



SOUTH YORKSHIRE
PENSIONS AUTHORITY

Subject	Quarterly Administration Update	Status	For Publication
Report to	Local Pensions Board	Date	25 July 2019
Report of	Head of Pensions Administration		
Equality Impact Assessment	Not Required	Attached	No
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1 Purpose of the Report

- 1.1 To update Members on administration performance and issues for the period from 1 January 2019 to 30 June 2019

2 Recommendations

- 2.1 Members are recommended to:
- a. Comment on the content of the revised administration update and advise on 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 as to their experience of the retirement process.

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 have no implications for the Corporate Risk Register.

5 **Background and Options**

- 5.1 This report seeks to make Board Members aware of the main areas of administration performance and any topical issues relevant to the reporting period(s) in question. To align reporting periods and ensure that Members have access to the latest available data, this report includes data for the last two quarters, ending 31 March 2019 and 30 June 2019. Single quarterly data will be provided in future updates.
- 5.2 Existing Members will note that the content of this administration update differs from information provided previously. This is intentional in order to provide Members with a wider view of the issues the administration service is handling and we would welcome feedback on any subject areas where Members feel additional reporting would be beneficial.

Staffing Issues

- 5.3 The following table is a summary of joiners and departures for the administration service during the last six months. The redundancy departures shown were voluntary and were agreed by the Chair of the Authority in the context of the relocation of the District teams work base to Gateway Plaza. Approval was given on the basis that the overall work load of the District team service was reduced following the successful hand back of employer administration functions. From a customer perspective, the provision of face to face appointments for scheme members at the District offices remains in place and all other members of the District teams have successfully transferred to Gateway Plaza.

Starters	Comments
Casual Systems Officer (PT)	Former UPM Manager assisting with production of ABS and other duties.
Casual Data Processing Assistant (PT)	Assisting with routine administration functions ahead of automation.
Apprentice	12 month fixed term appointment.
Leavers	
Pensions Manager	Retirement. Post partially filled internally on acting up basis pending July restructure.
District Team Manager	Voluntary redundancy
District Team Officer (PT)	Voluntary redundancy
Pensions Assistant (PT)	Resignation
Data Team Assistant	Resignation

- 5.4 Members may wish to note that the administration service is currently in the middle of a six week consultation on a restructuring of the service launched on 2 July 2019 following approval by the Staffing, Appointments and Appeals Committee on 27 June 2019. The consultation proposes a number of changes to the structure of the service designed to facilitate improved resource allocation to the key areas of customer focus (both employers and scheme members) and the increased application of available technology to improve efficiency.
- 5.5 The Committee approved the consultation on the understanding that no compulsory redundancies would apply and there will be an overall increase in staffing of 1.5 FTE which will be achieved within existing budgets. The future structure of the service will

be reported to Members of the Board in the next quarterly update once the consultation has closed and any changes to the proposals agreed.

- 5.6 In terms of sickness absence, the table below shows the absence levels for the last two quarters and the two previous full years for reference. The Board requested that sickness absence information be provided in a revised format showing average days lost per year and this is reflected below.

Average Days per FTE	Q1 2019-20 Annualised	Q4 2018-19 Annualised	2018/19	2017/18
Short-Term	2.24	5.44	2.53	3.7
Long-Term	7.44	5.56	11.23	3.22
Total	9.68	11.00	13.76	6.92

- 5.7 As noted, the overall sickness absence levels have been inflated as a result of three individual complex long term absences during the periods in question. We expect these numbers to reduce going forward, however, as there is currently only one member of staff on long-term absence and this is being actively managed in line with our long-term absence policy.
- 5.8 The high incidence of short-term absence for Quarter 4 is a concern and this will continue to be monitored to gauge whether there are any underlying factors which may be causing the increase.

Case Work Performance

- 5.9 Under the standard reporting protocol, the case work performance of the administration teams for the last two quarters was as shown below. Previous year figures are shown for comparison.

Category	Volumes		Performance			
	Q1 2019-20	Q4 2018-19	Q1 2019-20	Q4 2018-19	Total 2018-19	Total 2017-18
Priority	1,372	1,335	90%	94%	91%	83%
Non-Priority	21,468	22,008	77%	84%	83%	83%
Overall	22,840	23,343	78%	84%	83%	83%

- 5.10 The overall performance dipped slightly for Quarter 1 which was expected because a couple of days processing time were lost in April following some system issues associated with the April pensions increase exercise. These were issues outside of the team's control and we will be conducting a 'lessons learnt' exercise with our software provider to ensure the issues identified will not recur in 2020. A small number of pensioners did not receive their annual increase in April but this was rectified in May and backdated.
- 5.11 Leaving aside the issues in Quarter 1, the general direction of travel compared with past years is an upward trend and the performance on non-priority work should be viewed in the context that much of this work is completing the backlog of "aggregation" project work that commenced on 1 October 2018. By means of illustration, the average number of total cases completed for each quarter in 2017/18 was **17,726** and in

2019/20 this had risen to **19,091**. In the performance table below the aggregations will show as having been completed late as this is a backlog exercise.

- 5.12 The table below provides a summary of performance against the main subject areas. Performance on transfers and divorce quotations is particularly low but this reflects the fact that new transfer value factors were issued by the Government Actuary and there were anticipated delays in programming these into our administration system.

Case Type	Target Days	Q1 19-20 Volume	Q1 19-20 % on time	Q4 18-19 Volume	Q4 18-19 % on time	2017-18	Comment
Priority							
Retirements	5	922	95%	883	96%	87%	
Deaths	4	441	80%	406	92%	78%	See 5.13
Non Priority							
New Joiners	5	1966	91%	2460	93%	89%	
Deferreds	20	1238	49%	980	60%	64%	
Refunds	9	131	75%	183	91%	91%	
Transfers In	7	92	15%	66	26%	40%	See 5.12
Transfers Out	5	55	29%	106	57%	44%	See 5.12
Divorce	5	74	66%	104	89%	71%	See 5.12
General enquiries	5	626	94%	719	96%	91%	
Estimates	5	408	91%	231	98%	75%	
Aggregations	20	2072	34%	3008	55%	NA	See 5.11*

- 5.13 The table above shows **Priority** work which is defined as case work involving the processing of retirements and deaths. We have previously reported that the target time for a death case was four days for handling the complete process. At its meeting in March 2019, the Authority agreed a more realistic timescale going forward for handling death cases which involved splitting the process into two constituent parts – the initial notification to the next of kin and the processing of benefits once all claim documentation was received. Although not reflected in the table above as this would distort comparisons between quarters, early indications of this more realistic target suggest that performance levels rise near to 100% when this has been taken into account. Future performance reporting will reflect the revised target days agreed by the Authority in March.

Employer Performance

- 5.14 Members will be aware that employers now submit individual data on a monthly basis and we previously reported that commitment from employers to the monthly data collection process has been strong. We are pleased to report that the submission of monthly returns remains high as demonstrated in the tables overleaf.

March 2019 (due April)	Number of returns expected	Returns received	Outstanding	% Success Rate
Total Active Employers in SYPA Fund	478	477	1	99.8%

April 2019 (due May)	Number of returns expected	Returns received	Outstanding	% Success Rate
Total Active Employers in SYPA Fund	478	478	0	100%

May 2019 (due June)	Number of returns expected	Returns received	Outstanding	% Success Rate
Total Active Employers in SYPA Fund	485	484	1	99.8%

- 5.15 One area that we have not previously reported on is the resolution of queries from employers once the monthly data file has been submitted. This is important because each monthly data file cannot be processed by SYPA until the individual data queries resulting from the previous month's data file have been fully resolved. Now that the monthly data file submission process is embedded with employers, we are developing a mechanism to report on employer responsiveness to monthly data queries and we hope to be in a position to report to the Board on this from Quarter 3 onwards.

Scheme Member Engagement – Customer Satisfaction

- 5.16 The Authority is keen to improve engagement with our scheme members to measure the levels of satisfaction with our service and had agreed to start with surveying members who have recently retired to understand their experiences. The table below shows the overall satisfaction levels from respondents to the survey issued to members who retired in March, April and May 2019.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	69.57%
Satisfied	22.61%
Dissatisfied	7.83%
Very Dissatisfied	0%
Total Number of Respondents	115

- 5.17 Although overall positive satisfaction levels of 92% are pleasing, that clearly leaves 8% of retiring members who were not satisfied with the process. Looking in more detail at the reasons for this, it is evident this is mainly due to delays experienced in SYPA receiving the necessary leaver information from the employer to enable benefits to be paid.
- 5.18 In some instances, it was clear that we had not communicated the reason for the delay with the member so we will be looking to improve our processes in this area. As importantly, we need to understand more about the issues employers are facing in providing us with the information we need to pay retirement benefits. The restructure of the administration service proposes the creation of two new engagement officer posts working more pro-actively with employers and acting upon the feedback from the survey to understand how we resolve the issues raised will be a key focus of their work.
- 5.19 In addition to overall satisfaction rating, the survey does also provide some useful feedback around how scheme members feel about the nature and content of the documentation they received from us as part of the retirement process. One common theme in the responses to the first survey was that our correspondence was not clear in explaining when the first pension payment would be made and we are therefore making changes to our documentation to ensure this information is clear and upfront.

Scheme Member Engagement – online portal

- 5.20 Members may recall that the annual benefit statements for 2019 will be issued online rather than paper based and, ahead of the completion of the 2019 exercise, we have been carrying out an exercise to encourage all scheme members (regardless of status) to sign up to use the online portal which was enhanced and expanded earlier this year. **Appendix A** shows the numbers of scheme members who have registered for the portal since April 2018.
- 5.21 Whilst the increase in online registrations continues, it is evident that we still need to improve the numbers of scheme members who are registered for the portal. We will continue to issue communications to members and, where appropriate, employers, to encourage everyone who has access to the internet to register for the portal. The registration process itself has been simplified over the last couple of months which should help improve registrations and both telephone and online support are available if required.
- 5.22 Following a successful period of testing, we are starting to make the annual benefit statements online in July for small groups of scheme members and we will aim to ensure that statements are available for all members ahead of the 31 August statutory deadline. Scheme members can of course request a hard copy of their statement if required, though there are considerable advantages to members in registering for the portal. They can, for example, view their complete pension record, update personal details and (for active and deferred members) generate personalised retirement illustrations. The functionality of the online portal will continue to be developed over time.

Administration timeline

- 5.23 There is a calendar of activity for the administration service which may not always be visible to members of the Board and **Appendix B** is therefore an attempt to provide a summary of the main headline activities for the current financial year. We are very

happy to consider providing further information on any aspect of the scheduled activity list in future reporting to the Board.

- 5.24 In the last quarter, the administration service has successfully carried out the activities set out in the timeline and, as indicated above, the exercise to issue annual benefit statements is well underway. We have successfully provided the full member data extract to the fund actuary for the scheme liabilities to be assessed as part of the triennial valuation process which will result in the setting of employer contribution rates for the three year period from 1 April 2020. We await the actuary's feedback on the quality of the data submitted but extensive data preparation was completed prior to submission and we anticipate the feedback will be positive.

Employer Movements

- 5.25 The overall number of employers in the Fund continue to grow, partly as a result of academisation in the education sector but also due to employers contracting out services to bodies who join the LGPS through admission agreements. **Appendix C** shows the movements of employers joining the Fund in the last two quarters. There were no employer exits from the Fund completed in the period.

CIPFA Administration guidance

- 5.26 At the last Board meeting in March 2019, members were advised that CIPFA had recently published a guide to 'Administration in the LGPS'. The Guide is attached at **Appendix D** and has been written to "...assist committee and board members to better understand how they can oversee the delivery and quality of administration and communications within their administering authorities, with a view to identifying where improvements may be needed."
- 5.27 In the light of the information set out in the Guide, members of the Board are invited to consider any areas where they would like additional information to be included in this quarterly administration update.

6 Implications

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

Financial	None apparent.
Human Resources	None
ICT	None
Legal	None
Procurement	None

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Background Papers	
Document	Place of Inspection