

<b>Subject</b>	<b>Quarterly Administration Update</b>	<b>Status</b>	For Publication
<b>Report to</b>	Local Pension Board	<b>Date</b>	28 January 2021
<b>Report of</b>	Head of Pensions Administration		
<b>Equality Impact Assessment</b>	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 October 2020 to 31 December 2020.
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## **2 Recommendations**

- 2.1 Members are recommended to:
- a. **Comment on the content of the revised administration update and indicate any areas where they would like to receive further detail**
  - b. **Highlight any areas of administration where further assurance may be required**
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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). The report includes reference to feedback from our customers as to their experience of the retirement process

### **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.

#### 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**

- 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 ensure that Members have access to the latest available data, this report includes data for the quarter just completed.
- 5.2 Members will note that the content of this administration update is continually reviewed to ensure it is appropriate to support scrutiny of the administration service and includes information not provided previously. This is intended to provide Members with a wider view of the issues the administration service is handling and we continue to welcome feedback on any subject areas where Members feel additional reporting would be beneficial.

##### *Staffing*

- 5.3 The following table is a summary of joiners and leavers for the administration service during the last three months. As expected now that the vast majority of vacant posts in the Administration service have been filled, there were very few movements in Quarter 3. The retirement shown below follows a modest restructuring of the Business Support service across the Authority which was completed in Quarter 3. In summary, a more centralised set of Business Support roles have been created which will operate across different teams within the Authority in future and will provide a more flexible and resilient service. The former dedicated Personal Assistant role has therefore been discontinued and support to the Senior Management Team will be provided by the Business Support roles. Three vacancies now exist in this area and will be recruited to in Quarter 4.
- 5.4 To provide oversight to the Board, the table below also now shows the list of existing vacancies that remain in the Administration Service, as well as commentary on the status of these vacancies.

<b>Starters</b>	<b>Comments</b>
None	
<b>Leavers</b>	
PA to Director and Head of Pensions Admin	Early retirement
<b>Vacancies in Administration</b>	
Business Support Officer	Plus 2 in Corporate Services. Recruitment expected in Q4
Pensions Officer x2	Entry level posts. Recruitment in Q4
Systems Officer (PT 0.4 FTE)	To be filled internally in Q4
Communications Officer	Currently covered on casual basis by re-employment. Recruitment expected in Q4.
Training Officer (secondment)	To be re-advertised internally in Q4

- 5.5 In terms of sickness absence, the table overleaf shows the annualised absence levels for the last three quarters and the two previous full years for reference. Unfortunately,

sickness absence increased significantly compared with the first two Quarters of the year, much of it is directly related to increases in long-term absence this Quarter. Three members of staff were absent long-term with unrelated conditions, two have now returned to work but one is likely to remain absent for the longer term due to the nature of the illness.

- 5.6 In terms of short term absence, it does appear that home working is proving difficult for a small number of employees, particularly those with child care or other caring responsibilities, and this may have contributed to the increase in absence compared with Quarter 1. Managers will continue to monitor the position and provide support and flexibility, particularly during the current lockdown which is proving challenging for those with child care responsibilities.

Average Days per FTE (Admin Service only)	Q3 2020-21 Annualised	Q2 2020-21 Annualised	Q1 2020-21 Annualised	2019/20	2018/19
Short-Term	1.55	1.76	0.48	3.14	2.53
Long-Term	6.32	2.92	0.32	4.71	11.23
Total	7.87	4.68	0.80	7.85	13.76

#### Case Work Performance

- 5.7 The reporting of performance has been updated in order that members can more easily compare like-for-like periods. The table below shows the casework volumes for the last two quarters, compared with the previous quarter but also compared with the corresponding quarter for the prior year for comparison.

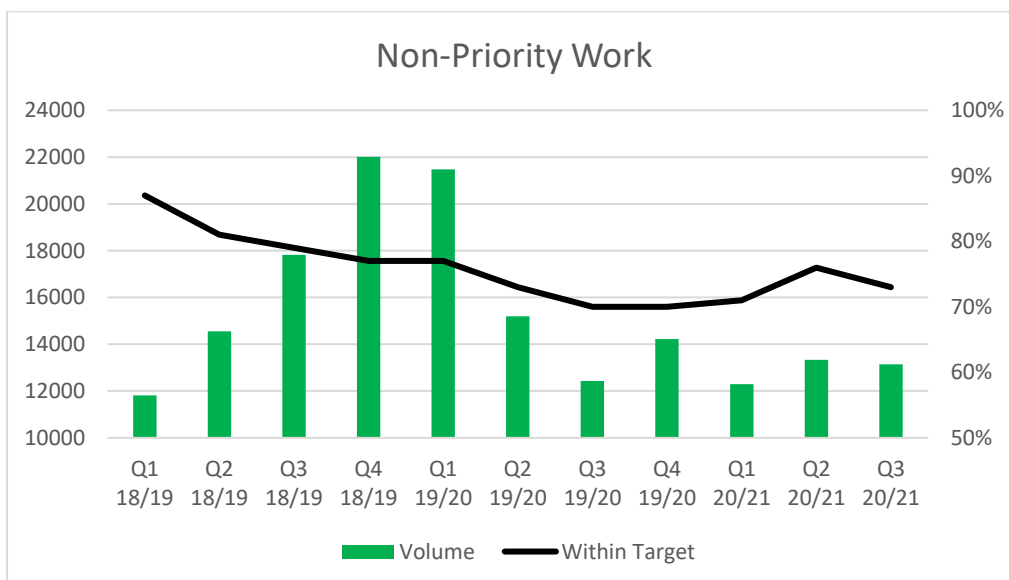
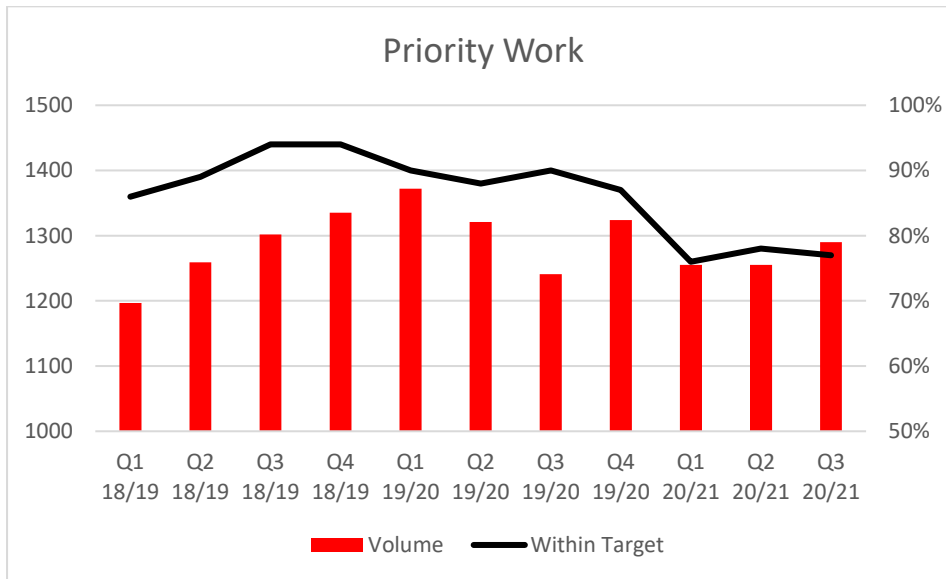
Category	Volumes			Variance to Comparators	
	Q3 2020-21	Q2 2020-21	Q3 2019-20	To Q2 2020-21	To Q3 2019-20
Priority	1,290	1,255	1,241	35	49
Non-Priority	13,139	13,329	12,431	(190)	708
Overall	14,429	14,584	13,672	(155)	757

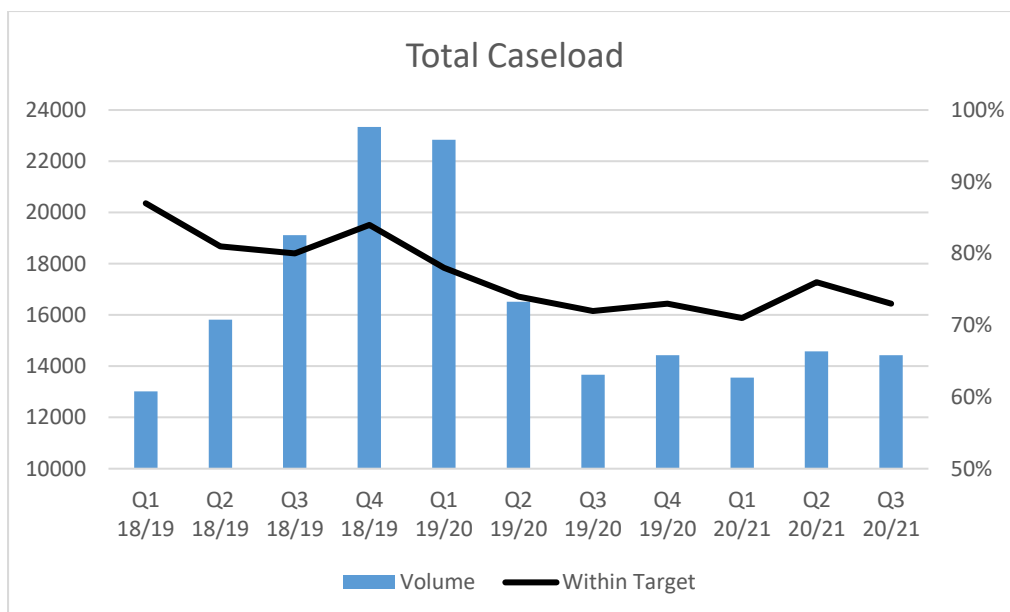
Overall volumes of case work processed across the quarter have been pretty consistent with Quarter 2 as staff have adapted relatively successfully to home working again. The brief return to the office for selected staff in Quarter 2 was short-lived of course and, with the exception of staff visiting the office to arrange IT backups and post handling, everyone was working from home in Quarter 3. This continues to be a challenge for supporting learning and development for new inexperienced staff but training is now being delivered regularly online.

The table below shows the performance within the service standards. Performance has dipped slightly when compared with Quarter 2 but remains comparable with the same period in the prior year, despite an increase in case volumes processed. Much of the explanation for the drop in non-priority case performance relates to new joiners where the processing of retrospective files following the Rotherham MBC payroll issues have caused an increase in volumes processed (see Table in Section 5.9).

Category	Performance		
	Q3 2020-21	Q2 2020-21	Q3 2019-20
Priority	77%	78%	90%
Non-Priority	73%	76%	70%
Overall	73%	76%	72%

The graphs below are intended to illustrate the trends in terms of work volume and completion rates.





5.8 As mentioned above, overall case load processing is relatively static and the anticipated increase in case work following the previous recruitment exercises has yet to materialise. This position will continue to be actively monitored but there is a recognition that a significant improvement may not be realistic until staff are able to return to the office for part of their working week.

5.9 The table below provides a summary of performance against the main subject areas. Performance levels have remained fairly static for the individual subject areas when compared with Quarter 2 in the main.

Case Type	Target Days	Q3 20-21 Volume	Q3 20-21 % on time	Q2 20-21 Volume	Q2 20-21 % on time	Q3 19-20 Volume	Q3 19-20 % on time	Comment
Priority								
Retirements	5	837	76%	833	80%	850	92%	
Deaths	4	447	80%	415	74%	382	88%	See below
Non Priority								
New Joiners	5	3206	74%	2412	90%	1827	82%	
Deferreds	20	676	42%	654	67%	824	59%	
Refunds	9	109	94%	474	74%	493	84%	
Transfers In	7	364	58%	340	56%	498	62%	
Transfers Out	5	306	74%	259	77%	400	54%	
Divorce	5	74	77%	99	91%	85	85%	
General enquiries	5	908	91%	883	84%	510	94%	
Estimates	5	1596	79%	1371	86%	1333	64%	
Aggregations	20	1384	54%	1493	49%	1737	42%	

We reported previously that we were still measuring performance for the processing of death cases against the former performance criteria (of 4 days to process the entire case). Members of the Authority previously approved a revised service standard for

handling death cases (which separates the initial engagement with the Next of Kin from the subsequent processing of any benefits due following receipt of the claim forms) but our reporting mechanisms had not been updated to reflect the revised standard. We do now have a method of measuring this revised standard and the table below shows the revised output. Clearly this is much improved on the figures shown in the table above and explains why we do not generally receive any complaints regarding the processing times for death cases.

Case Type	Target Days	Q3 20-21 Volume	Q3 20-21 Performance	Q2 20-21 Volume	Q2 20-21 Performance
Death Acknowledgement	5	340	99%	324	99%
Death Payments	5	443	98%	400	97%

- 5.10 At the last meeting, members of the Board were provided with a summary of cases outstanding at the end of Quarter 2 of 2020/21. The tables below update these to 31 December 2020. The first table shows cases in pending whilst we await information from third parties and the second table shows cases ready to be processed.

Case Type	Volumes of cases pending (awaiting external parties) End Q3	Volumes of cases pending (awaiting external parties) End Q2	Variance to prior reporting period	Volumes of cases pending (awaiting external parties) End Q3 (19/20)
Priority				
Retirements	199	241	(42)	187
Deaths	227	211	16	166
Non Priority				
New Joiners	292	78	214	14
Deferreds	3328	3131	197	3768
Refunds	10	218	(208)	244
Transfers In	325	380	(55)	211
Transfers Out	200	206	(6)	167
Divorce	33	38	(5)	25
General enquiries	86	79	7	68
Estimates	1063	901	62	871
Aggregations	448	463	(15)	533
Unprocessed Leavers	1643	1352	291	

Case Type	Volumes of cases to be processed/in processing End Q3	Volumes of cases to be processed/in processing End Q2	Variance to prior reporting period	Volumes of cases to be processed/in processing End Q3 (19/20)
Priority				
Retirements	48	65	(17)	41
Deaths	83	44	39	36
Non Priority				
New Joiners	724	793	(69)	206
Deferreds	478	774	(296)	759
Refunds	16	459	(443)	190
Transfers In	202	147	55	415
Transfers Out	125	115	10	78
Divorce	14	13	1	11
General enquiries	72	77	(5)	37
Estimates	392	234	158	165
Aggregations	3385*	3407	(22)	2622
Unprocessed Leavers	2557*	2507	50	

5.11 Members will note the significant volumes of unprocessed leavers and aggregations due for processing. For unprocessed leavers (largely due to the retrospective processing of Monthly Data files for the employers using Rotherham MBC payroll services), a wider project is near completion to introduce a means of processing these either by the use of automated tools or via bulk processing (or more likely a combination of both) and it is estimated that this tool should be available for use by the end of the financial year. For aggregations, a separate piece of work is underway to reduce these backlog volumes significantly over the next six months as per our Corporate Strategy.

*Statutory Disclosure Reporting*

5.12 The Board previously requested some additional information about reporting performance against statutory disclosure requirements. The time limits for statutory disclosures are less rigid but they often measure different time scales to those historically measured by SYPA. As mentioned previously, we have developed our reporting in this area following the appointment of the Benefits Team Manager in Summer 2020 and **Appendix A** shows the Quarter 3 report for most of the areas covered under the various disclosure regulations. We will continue to develop this reporting to cover all areas but the Appendix provides some level of assurance that statutory targets are generally being met in the main areas. In general this data shows 100% compliance in terms of areas that SYPA can control and even where measures include the time required to receive information from employers the level of compliance is extremely high. This does give us some pointers as to areas where further engagement with, and training for, employers could be beneficial.

*Employer Performance*

5.13 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 good. There was concern that Covid-19 would have impacted the ability of some employers to deliver the monthly submissions. However, this does not seem to be the case and submissions have continued to be provided. The tables below show the **current** position of monthly returns received in respect of the last three months.

	Number of returns expected	Returns received	Currently Outstanding	% Completion Rate	Total Scheme Members not submitted
Sept 2020 (due Oct)	528	527	1	99.8%	1
Oct 2020 (due Nov)	530	513	17	97%	See 5.15 below
Nov 2020 (due Dec)	529	528	1	99%	1

5.14 Fortunately, the vast majority of employers have continued to provide the monthly returns even in these difficult circumstances and this is beneficial because it is now directly linked to the collection of contributions via Direct Debit (see below). An

additional (highlighted) column has been added to the table above to provide some context to the missing returns. This shows the total number of scheme members that should have appeared on the monthly returns that are yet to be received.

- 5.15 The 17 missing returns for October are all in respect of small service contracts with a specific provider (Mellors) where the individual returns are submitted together. This is a one-off issue for one specific month that is being addressed directly with the provider and does not impact on scheme members.

*Individual query employer reporting*

- 5.16 One new area of reporting provided to the Board for Quarter 1 was the monitoring of the performance of employers in respect of responding to individual queries raised by SYPA. Examples of the sorts of queries raised with employers are the provision of starter or leaver forms (where additional information is required beyond that included on the monthly returns); confirmation of hours changes; confirmation of personal details, etc.
- 5.17 At the last Board meeting, members requested that the reporting be updated to reflect the actual performance of key employers for each quarter so that the trends could be more effectively monitored. **Appendix B** therefore *broadly*\* shows the performance in recent quarters for the employers or payroll providers with the highest volumes of queries. Members will note that the trend analysis does clearly indicate an increase in the volumes of outstanding queries over time which is a concern. However, it is important to note that the Support and Engagement team have been engaging with the relevant employers to raise these concerns and to agree targets for a reduction to more manageable levels. In the case of Rotherham MBC for example (covering both Rotherham and Doncaster), a collaborative working group chaired by the Assistant Director of HR and led from SYPA by the Head of Administration has been established to address these individual queries as well as the wider data quality issues in relation to the monthly returns which caused issues for Annual Benefit Statements in 2020 and we would expect to see a reduction in outstanding queries for Quarter 4.

*\* We are also aware that, currently, further development work is needed with the employer query system to provide more accurate reporting (for example, a query resolved by an employer outside of the portal will not currently be marked as complete) but the current system is still useful in highlighting the direction of travel for the larger employers.*

- 5.18 Note that the case completion rates showing the percentage 'in time' are based on our own internal targets for expected response levels which are 5 working days for urgent queries and 20 working days for standard queries. It is also the fact that there is a direct relationship between the number of members an employer has and the number of queries. Thus it would always be expected that Sheffield CC as by some margin the largest employer would have more queries.

*Contribution Payments*

- 5.19 Members may recall that SYPA moved to the collection of contributions via Direct Debit from 1 April 2020. Once lockdown commenced, the Senior Management Team recognised that a number of employers would be likely to have difficulty in completing the Direct Debit mandates because of the requirements around authorised signatories and the need for a 'wet' signature to comply with banking regulations. On balance, the



decision was taken to proceed with implementation of the new arrangements with the understanding that some flexibility would be required.

- 5.20 The tables below shows the status of payments for the last three months, as well as the details of any outstanding payments. Of the remaining employers not yet signed up to Direct Debit, these are predominantly service contract providers with multiple 'employer' contracts where they have unusual pay cycles which do not fit neatly with the monthly collection process and we have temporarily agreed they can continue to pay by BACS.

	Sept 21	Oct 21	Nov 21
Employers Paid by Direct Debit	452	458	458
Employers Paid on time by BACS	50	46	49
Payment received late by BACS	24	21	19
Payment outstanding (see table below)	2	3	2

#### Details of Outstanding Payments

Employer	Sept	Oct	Nov	Notes
Carroll Cleaning	£ 250.01	£ 224.73	£ 203.84	Direct Debit mandate now submitted and arrears to be collected in Feb.
Caterlink		£ 118.51		Missing Sept submission.
Premiserv	£ 890.68	£ 893.83	£ 893.83	Mandate and payment being pursued.

- 5.21 Any employers that have paid late via BACS will have an interest charge applied (subject to de minimis values) and are being actively managed by the Finance team.

#### *Scheme Member Engagement – Customer Satisfaction*

- 5.22 The Authority is keen to improve engagement with our scheme members to measure the levels of satisfaction with our service and each month surveys all 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 August 2020, September 2020 and October 2020.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	59%
Satisfied	35%
Dissatisfied	5%
Very Dissatisfied	1%
Total Number of Respondents	182 out of 613 issued

- 5.23 The percentage of members who were in the green category remains above 90% as per previous surveys. Analysis of the 6% (11 respondents) of members who were dissatisfied has highlighted that better communication is expected when delays occur obtaining information from employers.

### Scheme Member Engagement – Customer Centre

5.24 Members of the Board will be aware that the Customer Centre was launched on 1 January 2020 to provide a single point of contact for scheme members and employers. Feedback for the Customer Centre in the first twelve months of operation has been positive overall. An electronic survey was issued to 2,986 members who had reason to contact us by phone over the months of September and October 2020 to ask about their experience of our service delivery and for ideas on service improvements. The results of the survey are shown below.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	58%
Satisfied	33%
Dissatisfied	7%
Very Dissatisfied	2%
Total Number of Respondents	361 out of 2,986

5.25 The 9% who were dissatisfied represented 33 individuals which is a slight increase on previous levels. Although not all provided further information, a few points that were of particular interest were aimed at our communications and the need for better written letters with less jargon. Our letter suite is an area that we agree needs attention and the Customer Services team are currently working through our standard letters (currently 400 plus!) to improve the content.

5.26 Separately, the administration service also offers a Live Chat facility via the website and we ask members using this facility to feed back at the end of the Chat. The feedback for the months of August, September and October 2020 is shown below. The 7% who were dissatisfied represents 13 members and, although not all members left comments, the ones that did related to logging in issues with the online portal. As well as improving instructions, we have also attempted to offer a training session for members but this did not generate any interest unfortunately.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied – (Great)	63%
Satisfied – (Good)	30%
Dissatisfied – (Bad)	2%
Very Dissatisfied – (Poor)	5%
Total Number of Respondents	175 out of 446 chats started

5.27 Email is an important channel for many of our members and, from October 2020, we have also now started to monitor customer satisfaction levels with our email responses by embedding “click face” surveys into our email signatures (see example below).



To bring the analysis period into line with other surveys, we have only reported below on a three week period (to the end of October) and therefore it is a little premature to draw any real conclusions as the number of respondents was only 22. Again, not all members provided further information but one comment related to difficulty in accessing an email sent securely. We will continue to feed back to the Board on the results of this email engagement in future reports.

Q. Overall, how satisfied are you with the service you receive from us?	
Excellent	64% (14)
Good	9% (2)
Ok	5% (1)
Poor	23% (5)
Total Number of Respondents	22 out of 1,602 emails sent

#### *Scheme Member Engagement – online portal*

- 5.28 Members may recall that 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 in 2019. **Appendix C** shows the numbers of scheme members who have registered for the portal since January 2019 and these numbers are continuing to increase.
- 5.29 Although the numbers registered to engage with us online are not as high as we would wish as a proportion of the scheme membership overall, evidence from other funds does suggest that our levels of registration are at least comparable with the percentage of members signed up to use online services within the LGPS more widely.
- 5.30 That said, we wanted to understand why members hadn't yet registered for the online portal and we are currently targeting recently retired members by telephone to try and gauge the reasons why they hadn't signed up to the portal (to view their monthly payslips for example). To date, we have spoken to 100 retired members and early feedback indicates the following:-
- Some members didn't know we had an online service. Regular emails are issued to members inviting them to register for the online service and live demos are also offered in newsletters but we will continue to promote this.
  - A high number were interested and keen to register, however didn't have time whilst on the call to go through the login process and wanted a link and guide emailing, to register at a later time.
  - A small number said they just weren't interested in being online.

#### *Annual Benefit Statements*

- 5.31 Members of the Board will be aware of the delays with the Annual Benefit Statements (ABS's) exercise for active members in 2020. At the last meeting, we agreed to update members on our 'lessons learnt' review of the 2020 exercise ahead of the 2021 exercise. The review was carried out by our recently appointed Project and

Improvement Lead who has brought a degree of independence as he is a qualified project manager but without an LGPS pensions background. For completeness, the summary report of the review is included as **Appendix D** but the key outcomes which will form the basis of the actions from January 2021 onwards are summarised in the appendices of the report. We will update the Board at the next meeting in April on the progress made against the actions completed ahead of the 2021 exercise to provide assurance on this key issue.

5.32 Separately, we also have an internal working group meeting fortnightly which is reviewing all aspects of the Monthly Data Collection process and is focussed on a number of key areas highlighted to the Board previously:-

- Short-term fixes and long-term enhancements to the Monthly Data Collection process to remove the significant levels of manual intervention currently required when data from employers is not as expected;
- Early identification and intervention of poor data quality submissions from employers;
- Targeting employer support and training where required
- Ensuring all information required from employers is received in a timely manner to deliver the 2021 Annual Benefit Statements significantly ahead of the 31 August deadline.

Many of the members of this internal working group are also part of the collaborative group working with Rotherham MBC that was mentioned earlier in this report.

## 6 **Implications**

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

Financial	None
Human Resources	None
ICT	None
Legal	None
Procurement	None

**Jason Bailey**

**Head of Pensions Administration**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>