenging over time due to the continuing increase in the number and type of employers together with the, increasing numbers of scheme members, employers using external payroll providers and the complexity inherent in the scheme's design. However, the Authority is committed to meeting these challenges. A document showing the annual programme for the monitoring and reviewing of data is attached at **Appendix B**.

Data improvements are currently 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 is now complete. This cleared over 11,000 cases. No mean feat by the Authority's system team.

6.4   <u>A2- Recruit to the Pensions Administration structure approved at the end of 2023</u>.

This action is now complete.

6.5   <u>A3 – System Improvements</u>
The focus in this area is to ensure Authority is making the best use of technology, review the operational workflows and overhaul 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. A further Audit has been undertaken on the Web Portal though and actions are being identified as priority from the action plan produced by Civica.

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 – the Dashboards introduced are being used in everyday operations and are helping the Teams understand performance, output and workloads.

<u>Transfer Out Process Improvement Project</u>
This project is complete, and lessons learned from the way in which this project was delivered are being used in the planning of the next process reviews to ensure that they are completed in a timelier manner.

6.6 <u>A4 – Clear backlogs</u>.

Progress on addressing the backlog continues with 70% of cases complete at the time of writing. At the current rate the team would be on track to clear the backlog by 31 December 2025 through use of overtime. Overtime was not planned to be used post April however it was used to a limited extent in May to assist in clearing cases which would impact the valuation. This has confirmed that because of the age and complexity of cases overtime is not the ideal way to try and clear the remaining cases. There has also been a change in staff. The new Benefits Service Manager is working with the Assistant Director Pensions to refocus the work of this team. Investigations are underway to investigate the usefulness of an internal taskforce team to clear the backlog. This will be implemented by redesignating one of the Benefits team on a monthly rota. At present the team is targeting 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, amounting to c. 13,000 cases. Procedures have been put in place to ensure these are processed annually going forward. 2025 supplemental payments have been processed and paid as part of the annual pensions increase process.

6.7 <u>A5 – Implement the McCloud Remedy</u>.
The Authority will not be able to implement the McCloud remedy within timescales laid down in statutory guidance due to delays in software developments. This is dealt with in detail in a separate report elsewhere on this agenda.

6.8 <u>A6 - Successfully link SYPA to the Pensions Dashboards</u>.
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. A project team is in place and meetings are being held with Civica.

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. 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.

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Background papers	
Document	**Place of Inspection**
None	