

Subject	Quarterly Administration Update	Status	For Publication
Report to	Local Pension Board	Date	15 July 2021
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 April 2021 to 30 June 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 limited movements in Quarter 1. The significant departure in the quarter was the Support and Engagement team manager. This team manages the liaison with employers and there will be some operational impact until a replacement has been recruited. This has, for example, resulted in a delay to the issuing of the employer survey (now scheduled for Quarter 2) and there have also been some delays in formalising the employer engagement approach, though engagement has been continuing with 'problem' employers.
- 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.

Starters	Comments
Pensions Officer x3	Entry level posts.
Customer Services Officer x2	Entry level posts.
<i>Governance and Risk Officer</i>	<i>Corporate Services team.</i>
Leavers	
Pensions Officer	Resignation - retirement
Support and Engagement Team Manager	Resignation – returned to former employer
Vacancies in Administration	
Support and Engagement Team Manager	Vacancy out to advert currently.
Apprentice x 2	Vacancies created by two internal promotions. To be filled in Summer 2021 now school leavers are available.
Communications Officer	Currently covered on casual basis by re-employment. Recruitment expected Q2.
Training Officer (secondment)	No applications received.

- 5.5 In terms of sickness absence, the table below shows the annualised absence levels for the administration service for the last quarter and the three previous full years for reference. Sickness absence remains consistent with 2020/21 and lower than earlier years. Half of the absence relates to long term absence which represents one individual. This is likely to remain the case for the next quarter due to the nature of the illness.
- 5.6 There was no Covid related absence in the period. Sickness levels will continue to be monitored in the light of the Government plans to remove the working from home guidance later this month.

Average Days per FTE (Admin Service only)	Q1 2021-22 Annualised	2020-21	2019/20	2018/19
Short-Term	2.3	1.5	3.14	2.53
Long-Term	2.4	3	4.71	11.23
Total	4.7	4.5	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	
	Q1 2021-22	Q4 2020-21	Q1 2020-21	To Q4 2020-21	To Q1 2020-21
Priority	1,182	1,384	1,255	(202)	(73)
Non-Priority	13,258	13,464	12,297	(206)	961
Overall	14,440	14,848	13,552	(408)	888

The team has experienced a small drop off in terms of priority case numbers (retirements and deaths). This is to be expected due to the increased level of death cases seen throughout the height of the pandemic and the team were also receiving a higher than average level of requests for early retirement, again as a result of the effects of the pandemic. It is expected that the team will continue to see a smaller number of death cases to process in the forthcoming reporting periods.

Members may be familiar with the table shown below which represents the performance against the service standards.

Category	Performance		
	Q1 2021-22	Q4 2020-21	Q1 2020-21
Priority	73%	79%	76%

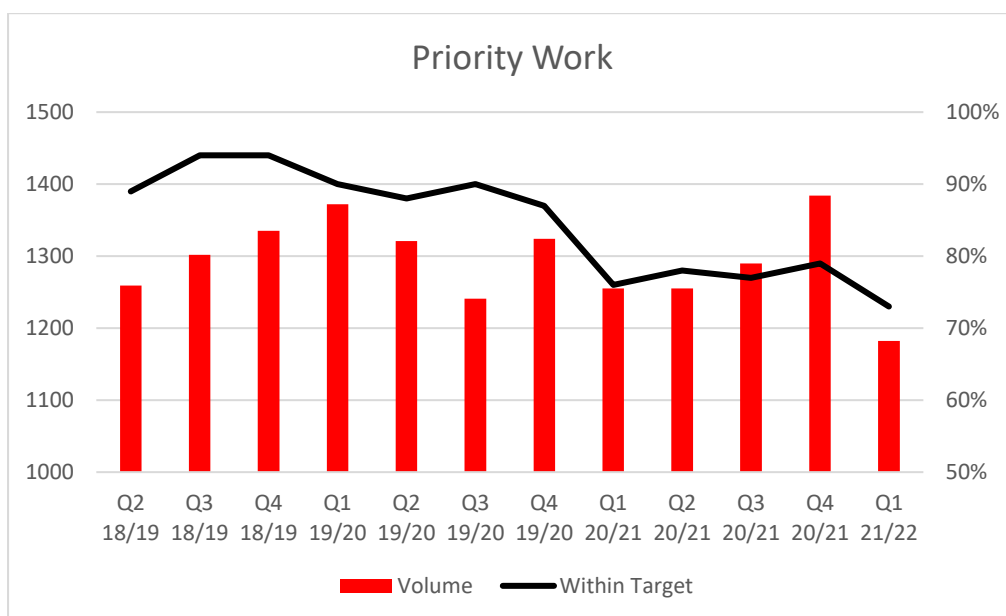
Non-Priority	72%	71%	71%
Overall	72%	71%	71%

In producing this table, however, we had not previously updated the dashboard to reflect the changes made to the death process i.e. converting it from a single stage death process to two stages. Incorporating this change provides a much healthier percentage of priority cases completed within the KPI targets as shown in the table below.

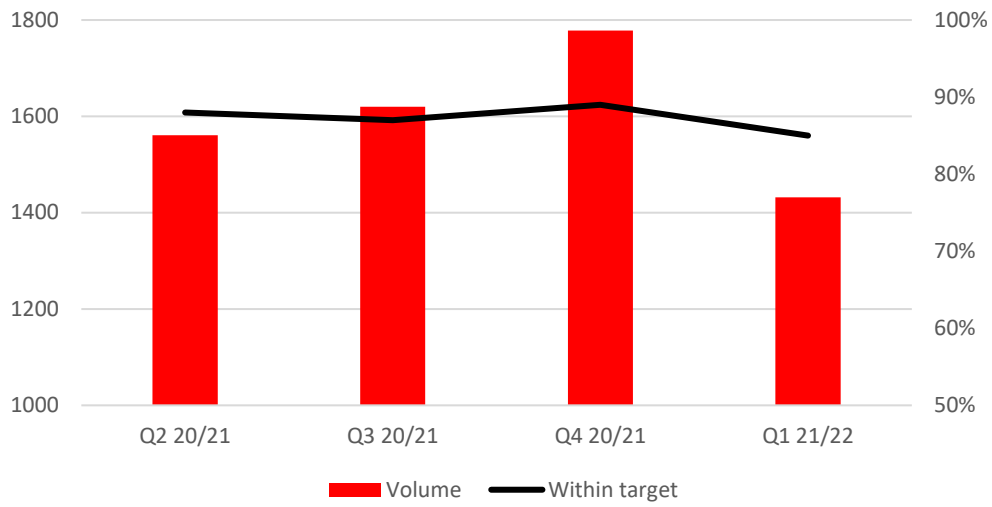
Category	Volumes				Performance			
	Q1 2021-22	Q4 2020-21	Q3 2020-21	Q2 2020-21	Q1 2021-22	Q4 2020-21	Q3 2020-21	Q2 2020-21
Priority	1,561	1,620	1,778	1,432	88%	87%	89%	85%
Overall	14,890	14,759	15,242	14,690				

As can be seen, the performance increases from 73% to 88% within the KPI target.

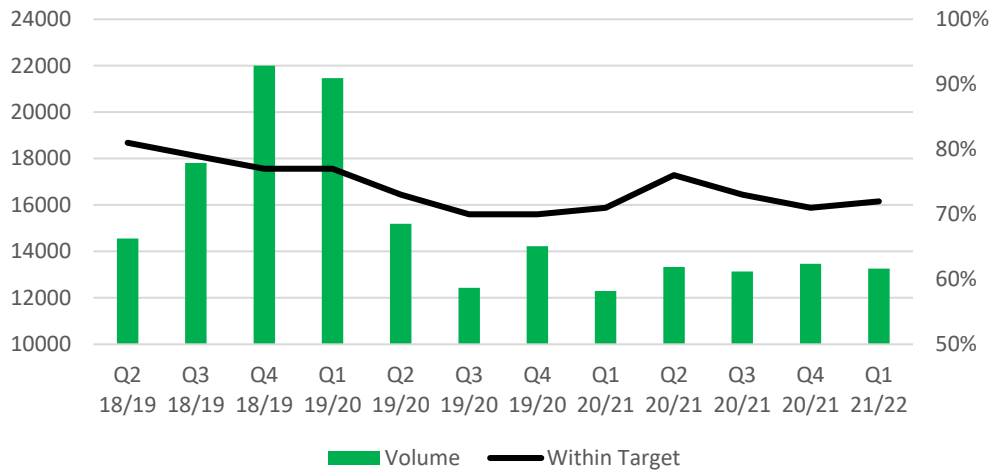
The graphs below are intended to illustrate the trends in terms of work volume and completion rates. The second graph illustrates the Priority Work when correctly counting the death process as two stages.



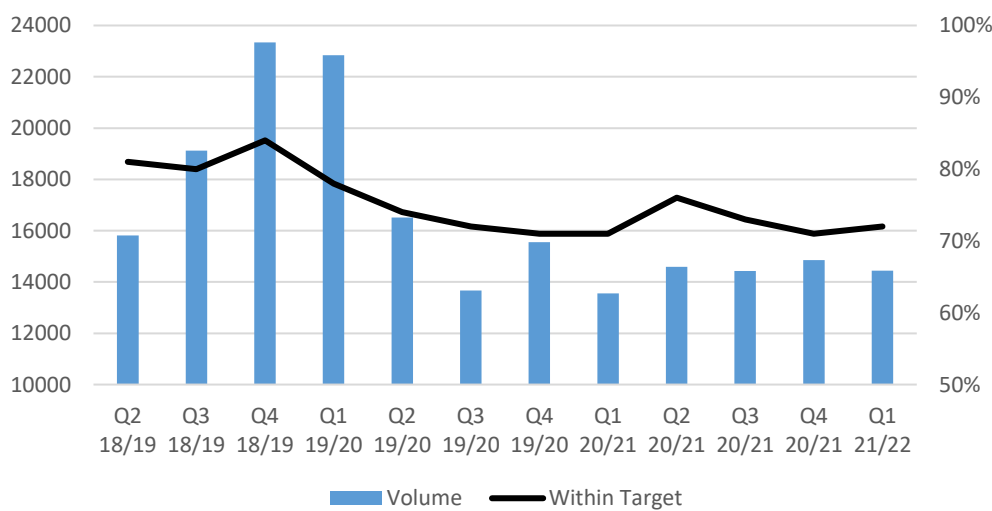
Priority Work - 2 Stage Death Process



Non-Priority Work



Total Caseload



5.8 As anticipated last quarter, 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 4 in the main. The main exception to this is the reduction in the numbers of aggregations completed. This is because some of the staff who would routinely process these cases have been diverted to assist in preparation work for the Annual Benefit Statements (see later section of this report).

Case Type	Target Days	Q1 21-22 Volume	Q1 21-22 % on time	Q4 20-21 Volume	Q4 20-21 % on time	Q1 20-21 Volume	Q1 20-21 % on time	Comment
Priority								
Retirements	5	821	76%	825	77%	734	77%	
Deaths - Acknowledge	5	257	96%	408	98%			
Deaths - Payment	5	343	98%	545	99%			
Non Priority								
New Joiners	5	2370	86%	3090	63%	2106	90%	
Deferreds	20	843	68%	663	61%	951	49%	
Refunds	9	105	82%	108	82%	251	78%	
Transfers In	7	301	48%	311	58%	320	48%	
Transfers Out	5	316	68%	343	78%	272	76%	
Divorce	5	84	64%	85	79%	72	90%	
General enquiries	5	848	90%	896	90%	733	88%	
Estimates	5	1780	74%	1695	80%	1062	78%	
Aggregations	20	904	59%	1789	71%	2138	43%	See 5.9

5.10 At the last meeting, members of the Board were provided with a summary of cases outstanding at the end of Quarter 4 of 2020/21. The tables below update these to 30 June 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 Q1	Volumes of cases pending (awaiting external parties) End Q4	Variance to prior reporting period	Volumes of cases pending (awaiting external parties) End Q1 (20/21)*
Priority				
Retirements	186	188	(2)	187
Deaths	196	223	(27)	166
Non Priority				
New Joiners	110	185	(75)	14
Deferreds	3558	3307	251	3768
Refunds	14	11	3	244
Transfers In	439	398	41	211
Transfers Out	250	204	46	167

Divorce	43	37	6	25
General enquiries	86	100	(14)	68
Estimates	1254	1156	98	871
Aggregations	525	480	45	533
Unprocessed Leavers	2116	1844	272	

Case Type	Volumes of cases to be processed/in processing End Q1	Number of active cases currently outside KPI measures	Volumes of cases to be processed/in processing End Q4	Variance to prior reporting period	Volumes of cases to be processed/in processing End Q1 (20/21)*
Priority					
Retirements	48	21	53	(5)	56
Deaths	50	7	43	7	54
Non Priority					
New Joiners	99	14	159	(60)	125
Deferreds	520	363	540	(20)	356
Refunds	11	2	23	(12)	211
Transfers In	115	73	154	(39)	107
Transfers Out	67	19	100	(33)	84
Divorce	25	4	25	-	9
General enquiries	61	26	72	(9)	48
Estimates	246	92	401	(155)	355
Aggregations	3397	3160	3299	98	3133
Unprocessed Leavers	2592**	2534	2922	(330)	

5.11 At the last meeting, Members requested some insight into the expected volumes of case work to be processed as part of 'business as usual'. We have attempted to demonstrate this by adding an additional column into the table above to show the numbers of cases that are outside of our KPI target measures. The two areas of particular concern are highlighted in the table above. We have explained to members previously that we are undertaking a project to introduce a means of processing the leavers either by the use of automated tools or via bulk processing (or more likely a combination of both). This project is taking longer than anticipated but it is hoped to be able to share some outcomes from this project at the end of Quarter 2 with the Board. For aggregations, a separate piece of work to reduce these backlog volumes significantly over the next six months as per our Corporate Strategy will resume shortly now that preparation work for the annual benefit statements is nearing completion.

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 1 report for the areas covered under the various disclosure regulations. 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
Mar 2021(due Apr)	535	530	5	99%	33
Apr 2021 (due May)	532	527	5	99%	33
May 2021 (due Jun)	532	527	5	99%	33

- 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 5 missing returns for each of the months above relate to new employers joining the fund in 2021 and the Support and Engagement team is working with the relevant employers to ensure they are in a position to submit the necessary monthly data.

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 hours changes; confirmation of personal details, etc.
- 5.17 The Board previously 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 for Rotherham and Doncaster Councils (both administered by Rotherham payroll services. This should be viewed though in the context that the number of queries has increased substantially as a result of processing backlogs of monthly data files and the overall volumes of queries answered has increased accordingly. The joint project group between SYPA and Rotherham MBC continue to meet fortnightly to discuss progress with the individual queries (and the monthly data files) and we do expect to see a reduction in outstanding volumes as additional resource has been dedicated to this area by Rotherham MBC.
- 5.19 We mentioned to the Board previously that the Support and Engagement team were 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 was proposed to include this in future reporting. This work has been delayed slightly by the departure of the Team Manager but is expected to be available for Quarter 2.
- 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. Their positive progress in reducing the numbers of queries outstanding following engagement should be noted.

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.

	Feb 21	Mar 21	Apr 21
Employers Paid by Direct Debit (on time)	470	469	465
Employers Paid on time by BACS	44	44	61
Payment received late by BACS (see 5.23)	18	17	0
Payment outstanding (see 5.24)	4	4	4

- 5.23 The employers showing as paying late previously 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. This issue has now been resolved and BACs payments have been submitted on time since April.

- 5.24 The payments outstanding all relate to new bodies who have not yet submitted their monthly data files (see earlier report on employer submissions). The Support and Engagement team are working with these employers to ensure the data is submitted and this is expected to be resolved very shortly. Interest will be applied to the contributions.

Scheme Member Engagement – Customer Satisfaction

- 5.25 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 February 2021, March 2021 and April 2021 who provided an email address..

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	64%
Satisfied	26%
Dissatisfied	8%
Very Dissatisfied	2%
Total Number of Respondents	133 <u>out of 596 issued</u>

- 5.26 The percentage of members in the green category has slipped slightly to 90% (previous surveys were above 90%). Analysis of the 10%, which represents 12 members, was around comments made regarding poor communication between SYPA and employers, suggesting that employers took too long to provide the information needed to process benefits, and in some cases resulting in members having to chase the employer themselves.

- 5.27 This has been a common theme in recent surveys and, in response to this, the Head of Pensions Administration will be chairing a project group to investigate ways in which we can improve information flows between employers and SYPA when an individual signals their intention to retire.

Scheme Member Engagement – Customer Centre

- 5.28 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 has been positive overall. An electronic survey was issued to 3,293 members with an email address who had reason to contact us by phone over the months of February, March and April 2021 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	59%
Satisfied	27%
Dissatisfied	10%
Very Dissatisfied	4%
Total Number of Respondents	443 out of 3,293

The 14% who were dissatisfied represented 62 individuals which is a slight increase on previous levels. Although not all provided further information, one member commented that they were dissatisfied about the length of time it's taking to transfer benefits. Another member was concerned that their online record wasn't showing any pension contributions being made when they have their wage slip to prove it, and one member had problems setting up an AVC with Prudential saying they totally inefficient and impossible to contact.

We have nearly completed the process of bringing our backlog of monthly data collection files up to date and contribution records will be available to members online. Regarding AVCs and Prudential, we are very much aware of the issues with our AVC providers and how frustrating this is. We are in discussions with Prudential in terms of the level of service that both SYPA and members expect.

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 February, March and April 2021 is shown below. The 5% who were dissatisfied represents 13 members and, although not all members left comments, there were three who mentioned 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)	60.4%
Satisfied – (Good)	34.4%
Dissatisfied – (Bad)	1.2%
Very Dissatisfied – (Poor)	4.0%
Total Number of Respondents	250 out of 910 chats started

5.29 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 second time, we can provide a complete set of results for the quarter and the table below shows the overall satisfaction levels for February, March and April 2021.

Q. Overall, how satisfied are you with the service you receive from us?	
Excellent	49%
Good	23%
Ok	8%
Poor	20% (8 members)

Total Number of Respondents	39 out of 1,560 emails sent
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On the face of it, 20% 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 8 responses from 1,560 emails issued. Again, not all members provided further information but we do follow up with those members who leave contact information. One dissatisfied member said they had to contact us three times to get the information they required for benefit purposes. In the first instance we will direct members online as this information is readily available through their online account. Should a member insist on written confirmation we explain the timescales for providing the information. We will continue to feed back to the Board on the results of this email engagement in future reports.

Scheme Member Engagement – online portal

- 5.30 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 April 2019 and these numbers are continuing to increase.
- 5.31 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.

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. We previously agreed to continue to keep members updated on the progress towards the 2021 exercise. In order to produce ABS's it is necessary to ensure that the monthly data files from employers have been fully processed by SYPA up to the end of March 2021. Members may recall that SYPA previously had a backlog of processing in this area but significant additional resource has been allocated to this task over the last quarter and 99% of all employer files have now been fully processed up to the end of March 2021.
- 5.33 This has enabled the production of ABS's for active members to commence and it means that SYPA can phase the production of ABS's over a longer period of time than had been possible in previous years – reducing the demands on the Customer Centre when members make contact with queries on their statements. There do not appear to be any remaining barriers to completing the entire exercise for active members well ahead of the 31 August deadline.
- 5.34 A separate exercise to prepare for production of deferred member annual statements is also nearing completion and these will be issued during the month of July 2021. Although this is later than had been previously anticipated, the deferred annual statements will also be issued ahead of the statutory deadline.
- 5.35 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.

Scheme communications

5.36 The Board are generally notified of global communications issued to member and employers. The latest newsletter for employers in the fund has just been issued and a copy is attached as **Appendix D** for information.

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

Background Papers	
Document	Place of Inspection