

Agenda Item

Subject	Quarterly Administration Update	Status	For Publication
Report to	Local Pension Board	Date	14 October 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 July 2021 to 30 September 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 most vacant posts in the Administration service have been filled, there were limited movements in Quarter 2. There was just one joiner, an Apprentice in the Customer Services team, and no leavers. An appointment has now been made to the role of Support and Engagement team manager, the post which has been vacant since the Spring and which has impacted some of the enhancements that were planned for further developing engagement with employers, though employer training and liaison with key employers/payroll providers has continued.

Starters	Comments
Apprentice	Entry level post.
Leavers	
None	
Vacancies in Administration	
Support and Engagement Team Manager	Appointment made – Start date of early November agreed.
Apprentice x 1	Vacancies created by two internal promotions. One apprenticeship vacancy filled and one awaiting applications
Communications Officer	Currently covered on casual basis by re-employment. Recruitment expected Q3.
Training Officer (secondment)	No applications received. To be advertised externally
Pensions Officers (Approx 2.9 FTE)	50% of vacancies being covered by casual admin staff. Vacancies out to advert from early October.

- 5.4 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. Unfortunately, sickness absence has increased very significantly in the quarter and this has had an impact on case processing levels (see later in the report). There have been a number of Covid-related absences in the quarter, so the table also shows the sickness levels excluding these absences.

- 5.5 As is evident from the table, the main cause of the increase is the rise in long-term absences. A total of five staff have been absent long-term in the quarter for unrelated reasons. Three of the five staff have now either returned to work or have return dates agreed, whilst two remain absent. These staff will continue to be supported and managed through our Attendance Management process, but the relatively high level of absence remains an operational concern.

Average Days per FTE (Admin Service only)	Q2 2021-22 Annualised (exc. Covid related)	Q2 2021-22 Annualised	Q1 2021-22 Annualised	2020-21	2019/20	2018/19
Short-Term	2.36	3.32	2.3	1.5	3.14	2.53
Long-Term	10.52	12.2	2.4	3	4.71	11.23
Total	12.88	15.52	4.7	4.5	7.85	13.76

Case Work Performance

- 5.6 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	
	Q2 2021-22	Q1 2021-22	Q2 2020-21	To Q1 2021-22	To Q2 2020-21
Priority	1,120	1,182	1,255	(62)	(135)
Non-Priority	13,661	13,258	13,329	403	332
Overall	14,781	14,440	14,584	341	197

Overall case volumes completed in the Quarter remain comparable with previous periods but there has been a reduction in the rate of case completion rates within KPI measures in the quarter – see tables overleaf. This was a result of two main factors: -

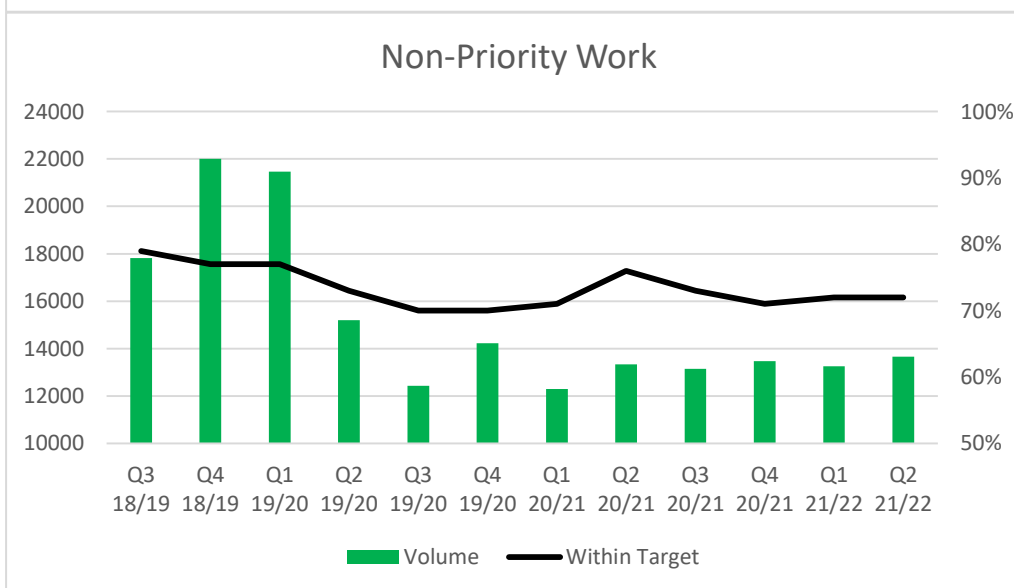
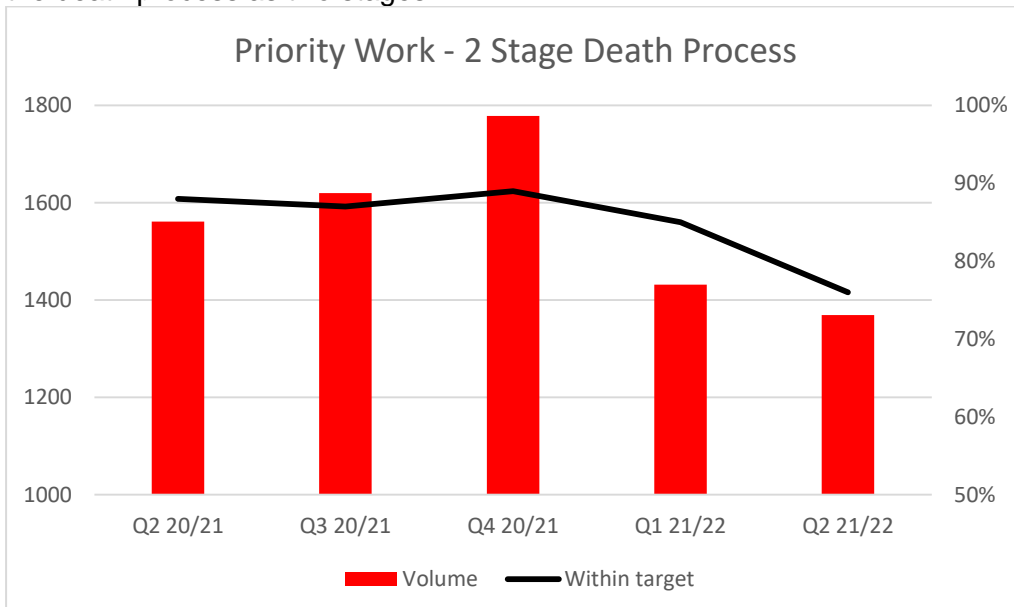
- i) The increased level of sickness absence in the quarter was largely amongst senior Pensions Officers who are responsible for much of the priority work;
- ii) During the quarter, senior officers were also involved in fixing a number of data errors identified during the production of Annual Benefit Statements (see later in report)

It is anticipated that the issue highlighted in (ii) was a one-off piece of work and the data queries will be fixed on an ongoing basis in future. However, the impact of the sickness absence is less easily resolved.

Priority Performance			
Q2 2021-22	Q1 2021-22	Q4 2020-21	Q3 2020-21
76%	88%	87%	89%

Non Priority Case Performance		
Q2 2021-22	Q1 2021-22	Q2 2020-21
72%	72%	76%

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



5.9 At the last meeting, members of the Board were provided with a summary of cases outstanding at the end of Quarter One of 2020/21. The tables below update these to 30 September 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 Q2	Volumes of cases pending (awaiting external parties) End Q1	Variance to prior reporting period	Volumes of cases pending (awaiting external parties) End Q2 (20/21)
Priority				
Retirements	176	186	(10)	241
Deaths	216	196	20	211
Non Priority				
New Joiners	97	110	(13)	78
Deferreds	4170	3558	612	3131
Refunds	12	14	(2)	218
Transfers In	478	439	39	380
Transfers Out	207	250	(43)	206
Divorce	52	43	9	38
General enquiries	74	86	(12)	79
Estimates	1517	1254	263	901
Aggregations	501	525	(24)	463
Unprocessed Leavers	2691	2116	575	1352

Case Type	Volumes of cases to be processed/in processing End Q2	Number of active cases currently outside KPI measures	Volumes of cases to be processed/in processing End Q1	Variance to prior reporting period	Volumes of cases to be processed/in processing End Q2 (20/21)
Priority					
Retirements	79	31	48	31	65
Deaths	97	31	50	47	44
Non Priority					
New Joiners	73	33	99	(26)	793
Deferreds	396	245	520	(124)	774
Refunds	14	5	11	3	459
Transfers In	195	126	115	80	147
Transfers Out	132	68	67	65	115
Divorce	26	17	25	1	13
General enquiries	198	83	61	137	77
Estimates	560	343	246	314	234
Aggregations	4408	4019	3397	1011	3407
Unprocessed Leavers	2922	2792	2592	330	2507

5.10 At a previous 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 using 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 3 with the Board. For aggregations, a complete review is being undertaken of the functionality of the aggregations process intended to target an improvement in the volumes of cases which have remained outstanding for some time.

Statutory Disclosure Reporting

- 5.11 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 2 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 terms this data shows high levels of compliance in areas that SYPA can control. This does give us some pointers as to areas where further engagement with, and training for, employers could be beneficial.

Employer Performance

- 5.12 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
June 2021(due July)	533	531	2	99%	36
July 2021 (due Aug)	533	531	2	99%	2
August 2021 (due Sept)	530	527	3	99%	28

- 5.13 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.
- 5.14 For the June returns, one missing month for a submission in respect of one academy from Capita accounts for 35 of the 36 members. For the August returns, 27 out of the 28 members are also in respect of missing returns from Capita. Both issues are being addressed with the payroll provider – see next section.

Individual query employer reporting

- 5.15 Last year we started 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.

- 5.16 The Board previously requested that the reporting be updated to reflect the actual performance of key employers and payroll providers for each quarter so that the trends could be more effectively monitored. **Appendix B** therefore shows the performance in recent quarters for the employers or payroll providers with the highest volumes of queries. Since the last Board report, the reporting on these employers has been refined to remove any previous duplication so Appendix B represents a more accurate summary of the individual cases outstanding.
- 5.17 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). There has unfortunately been a reduction in the levels of responsiveness from Rotherham payroll services over the quarter which we understand is a result of resourcing pressures. Positive engagement has continued with senior HR representatives over the last quarter and further meetings to discuss proposals for reducing the volume of outstanding cases are taking place this month.
- 5.18 Following the refining of the reporting, two payroll providers (Capita and EPM) now appear on the list of employers/providers with high volumes of queries outstanding. The Head of Pensions Administration and representatives from the Engagement team recently met with Capita to discuss an improvement plan for the outstanding queries (as well as the outstanding returns referenced in 5.14 above) and progress will be monitored and escalated as appropriate. Similar discussions will be taking place with EPM in Quarter 3.
- 5.19 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. It would normally be expected that Sheffield CC as by some margin the largest employer would have more queries. However, following our earlier engagement Sheffield CC have now devoted significant resources to resolve the volumes of outstanding queries and their very positive progress in reducing the numbers of queries outstanding should be noted.

Contribution Payments

- 5.20 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.
- 5.21 The tables below show 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.

	May 21	Jun 21	Jul 21
Employers Paid by Direct Debit	493	493	494
Employers Paid on time by BACS	38	37	35
Payment received late by BACS (see 5.22)	0	0	0
Payment outstanding (see 5.23)	4	4	4

5.22 As can be noted, the previous issues with employers showing as paying late by BACS have now been resolved and payments have been submitted on time since April.

5.23 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. For context, there are less than ten members in total across the four employers, so the amounts are not significant.

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 May 2021, June 2021 and July 2021 who provided an email address.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	69%
Satisfied	23%
Dissatisfied	6%
Very Dissatisfied	2%
Total Number of Respondents	91 out of 524 issued

5.25 The percentage of members in the green category has increased slightly to over 90%. As reported previously, a common theme has been delays in the retirement process caused by employers. As mentioned previously, the Head of Pensions Administration is chairing a working group specifically to investigate ways in which we can improve information flows between employers and SYPA when an individual signals their intention to retire.

5.26 To provide some further transparency on retirement feedback, we have as a one-off exercise at **Appendix C** included an extract of all the comments received from members in this quarter as part of the survey. For ease, these have been broadly categorised into positive and negative comments.

Scheme Member Engagement – Customer Centre

5.27 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 continues to be positive overall. An electronic survey was issued

to 3,541 members with an email address who had reason to contact us by phone over the months of May, June and July 2021 to ask about their experience of our service delivery and for ideas on service improvements. The results of the survey are shown below.

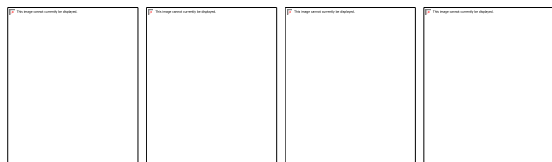
Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	65%
Satisfied	28%
Dissatisfied	5%
Very Dissatisfied	2%
Total Number of Respondents	451 out of 3,541

The 7% who were dissatisfied represented 31 individuals which is a reduction of 50% compared with Quarter One. As have been provided this Quarter for the Retirement Survey, actual comments made in response to the survey sent to members who had spoken to our Customer Centre can be made available if members feel that would be beneficial.

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 May, June and July 2021 is shown below. The 14% who were dissatisfied represents 6 members and, although not all members left comments, there were three who suggested that live chat wasn't working, and they were cut off. It is likely that these were internet connectivity issues rather than any problems with the functionality of the Live Chat facility itself.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied – (Great)	57%
Satisfied – (Good)	29%
Dissatisfied – (Bad)	5%
Very Dissatisfied – (Poor)	9%
Total Number of Respondents	42 out of 128 chats started

5.28 Email is an important channel for many of our members and, since October 2020, we have been monitoring customer satisfaction levels with our email responses by embedding “click face” surveys into our email signatures (see example below).



The table below shows the overall satisfaction levels for May, June and July 2021.

Q. Overall, how satisfied are you with the service you receive from us?	
Excellent	77%
Good	12%
Ok	3%
Poor	8% (8 members)
Total Number of Respondents	100 out of 2,258 emails sent

Again, not all members provided further information, but we do follow up with those members who leave contact information. One dissatisfied member said that using electronic communication is, by its very nature, difficult for pension age people to understand. Although it is the case that we encourage electronic communication where at all possible, we do continue to provide paper communications on request.

Scheme Member Engagement – online portal

- 5.29 In that context, we continue 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 April 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.

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. We previously agreed to continue to keep members updated on the 2021 exercise which was due to be completed by the statutory deadline of 31 August. 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 were allocated to this task in preparation for the production of the ABSs in Quarter Two and all files were fully processed up to the end of March 2021 to support the production process.
- 5.32 This had enabled the production of ABS's for active members to commence in Quarter One and it means that SYPA was able to 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. The Statutory Disclosure report (Appendix A) confirms that we were able to issue 99.7% of statements to active members and 100% of statements to deferred members by the deadline of 31 August this year. Of the remaining 0.3% of active members, these are mainly members who have likely left employment, but we have not received a leaver notification and, therefore the percentage of statements completed is even closer to 100%. A handful of members had outstanding queries with employers and these continue to be pursued so that accurate statements can be issued.

5.33 As part of the production of the ABS's this year, we did identify a number of miscellaneous data issues that needed to be resolved to ensure accurate statements could be issued to scheme members. These data issues were all corrected during the production process in order to meet the 31 August deadline, but this did cause a (short term) drain on resources from the case processing teams which impacted overall case performance this quarter. A lessons learnt exercise is taking place to understand the root cause of the data issues that were highlighted during the ABS production process so that these issues can be resolved on an ongoing basis. The ABS working group will then continue in place throughout the year ahead of the 2022 exercise so that the peak drain on case processing resource can be avoided in future.

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