

<b>Subject</b>	<b>Quarterly Administration Update</b>	<b>Status</b>	For Publication
<b>Report to</b>	Local Pension Board	<b>Date</b>	22 April 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 January 2021 to 31 March 2021.
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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 as well as those who have been in contact with our Customer Centre.

### **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 (i.e. excluding the smaller Investment and Finance/Corporate Services teams) 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 4. The Pensions Officer appointments referenced were created as a result of a combination of recent resignations and an increased resource allocation approved by the Authority to prepare for the forthcoming projects in relation to the McCloud judgement and GMP reconciliation.
- 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>
Pensions Officer x2	Entry level post.
<b>Leavers</b>	
Pensions Officer	Resignation - retirement
<b>Vacancies in Administration</b>	
Customer Services Officer	Vacancy created by internal promotion to Finance team. Interviews in April.
Pensions Officer x3	Entry level posts. Offers made following recruitment and selection.
Apprentice x 2	Vacancies created by two internal promotions. To be filled in Summer 2021 once school leavers are available.
Communications Officer	Currently covered on casual basis by re-employment. Recruitment now expected in Q1.
Training Officer (secondment)	To be re-advertised internally in Q1

- 5.5 In terms of sickness absence, the table below shows the annualised absence levels for the administration service for each quarter in the last year and the two previous full

years for reference. Fortunately, sickness absence has reduced compared with the previous two Quarters, much of it is directly related to the fact that two staff previously absent long-term have returned to work. One member of staff remains absent long-term and this is likely to remain the case for the next quarter due to the nature of the illness.

- 5.6 In terms of short term absence, it is possible that the increased flexibility offered to staff during the latest lockdown, together with the re-opening of schools, may have helped contribute to the reduction in absence levels and hopefully this will continue to be the case.

Average Days per FTE (Admin Service only)	Q4 2020-21 Annualised	Q3 2020-21 Annualised	Q2 2020-21 Annualised	Q1 2020-21 Annualised	2019/20	2018/19
Short-Term	0.6	1.55	1.76	0.48	3.14	2.53
Long-Term	2.56	6.32	2.92	0.32	4.71	11.23
Total	3.16	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	
	Q4 2020-21	Q3 2020-21	Q4 2019-20	To Q3 2020-21	To Q4 2019-20
Priority	1,384	1,290	1,324	94	60
Non-Priority	13,464	13,139	14,221	325	(757)
Overall	14,848	14,429	15,545	419	(697)

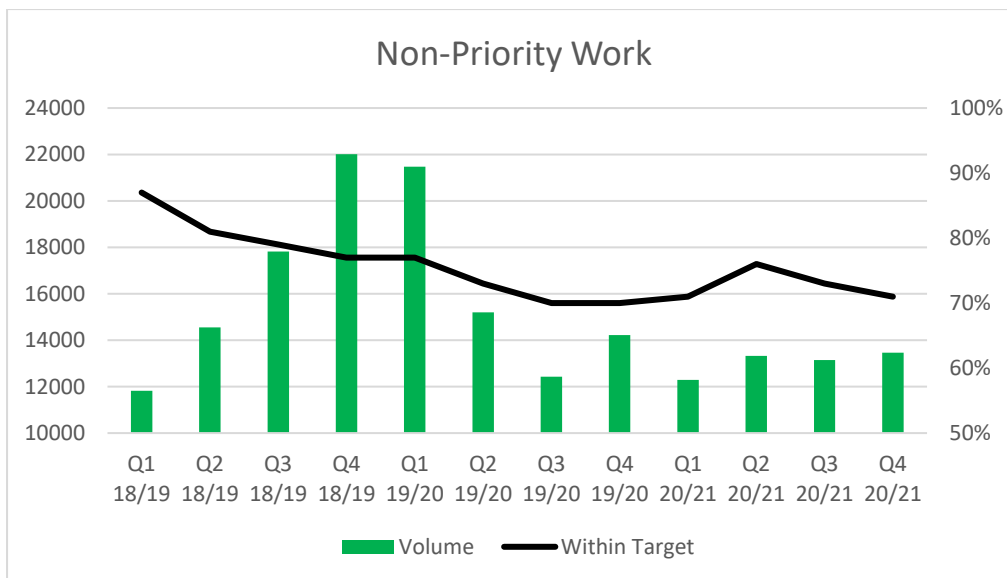
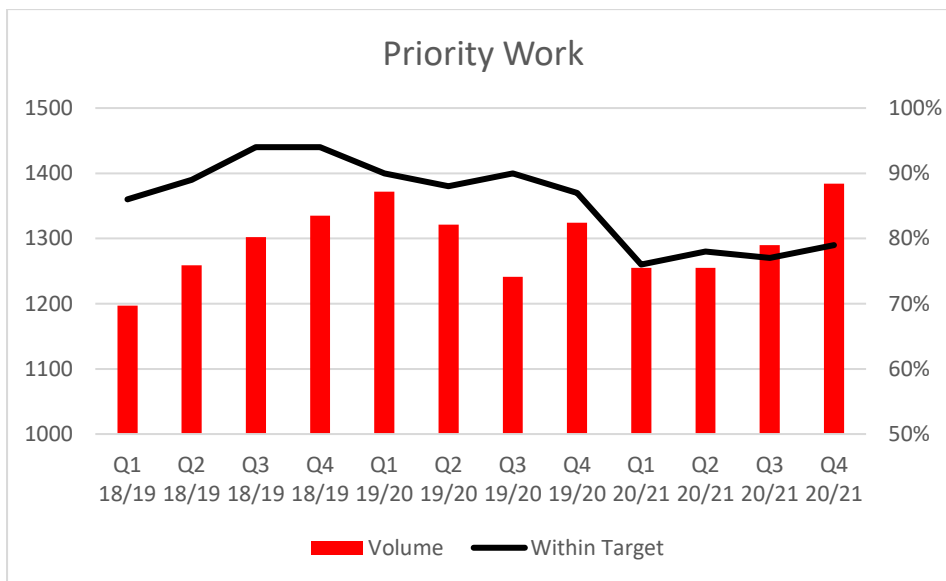
Overall volumes of case work processed across the quarter have increased slightly compared with Quarter 3 as staff continue to adapt to home working. It is noticeable that overall cases processed remains lower than pre-lockdown levels (i.e. lower than Q4 of 2019-20) but this is likely to remain the case and is a reflection of the continued challenges both of supporting learning and development for new inexperienced staff (in particular) and also the communication challenges between colleagues when processing what is often quite technical case work.

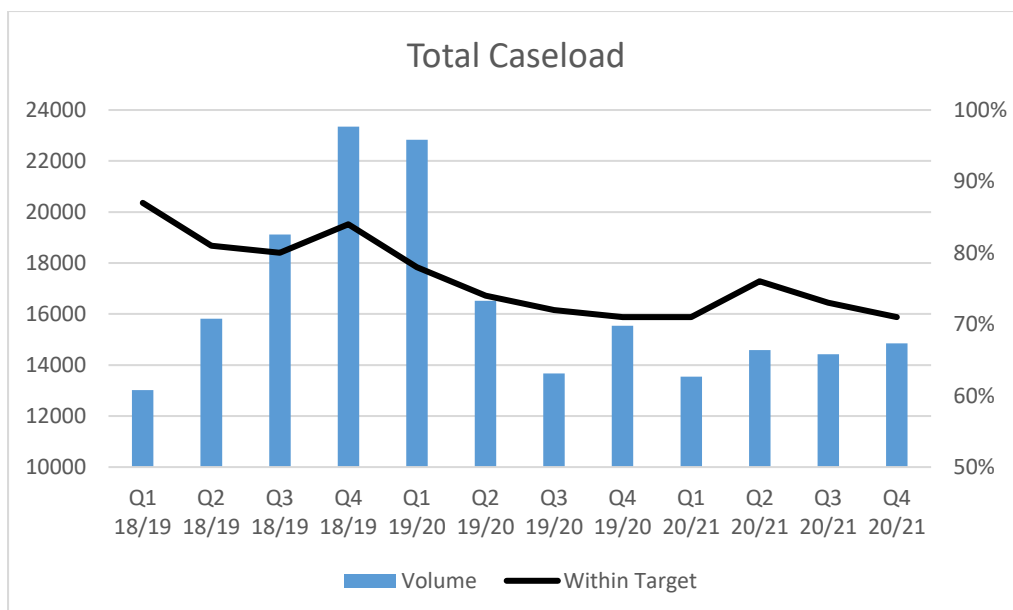
The table overleaf shows the performance within the service standards. Performance has dipped slightly when compared with Quarter 3 but priority case work has improved in the quarter, both in terms of number of cases and percentage completed within target time. Members may note that the volume of priority case work undertaken in the quarter has been the highest in over two years. 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		
	Q4 2020-21	Q3 2020-21	Q4 2019-20
Priority	79%	77%	87%
Non-Priority	71%	73%	70%
Overall	71%	73%	71%

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 3 in the main.

Case Type	Target Days	Q4 20-21 Volume	Q4 20-21 % on time	Q3 20-21 Volume	Q3 20-21 % on time	Q4 19-20 Volume	Q4 19-20 % on time	Comment
<b>Priority</b>								
Retirements	5	825	77%	837	76%	857	90%	
Deaths – acknowledge	5	408	98%					Previously reported separately
Deaths - Payments	5	545	99%					Previously reported separately
<b>Non Priority</b>								
New Joiners	5	3090	63%	3206	74%	2011	90%	
Deferred	20	663	61%	676	42%	1169	46%	
Refunds	9	108	82%	109	94%	500	84%	
Transfers In	7	311	58%	364	58%	669	27%	
Transfers Out	5	343	78%	306	74%	412	65%	
Divorce	5	85	79%	74	77%	102	85%	
General enquiries	5	896	90%	908	91%	643	91%	
Estimates	5	1695	80%	1596	79%	1439	77%	
Aggregations	20	1789	71%	1384	54%	2312	49%	

As requested by members, the updated reporting of death cases has now been incorporated into the table above.

- 5.10 At the last meeting, members of the Board were provided with a summary of cases outstanding at the end of Quarter 3 of 2020/21. The tables below update these to 31 March 2021. 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 Q4	Volumes of cases pending (awaiting external parties) End Q3	Variance to prior reporting period	Volumes of cases pending (awaiting external parties) End Q3 (19/20)*
Priority				
Retirements	188	199	(11)	187
Deaths	223	227	(4)	166
Non Priority				
New Joiners	185	292	(107)	14
Deferred	3307	3328	(21)	3768
Refunds	11	10	1	244
Transfers In	398	325	73	211
Transfers Out	204	200	4	167
Divorce	37	33	4	25
General enquiries	100	86	14	68
Estimates	1156	1063	93	871
Aggregations	480	448	32	533
Unprocessed Leavers	1844	1643	201	

Case Type	Volumes of cases to be processed/in processing End Q4	Volumes of cases to be processed/in processing End Q3	Variance to prior reporting period	Volumes of cases to be processed/in processing End Q3 (19/20)*
Priority				
Retirements	53	48	5	41
Deaths	43	83	(40)	36
Non Priority				
New Joiners	159	724	(565)	206
Deferred	540	478	62	759
Refunds	23	16	7	190
Transfers In	154	202	(48)	415
Transfers Out	100	125	(25)	78
Divorce	25	14	11	11
General enquiries	72	72	-	37
Estimates	401	392	9	165
Aggregations	3299*	3385	(86)	2622
Unprocessed Leavers	2922*	2557	365	

- 5.11 Members will note the significant volumes of unprocessed leavers and aggregations due for processing. For unprocessed leavers (partly due to the continuation of 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). It was hoped that these tools would be available for use

by the end of Quarter 4 but testing has slipped due to the need to reallocate resources to a major system upgrade and it is likely the tools will be introduced during the early part of the current 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 4 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	<b>Currently Outstanding</b>	% Completion Rate	Total Scheme Members not submitted
Dec 2020 (due Jan)	531	530	1	99.8%	1
Jan 2021 (due Feb)	532	531	1	99.8%	1
Feb 2021 (due Mar)	530	513	17	96.79%	See 5.15

- 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 February (due in March) mainly relate to a specific provider (Capita) where a further change of personnel has resulted in a delay and the Support and Engagement team are actively pursuing the returns – see **Appendix C**.

### *Individual query employer reporting*

- 5.16 Last year we starting monitoring 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 hour's 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. \* *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 Members will note that the trend analysis does clearly indicate an increase in the volumes of outstanding queries over time for some employers which is a concern, though improvement has been identified in some areas. As discussed at the last Board meeting, the Support and Engagement team have been engaging with relevant employers to raise specific areas of concern and to agree targets for a reduction to more manageable levels. **Appendix C** is a brief summary of some of the key engagement action undertaken in the last Quarter. The Support and Engagement team are developing a more structured escalation approach to the engagement process (from informal initial engagement through to the application of penalties for non-compliance) and it is proposed to include this in future reporting.
- 5.19 Specifically in relation to Rotherham MBC payroll services, the statistics presented in **Appendix B** do not provide a complete picture of the level of activity being undertaken. Although individual query levels remain high, significant work has been completed in relation to resolving the data quality issues with the monthly data submissions and the regular liaison meetings are productive with clear additional resource allocation and high levels of responsiveness from Rotherham MBC. A timetable for the reduction of outstanding individual queries is to be agreed in April.
- 5.20 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*

- 5.21 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.



- 5.22 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.

	Nov 20	Dec 20	Jan 21
Employers Paid by Direct Debit (on time)	458	460	463
Employers Paid on time by BACS	49	45	45
Payment received late by BACS (see 5.23)	19	17	16
Payment outstanding (see table below)	1	1	1

#### Details of Outstanding Payments

Employer	Nov	Dec	Jan	Notes
Premiserv	£ 893.83	£ 884.38	£ 731.84	Contractual dispute between employer and contractor but payment being pursued.

- 5.23 The employers showing as paying late primarily relate to a small contract caterer (Mellors) with a number of contracts with unusual pay cycles where the payment was received up to 3 days after the due date. We are working with this employer to ensure the payments are made by the due date in future.

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

- 5.24 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 November 2020, December 2020 and January 2021.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	65%
Satisfied	29%
Dissatisfied	5%
Very Dissatisfied	1%
Total Number of Respondents	160 out of 604 issued

- 5.25 The percentage of members who were in the green category remains above 90% as per previous surveys. Analysis of the 6% (10 respondents) of members who were dissatisfied has highlighted these were generally cases where there were delays obtaining information from employers and more topically at the moment from AVC providers.

### *Scheme Member Engagement – Customer Centre*

- 5.26 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 around three thousand members who had reason to contact us by phone over the months of November and December 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	66%
Satisfied	24%
Dissatisfied	6%
Very Dissatisfied	4%
Total Number of Respondents	<b>440 out of 3,025</b>

The 10% who were dissatisfied represented 43 individuals which is a slight increase on previous levels. Although not all provided further information, a suggestion was made to keep members informed and updated on each stage of their case. One member never received a call back when requested, and another said the member of staff taking the call wasn't experienced enough and had to get another member of staff to call them back. The Customer Centre is staffed with some relatively new members of staff which include two apprentices. We acknowledge that currently not all staff are able to answer all member queries at the first point of contact and will seek help and advice before answering the query.

- 5.27 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 November, December and January is shown below. The 6% who were dissatisfied represents 14 members and, although not all members left comments, the ones that did related to the time it took to reply in live chat. This may be an internal training issue and is being followed up.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied – (Great)	70%
Satisfied – (Good)	24%
Dissatisfied – (Bad)	1%
Very Dissatisfied – (Poor)	5%
Total Number of Respondents	249 out of 649 chats started

- 5.28 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).



For the first time, we can provide a complete set of results for the quarter and the table below shows the overall satisfaction levels for November 2020, December 2020 and January 2021.

Q. Overall, how satisfied are you with the service you receive from us?	
Excellent	69%
Good	9%
Ok	9%
Poor	13% (7 members)
Total Number of Respondents	55 out of 5,708 emails sent

On the face of it, 13% of respondents who rated the email poorly is a lower level of satisfaction that we would normally see through other communication channels but this should be seen in the context that it represents 7 responses from 5,708 emails issued. Again, not all members provided further information but we do follow up with those members who leave contact information. Two members had issues with logging on to Egress switch secure emails and rated the service poor as a result. In these cases we were able to delete all the personal information and send the emails unencrypted. We will continue to feed back to the Board on the results of this email engagement in future reports.

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

- 5.29 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 D** shows the numbers of scheme members who have registered for the portal since January 2019 and these numbers are continuing to increase.
- 5.30 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.
- 5.31 That said, we wanted to understand why members hadn't yet registered for the online portal and this quarter we continued the work started in Quarter 3 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). In total we identified 227 members who had retired between April and October 2020 who hadn't registered for the portal and for whom we held a telephone contact number.

Feedback from the contact we were able to make resulted in the following outcomes:-

- 69 emails were issued, with a link to register for the online portal. To date, 33 of those members have registered as a result.
- 45 members suggested they 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.
- 45 members said they just weren't interested in the online service.

#### *Annual Benefit Statements*

- 5.32 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 continue to keep members updated on the progress towards the 2021 exercise. The ABS 2021 project is being managed by our Project and Improvement Lead who is a qualified project manager and his latest update report is attached as **Appendix E**. As can be seen, the project is on track overall and we expect to be in a position start issuing ABS's for active members from as soon as the end of the month/beginning of next month. It should be noted that the project update is focused on the ABS's for active members as this is the area with the highest number of external dependencies but we do expect to issue the statements for deferred members in May 2021 as well.
- 5.33 As indicated in the update report, the template for the 2021 statement for active members has been drafted following feedback from our focus group and a draft is attached as **Appendix F**. Members are very welcome to feed back any comments on the proposed format ahead of production commencing. Note that not all the links in the document will work on the template as they will link to a member's individual data on the portal.
- 5.34 Separately, we have continued with 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.

This group is proving successful with **78** employers already showing their active member records have been fully completed to the end of March 2021 ready for ABS's to be produced.

## **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>