

<b>Subject</b>	<b>Quarterly Administration Update</b>	<b>Status</b>	For Publication
<b>Report to</b>	Local Pension Board	<b>Date</b>	27 January 2022
<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 2021 to 31 December 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 3. There was just one joiner, the Support and Engagement Team Manager, which means that all management vacancies in the service have now been filled. The two Pensions Officers who left SYPA had both joined in the last couple of years and had been offered better paid roles in the private sector. Recruitment to replace these roles has already been completed with new staff set to join during Quarter 4.

<b>Starters</b>	<b>Comments</b>
Support and Engagement Team Manager	
<b>Leavers</b>	
2 x Pensions Officers	Resignations
Customer Services Assistant	End of temporary contract – covering apprenticeship vacancy.
<b>Vacancies in Administration</b>	
Apprentice x 1	Offer of employment made.
Communications Officer	Recruitment expected Q4 now.
Training Officer (secondment)	No applications received. To be advertised externally at end of Jan 2022.
Pensions Officers (Approx 4 FTE)	Recruitment complete – start dates in Q4.

- 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. Overall, sickness absence has reduced this quarter, though the incidence of short-term absence still increased. Of the 3.84 (annualised) days of short-term absence, one third of this absence was directly related to staff contracting Covid.

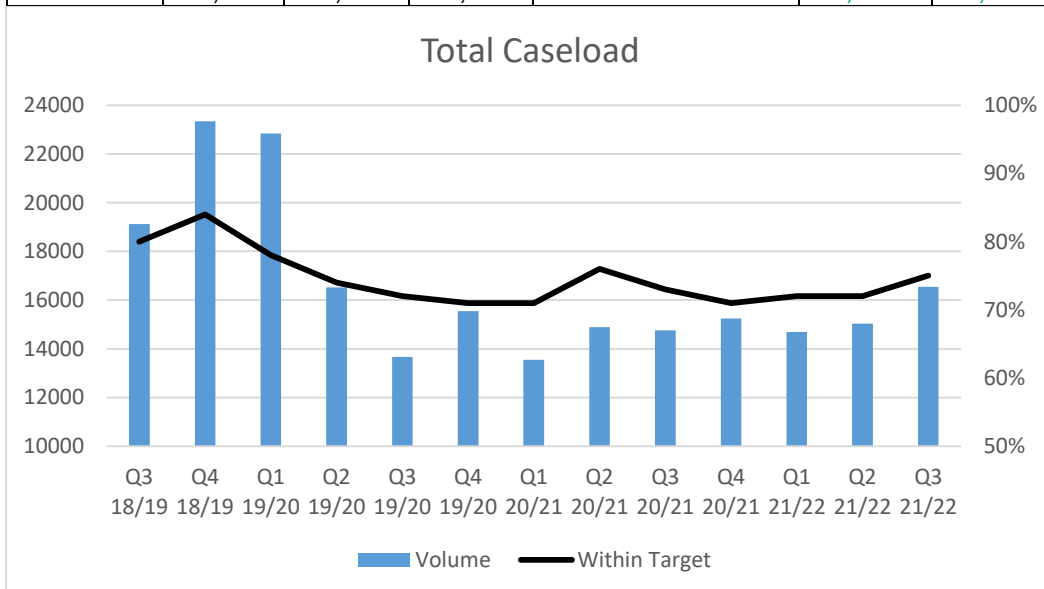
5.5 The incidence of long-term absence has reduced significantly as all staff who were previously absent long-term returned to work during the quarter, mainly on phased returns in line with our Attendance Management arrangements.

Average Days per FTE (Admin Service only)	Q3 2021-22 Annualised	Q2 2021-22 Annualised	Q1 2021-22 Annualised	2020-21	2019/20	2018/19
Short-Term	3.84	3.32	2.3	1.5	3.14	2.53
Long-Term	2.43	12.2	2.4	3	4.71	11.23
Total	6.27	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 previous year for comparison.

Category	Volumes			Variance to Comparators	
	Q3 Previous Year	Q2 2021-22	Q3 2021-22	To Q3 Previous Year	To Q2 2021-22
Priority	1,620	1,369	1,509	(111)	140
Non-Priority	13,139	13,661	15,031	1,892	1370
Overall	14,759	15,030	16,540	1,781	1,510

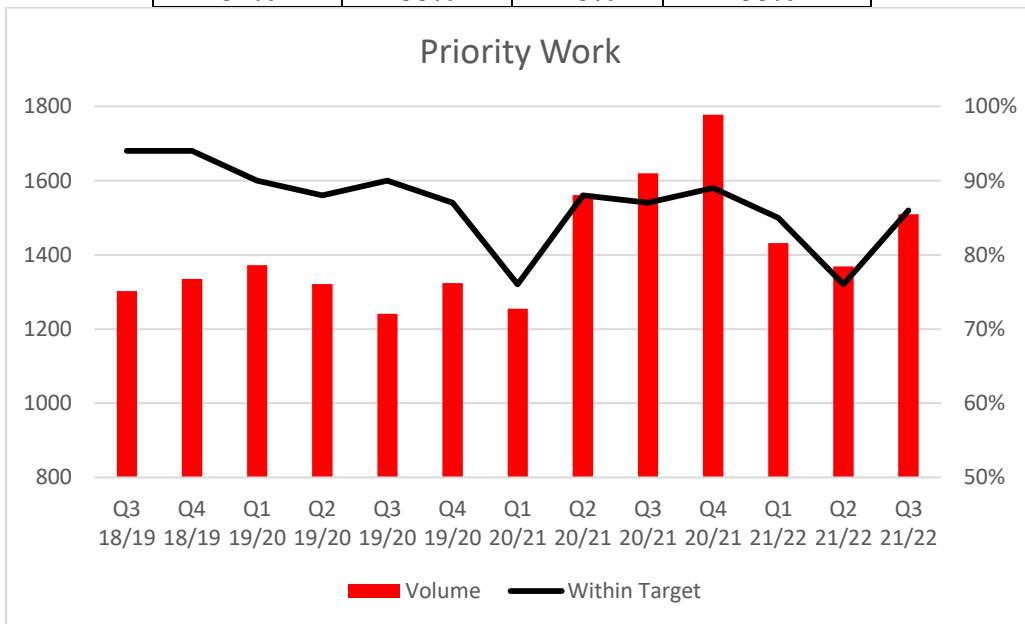


Overall case volumes completed in the Quarter have increased when compared to the previous quarter. This is mainly due to:-

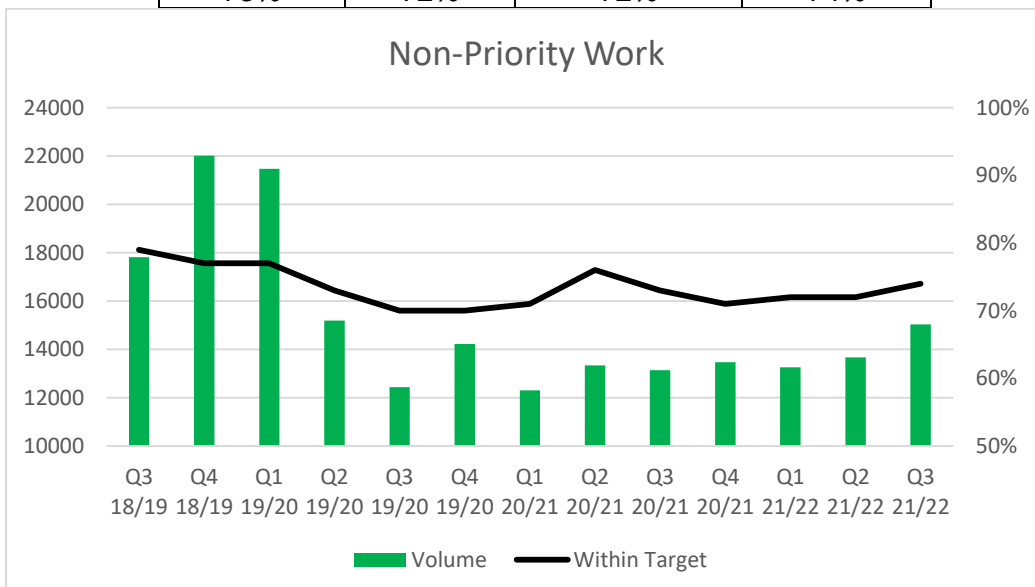
- i) The reduced level of long-term sickness absence in the quarter with experienced senior Pensions Officers returning to work on a phased basis;
- ii) Increased focus on case work as resources were not diverted to assist with the Annual Benefit Statements exercise as had been the case in Quarter 2

The following tables highlight the levels of performance for both priority and non-priority casework in terms of our service standards which have improved for the same reasons.

Priority Performance			
Q3 Previous Year	Q1 2021-22	Q2 2021-22	Q3 2021-22
87%	88%	76%	86%



Non Priority Case Performance			
Q3 Previous Year	Q1 2021-22	Q2 2021-22	Q3 2021-22
73%	72%	72%	74%



- 5.7 The improvement in performance may also have been influenced by the fact that staff were able to return to the office for part of their working week for some of Quarter 3. Of course, any benefit from this was short-lived due to the current restrictions but hopefully a return for at least part of Quarter 4 will prove to be beneficial in performance terms.
- 5.8 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 Two in the main, though processing of retirements has recovered for the reasons stated in Section 5.6.

Case Type	Target Days	Q3 Previous Year Volume	Q3 Prev Yr % on time	Q2 21-22 Volume	Q2 21-22 % on time	Q3 21-22 Volume	Q3 21-22 % on time	Comment
Priority								
Retirements	5	837	76%	659	70%	799	76%	See 5.8
Deaths - Acknowledge	5	340	99%	224	93%	306	95%	
Deaths - Payment	5	443	98%	302	98%	404	99%	
Non Priority								
New Joiners	5	3206	74%	1864	98%	3315	99%	
Deferreds	20	676	42%	1079	71%	926	71%	
Refunds	9	109	94%	167	90%	168	88%	
Transfers In	7	364	58%	222	53%	299	54%	
Transfers Out	5	306	74%	285	70%	353	72%	
Divorce	5	74	77%	90	78%	99	74%	
General enquiries	5	908	91%	1026	89%	1034	90%	
Estimates	5	1596	79%	1795	76%	1892	75%	
Aggregations	20	1384	54%	907	43%	1255	47%	See 5.10

- 5.9 At the last meeting, members of the Board were provided with a summary of cases outstanding at the end of Quarter Two of 2021/22. The tables below update these to 31 December 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 Q3 Prev Year	Volumes of cases pending (awaiting external parties) End Q2 current year	Volumes of cases pending (awaiting external parties) End Q3 current year	Variance to prior reporting period
Priority				
Retirements	199	176	159	(17)
Deaths	227	216	311	95
Non Priority				
New Joiners	292	97	103	6
Deferreds	3,328	4,170	4,569	399
Refunds	10	12	10	(2)
Transfers In	325	478	494	16
Transfers Out	200	207	218	11
Divorce	33	52	47	(5)
General enquiries	86	74	78	4
Estimates	1,063	1,517	1,506	(9)
Aggregations	448	501	824	323
Leavers to process	1,643	2,691	2,871	180

Case Type	Volumes of cases to be processed/in processing End Q3 prev year	Volumes of cases to be processed/in processing End Q2 2021-22	Volumes of cases to be processed/in processing End Q3 2021-22	Variance to prior reporting period	Number of active cases currently outside KPI measures
Priority					
Retirements	48	79	20	(59)	2
Deaths	83	97	50	(47)	5
Non Priority					
New Joiners	724	73	276	203	8
Deferreds	478	396	419	23	290
Refunds	16	14	12	(2)	6
Transfers In	202	195	156	(39)	94
Transfers Out	125	132	70	(62)	31
Divorce	14	26	6	(20)	1
General enquiries	72	198	51	(147)	28
Estimates	392	560	434	(126)	341
Aggregations	3,385	4,408	4,060	(348)	3,554
Unprocessed Leavers	2,557	2,922	2,033	(899)	1,999

- 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 remain as 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 will be completed ahead of the 2022 valuation.
- 5.11 In relation to aggregations, the numbers of outstanding cases have dropped slightly but insufficient progress has been made with eroding this backlog of cases. Therefore, from January 2022, a dedicated project team has been set up within the wider Benefits Team to focus on dealing with specific work areas as opposed to routine case processing and a significant part of their resource time will be dedicated to processing aggregations. It is anticipated this will lead to a further reduction in outstanding cases for Quarter 4.

#### *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 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*

- 5.13 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
Sept 2021(due Oct)	533	531	2	> 99%	2
Oct 2021 (due Nov)	533	531	2	>99%	2
Nov 2021 (due Dec)	533	531	2	>99%	2

- 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 two employers yet to submit returns are in respect of recent admission agreements where an academy trust has entered into a service contract with a provider and in each case there is a single member covered by the admission agreement. These are being pursued with the relevant provider, and interest will be charged if appropriate, but the amounts involved are minimal.

### *Individual query employer reporting*

- 5.16 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.
- 5.17 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.
- 5.18 Members will note that the trend analysis does clearly indicate some progress has been made with the volumes of outstanding queries for Rotherham and Doncaster Councils (both administered by Rotherham payroll services). Monitoring meetings have continued to be held fortnightly with Rotherham payroll services throughout the quarter and additional

resources have been allocated by Rotherham payroll to continue their commitment to reducing the outstanding volumes. All high priority queries are now being turned round within agreed timescales and work has commenced on reducing the volumes of standard queries outstanding.

- 5.19 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. Both organisations have recently undergone a number of personnel changes which have caused operational difficulties at their end and the Head of Pensions Administration and representatives from the Engagement team are continuing to liaise with the new contacts provided to ensure they understand their statutory responsibilities and to provide any training/support required.
- 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. 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 continued positive progress in reducing the numbers of queries outstanding 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. The tables below show the status of payments in respect of contributions due for the latest available 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 (due Oct)	Oct 21 (due Nov)	Nov 21 (due Dec)
Employers Paid by Direct Debit	497	498	498
Employers Paid on time by BACS	34	33	16
<b>New</b> Employers late by Direct Debit (see 5.22)	3	3	4
Payment received late by BACS (see 5.22)	1	0	17
Payment outstanding (see 5.13 and 5.23)	2	2	2



- 5.22 Three new employers were late in setting up Direct Debit mandates so arrears were recovered in the monthly collection in January 2022. These will be collected on time in future months. The 17 employers showing as paying late in November 2021 actually relate to one service provider (with multiple contracts) who actually paid one day late for the first time this year.
- 5.23 The payments outstanding both relate to the two **new bodies** who have not yet submitted their monthly data files (see section 5.13 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 if appropriate but there are only two scheme members in total so this may be negligible.

*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 August 2021, September 2021 and October 2021 who provided an email address.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	53%
Satisfied	39%
Dissatisfied	5%
Very Dissatisfied	3%
Total Number of Respondents	137 <u>out of 597 issued</u>

- 5.25 The percentage of members in the green category remains slightly over 90%. The number of members who were dissatisfied was eleven. Of the comments received, one member wanted the online portal to be more user friendly and to provide more assistance in navigating. This will be further developed over the next few months as we introduce the ability to retire online. The remaining comments focused on delays with employers and this will be picked up by the working group set up specifically 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*

- 5.26 Members of the Board will be aware that the Customer Centre exists to provide a single point of contact for scheme members and employers. Feedback for the Customer Centre continues to be reasonably positive overall, though satisfaction levels have dropped this quarter. An electronic survey was issued to 3,534 members with an email address who had contacted us by phone over the months of August, September and October 2021 to ask about their experience of our service delivery and for ideas on service improvements.

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	<b>451 out of 3,541</b>

The 13% who were dissatisfied represented 64 individuals which is an increase on the 7% from the previous quarter. **Appendix C** shows the comments that were noted and this is commented on further in Section 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 August, September and October 2021 is shown below. The 3% who were dissatisfied actually represents just 1 member who didn't provide any further feedback so it seems members are generally content with the operation of the Live Chat facility.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied – (Great)	70%
Satisfied – (Good)	27%
Dissatisfied – (Bad)	0%
Very Dissatisfied – (Poor)	3%
Total Number of Respondents	37 out of 105 chats started

5.27 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 August, September and October 2021.

Q. Overall, how satisfied are you with the service you receive from us?	
Excellent	68%
Good	9%
Ok	3%
Poor	20% (13 members)
Total Number of Respondents	66 out of 986 emails sent

As with the telephony survey, the ratings have also fallen in this area, with those members not satisfied increasing from 8% to 20% (though only from 8 respondents to 13 in number). **Appendix C** provides details of comments made by those who were not satisfied. Although there do not appear to be any specific themes, there is some concern that the reduction in ratings received through both the telephony and email surveys *could be* indicative of a reduction in service levels. There has been no

significant change in personnel within the Customer Centre and the Customer Services Manager will be monitoring future responses to identify any additional training/support required. The introduction of a new telephony system in December 2021 does provide access to improved technology to assist both Customer Services staff and the management team in improving the service to scheme members.

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

- 5.28 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 July 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.

#### *Employer Engagement – satisfaction survey*

- 5.30 As previously mentioned, a satisfaction survey was issued to all **employers** in the fund shortly before Xmas. The survey also asks for comments on how the service to employers can be improved. At the time of producing this report, less than twenty responses had been received so a reminder has been issued to all employers and the full results will be shared with the Board in the next quarterly report.

#### *Annual Benefit Statements (ABS) and the triennial valuation*

- 5.31 Preparations have already commenced ahead of the 2022 exercise to ensure all members receive their ABS ahead of the statutory deadline of 31 August 2022. As 2022 is a triennial valuation and the new fund actuary will require details of all liabilities as at 31 March 2022, the ABS project team is working to a current plan for ABS's to be produced over a two month period between 1 May 2022 and 30 June 2022, two months ahead of the deadline. Members will be kept updated on the progress of the ABS production process over the next six months.

#### *Update on Pensions Administration System*

- 5.32 At the last meeting, the Board were provided with a gap analysis which had been carried out internally to identify shortfalls in the pensions administration system functionality ahead of the commitment to enter into a new contract with the system provider, Civica, in February 2022. The gap analysis has been passed to Civica and representatives from the SYPA Senior Management Team met with Civica before Xmas to discuss the next steps. Civica have now agreed in principle that a commitment to resolving the issues identified (including details of the actions required and appropriate timescales for resolution) will form part of the requirements under the new service contract. At the time of producing this report, Civica's technical team were still reviewing the gap analysis and the improvement plan will therefore be shared with the Board at the next meeting once it becomes available.

## **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>