

Subject	Quarterly Administration Update	Status	For Publication
Report to	Local Pension Board	Date	28 April 2022
Report of	Head of Pensions Administration		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jason Bailey	Phone	01226 772954
E Mail	JBailey@sypa.org.uk		

1 Purpose of the Report

- 1.1 To update Members on administration performance and issues for the period from 1 January 2022 to 31 March 2022
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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. On the positive side, the largest administration team (the Benefits Team) now has a full complement of Pensions Officers (pending one Pensions Officer with a start date to be agreed). In Quarter four though SYPA lost two long standing and experienced officers – both of whom have moved to better paid and more senior positions externally and have perhaps benefited from the widescale changes that the industry has seen in terms of more flexible working. The role profiles for the vacancies created by these departures have been refreshed after consultation and are being advertised in April 2022.

Starters	Comments
2 x Pensions Officers	Entry Level
Leavers	
Senior Systems Officer	Resignation – external promotion
Technical and Training Officer	Resignation – external promotion
Vacancies in Administration	
Apprentice x 1	Interview due.
Communications Officer	Recruitment expected Q1 now.
Training Officer (secondment)	Post converted to Pensions Technical Specialist. To be advertised April 2022.
Technical and Training Officer	Post converted to Pensions Technical Specialist. To be advertised April 2022.
Senior Systems Officer	Vacancy from leaver above. Advertised in April 2022.
Senior Practitioner	Internal interviews imminent.

- 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 two previous full years for reference. Overall, sickness absence has increased this quarter, though the incidence of short-term absence has decreased slightly. Of the 3.6 (annualised) days of short-term absence, one fifth of this absence was directly related to staff contracting Covid which is a reduction compared with the previous quarter (where one third was Covid related).

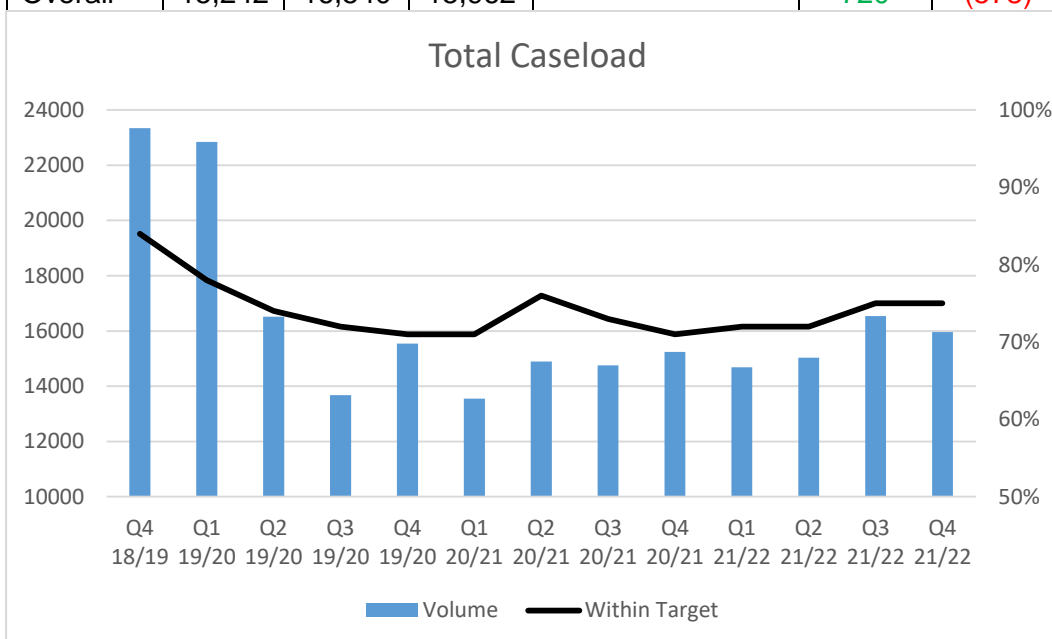
5.5 The incidence of long-term absence has increased because of two staff reaching the long-term trigger during the quarter. Both staff have now returned to work, one on a phased return in line with our Attendance Management arrangements.

Average Days per FTE (Admin Service only)	Q4 2021-22 Annualised	Q3 2021-22 Annualised	Q2 2021-22 Annualised	Q1 2021-22 Annualised	2020-21	2019/20
Short-Term	3.6	3.84	3.32	2.3	1.5	3.14
Long-Term	4.88	2.43	12.2	2.4	3	4.71
Total	8.48	6.27	15.52	4.7	4.5	7.85

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.

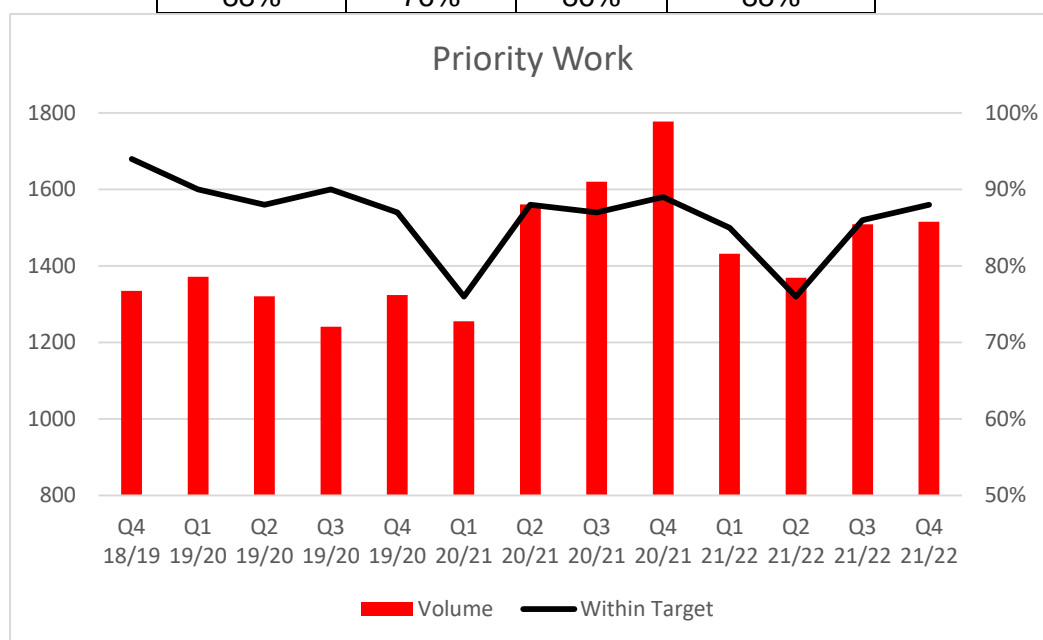
Category	Volumes			Variance to Comparators	
	Q4 Previous Year	Q3 2021-22	Q4 2021-22	To Q4 Previous Year	To Q3 2021-22
Priority	1,778	1,509	1,516	(262)	7
Non-Priority	13,464	15,031	14,446	982	(585)
Overall	15,242	16,540	15,962	720	(578)



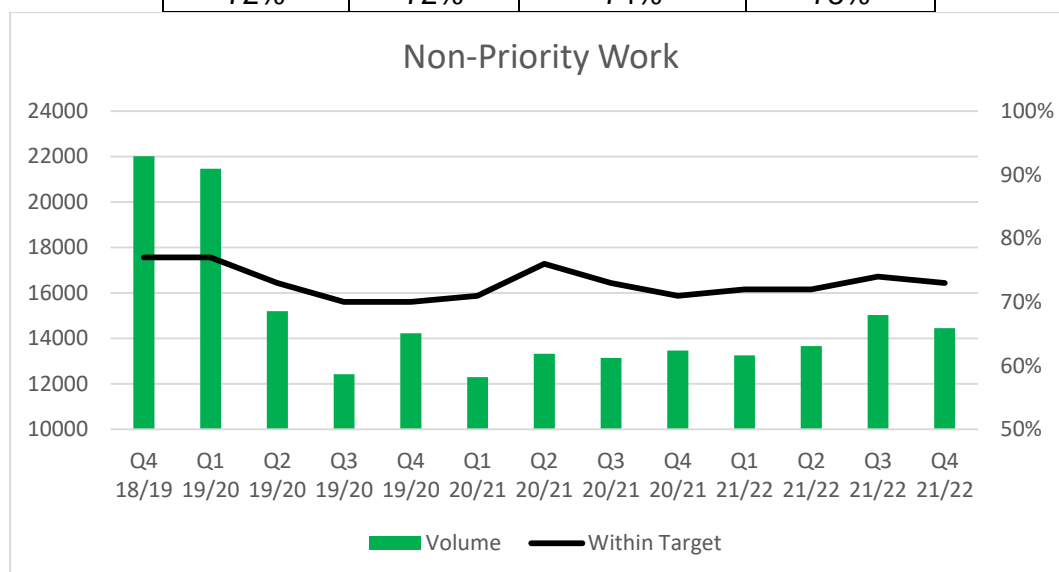
Overall case volumes completed in the Quarter dropped slightly compared with the previous quarter but this is likely due to a loss of processing time in March whilst the running of the 2022 Pensions Increase was undertaken. The overall volumes still comparable favourably with the volumes from the same quarter a year ago.

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

Priority Performance			
Q1 2021-22	Q2 2021-22	Q3 2021-22	Q4 2021-22
88%	76%	86%	88%



Non-Priority Case Performance			2021/22
Q1	Q2	Q3	Q4
72%	72%	74%	73%



5.7 Staff returned to the office again for part of the working week in Quarter 4. Because there were a number of other contributory factors, it is too early to reflect on whether, as is hoped, this is likely to have a positive impact on case processing productivity but this will be monitored going forward.

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

Case Type	Target Days	Q4 Previous Year Volume	Q4 Prev Yr % on time	Q3 21-22 Volume	Q3 21-22 % on time	Q4 21-22 Volume	Q4 21-22 % on time	Comment
Priority								
Retirements	5	825	77%	799	76%	742	79%	
Deaths - Acknowledge	5	408	98%	306	95%	311	94%	
Deaths - Payment	5	545	99%	404	99%	463	99%	
Non Priority								
New Joiners	5	3090	63%	3315	99%	2244	89%	
Deferreds	20	663	61%	926	71%	1037	70%	
Refunds	9	108	82%	168	88%	153	95%	
Transfers In	7	311	58%	299	54%	384	47%	
Transfers Out	5	343	78%	353	72%	338	74%	
Divorce	5	85	79%	99	74%	127	82%	
General enquiries	5	896	90%	1034	90%	1008	91%	
Estimates	5	1695	80%	1892	75%	2048	82%	
Aggregations	20	1789	71%	1255	47%	1350	51%	See 5.11

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 Q4 Prev Year	Volumes of cases pending (awaiting external parties) End Q3 current year	Volumes of cases pending (awaiting external parties) End Q4 current year	Variance to prior reporting period
Priority				
Retirements	188	159	210	51
Deaths	223	311	283	(28)
Non Priority				
New Joiners	185	103	62	(41)
Deferreds	3,307	4,569	4,768	199
Refunds	11	10	15	5
Transfers In	398	494	600	106
Transfers Out	204	218	237	19
Divorce	37	47	35	(12)
General enquiries	100	78	53	(25)
Estimates	1,156	1,506	1,204	(302)
Aggregations	480	824	826	2
Leavers to process	1,844	2,871	2,780	(91)

Case Type	Volumes of cases to be processed/in processing End Q4 prev year	Volumes of cases to be processed/in processing End Q3 2021-22	Volumes of cases to be processed/in processing End Q4 2021-22	Variance to prior reporting period	Number of active cases currently outside KPI measures
Priority					
Retirements	53	20	186	132	54
Deaths	43	50	130	80	60
Non Priority					
New Joiners	159	276	53	(223)	18
Deferreds	540	419	550	176	374
Refunds	23	12	12	-	3
Transfers In	154	156	142	(14)	83
Transfers Out	100	70	78	8	24
Divorce	25	6	7	1	2
General enquiries	72	51	87	36	29
Estimates	401	434	390	(44)	215
Aggregations	3,299	4,060	3,847	(213)	3,567
Unprocessed Leavers	2,922	2,033	1,089	(944)	1,003

- 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. In the meantime, additional resources have already been devoted to bringing down the numbers outstanding.
- 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. A dedicated project team was recently 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. Although it is too early to identify any material changes at this stage, it is anticipated this will lead to a further reduction in outstanding cases for Quarter One of 2022/23.

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 and **Appendix A** shows the Quarter 4 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. Members should note the addition of the Pension Savings Statements to the table for 2022/23 which is the subject of a separate report.

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
Dec 2021(due Jan)	534	533	1	> 99%	<10
Jan 2022 (due Feb)	539	538	1	>99%	<10
Feb 2022 (due Mar)	537	536	1	>99%	<10

- 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 one employer yet to submit returns is in respect of a recent admission agreement where a multi academy trust has entered into a service contract with a provider and we are meeting the trust's solicitors this month to agree the wording of the admission agreement as the transferred staff were formerly Council employees which has led to some complexities around guarantee arrangements. There are not expected to be any issues with the submissions of the returns once resolved.

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 2008 Scheme Final Pay for leavers (where additional information is required beyond the CARE pay included on the monthly returns); confirmation of hours changes; confirmation of role changes, confirmation of pay for Annual Allowance purposes, 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/payroll providers 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 good progress has been made with the volumes of outstanding queries for Doncaster MBC (administered by Rotherham payroll services) even though outstanding numbers remain high for Rotherham MBC. Monitoring meetings have continued to be held regularly 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 continues 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.

	Dec 21 (due Jan)	Jan 22 (due Feb)	Feb 22 (due Mar)
Employers Paid by Direct Debit	503	509	508
Employers Paid on time by BACS	33	32	32
Payment received late by BACS	0	0	0
Payment outstanding (see 5.15 and 5.22)	1	2	2

5.22 Of the two bodies with payments outstanding, one is the new contract referred to in paragraph 5.15 which is likely to be resolved this month. The second is a new service contract with an existing provider in the fund which commenced on 17 January 2022 (involving 8 staff) and the Support and Engagement Team are working with the employer to ensure all the monthly returns (and contributions) are submitted this month.

Scheme Member Engagement – Customer Satisfaction

5.23 The Authority is always 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 2021, December 2021 and January 2022 who provided an email address.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	60%
Satisfied	35%
Dissatisfied	2%
Very Dissatisfied	3%
Total Number of Respondents	102 out of 537 issued

5.24 The percentage of members in the green category remains over 90% which is encouraging. The number of members who were dissatisfied was five. Of the comments received, two members were impacted by the ongoing delays with the AVC provider (see Breaches report). One member raised some concerns about the ill-health retirement process in general which appear mostly to be issues with the employer’s handling of the case. However, some useful feedback was provided and a review of the documentation issued during the ill-health retirement process will be undertaken as part of a wider review of the existing ill-health arrangements in 2022/23.

Scheme Member Engagement – Customer Centre

5.25 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, with satisfaction levels returning to over 90% this quarter. An electronic survey was issued to 2,951 members with an email address who had contacted us by phone over the months of November, December 2021 and January 2022 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	58%
Satisfied	33%
Dissatisfied	7%
Very Dissatisfied	2%
Total Number of Respondents	396 out of 2,951

The 9% who were dissatisfied represented 38 individuals which is a slight improvement on the last quarter but still higher than we would wish. A number of comments related to online functionality and it is worth noting that during Quarter 4 we launched our *Deferred Retire online* system. Whilst this is only currently available to our deferred members it’s a

step in the right direction to providing members with another means of starting the retirement process and speeding up the information gathering and form filling process. Members who have used our online retirement facility will be contacted for feedback so we can build in any improvements that need to be made.

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 2021, December 2021 and January 2022 is shown below. The 10% who were dissatisfied actually represents two members who didn't provide any further feedback so it seems members are generally content with the operation of the Live Chat facility, albeit it is not currently extensively used.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied – (Great)	76%
Satisfied – (Good)	14%
Dissatisfied – (Bad)	0%
Very Dissatisfied – (Poor)	10%
Total Number of Respondents	21 out of 73 chats started

5.26 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 November, December and January 2022.

Q. Overall, how satisfied are you with the service you receive from us?	
Excellent	58%
Good	32%
Ok	4%
Poor	6% (6 members)
Total Number of Respondents	100 out of 5,242 emails sent

As with the telephony survey, the ratings have increased in this area, with those members not satisfied reducing from 20% to 6% (which is 6 members in total).

Unfortunately the response rates are low and not all members provide further information, however the ones who leave details, we contact separately. The following comments were left by members who had rated the service poor, and all relate to the secure email service Egress Switch. Due to data protection all emails that contain member data are sent securely. A member receiving a secure email is required to set up an account with a user name and password before they can access the email.

- *I was unable to open the message despite downloading the software that was suggested.*
- *Egress. Nightmare to sign into.*
- *I understand the need for privacy but using the Egress system requires a degree in computers. Tried logging in using their instructions and password with 32 characters but still can't access your email. Please just use conventional email to answer my query. Thanks*
- *Your response was encrypted and unreadable in Gmail.*
- *To many security hoops.*

It is difficult to consider a means of improving the use of secure email as there are clear GDPR considerations here. In the main, we do find that scheme members can deal adequately with the demands of secure email.

Scheme Member Engagement – online portal

5.27 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 C** shows the numbers of scheme members who have registered for the portal in the last two years and these numbers are continuing to increase.

5.28 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

5.29 As previously mentioned, a satisfaction survey was issued to all **employers** in the fund shortly before Xmas. The survey also asked for comments on how the service to employers can be improved. A total of 42 responses were received to the survey with an overall satisfaction level of 94%. The feedback from the survey was presented at the virtual Employers Forum that was held on 2 March 2022 and a copy of the presentation is included at Appendix D. The intention is to hold a second Employers Forum later in the year on a more hybrid basis.

Annual Benefit Statements (ABS) and the triennial valuation

5.30 Preparations continue 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 remains on target with the 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. This will also assist with ensuring we meet the timescales for both the submission of the valuation data to the actuary (early July 2022) and the provision of Pension Savings

Statements (September 2022). Members will be kept updated on the progress of the ABS production process over the next few months.

Update on Pensions Administration System

- 5.31 At a previous 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 new software contract with Civica has now been completed and Civica have committed to the Improvement Plan which is summarised at **Appendix E**. As can be seen, Civica have committed to resolving all significant outstanding issues by September 2022. From April 2022 onwards, Civica are being asked to present a monthly progress report of the actions taken to ensure they meet this deadline. Members of the Board will be kept informed of the progress made.

Life Certificate Exercise

- 5.32 One of the tasks performed by the administration service is the completion of a 'life certificate' exercise which is designed to provide assurance that SYPA continues to pay monthly pensions only to those entitled to receive benefits. Whilst we routinely (monthly) screen pensioner records against the GRO register of deaths reported in the UK to minimise any overpayments, this screening process does not identify where pensioners resident overseas may no longer be alive.
- 5.33 Existence checks are therefore carried out annually with our overseas members. A member has the option to either complete a life certificate, which requires a signature from both the member and a witness, or to attend a virtual meeting whereby the member produces proof of identity, such as a passport, in addition to being asked questions about their pension record.
- 5.34 The 2021 process started in July. 52 letters and 486 emails were issued. Should a member fail to respond to our communication, we will suspend their pension. However, suspending a pension is the last resort, before we get to the final stage, we will first issue two reminders and make every effort to contact the member by telephone. The final reminder confirms that failure to respond will result in the pension being suspended. **Appendix F** summarises the current status of the outcomes of the Life Certificate exercise. It should be noted that the fact that it has been necessary to suspend the pension does not necessarily mean the member is no longer alive, they may simply have lost contact with us.

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