

Subject	Quarterly Administration Update	Status	For Publication
Report to	Local Pension Board	Date	3 November 2022
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 2022 to 30 September 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. The Authority has been successful in recruiting to existing vacancies, including a key appointment of a Benefits Team Manager following the incumbent obtaining a promotion externally. The organisational resilience report recently presented to the Staffing and Appointments committee will result in a number of new vacancies over time which will be reported in future updates.

Starters	Comments
1 x Customer Services Officer	Temporary covering maternity leave.
1 x Communications Officer	
3 x Pensions Officers	Entry level.
Leavers	
1 x Pensions Officer	Resignation
1 x Customer Services Officer	Temporary.
1 x Senior Systems Officer	Retirement/resignation
1 x Benefits Team Manager	Resignation
Vacancies in Administration	
1 x Benefits Team Manager	Appointment made – starts October.
1 x Senior Systems Officer	Recruitment underway.
1 x Customer Services Officer	Offer made and checks underway.
1 x Systems Officer	Entry level.

- 5.4 In terms of sickness absence, the table below shows the annualised absence levels for the administration service for the last two quarters and the two previous full years for reference. Overall, sickness absence has increased significantly for both short-term and long-term absence this quarter. Absence for Covid related illness is no longer reported separately, though our records suggest over 50% of the short-term absences were Covid related, with a spike in July.
- 5.5 The incidence of long-term absence mainly represents two staff on long-term absence, both of whom are now on phased returns and are being managed and supported in line

with our Attendance Management arrangements so we would expect a reduction in long-term absence in Quarter 3.

Average Days per FTE (Admin Service only)	2020-21	2021-22	Q4 2021-22 Annualised	Q1 2022-23 Annualised	Q2 2022-23 Annualised
Short-Term	1.5	3.27	3.6	2.92	4.99
Long-Term	3	5.48	4.88	2.8	7.90
Total	4.15	8.74	8.48	5.76	12.89

Case Work Performance

5.6 The reporting of performance will follow shortly as a separate appendix due to temporary staff availability issues.

Statutory Disclosure Reporting

5.7 See 5.6

Employer Performance

5.8 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 previously 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 2022 (due July)	540	540	0	100%	0
July 2022 (due Aug)	540	540	0	100%	0
Aug 2022 (due Sept)	534	533	1	>99%	<5

5.9 Fortunately, the vast majority of employers have continued to provide the monthly returns and this is important 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.

- 5.10 There is one employer with outstanding returns. This is a new multi-academy trust central team with just a couple of members of staff and there are not expected to be any issues with the submissions of the returns once an initial training need is resolved.

Individual query employer reporting

- 5.11 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.
- 5.12 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 A** therefore shows the performance in recent quarters for the employers or payroll providers with the highest volumes of queries.
- 5.13 Members will be aware of ongoing dialogue between SYPA and Rotherham MBC payroll services in relation to the volumes of outstanding queries for employers for whom they provide a payroll support service and Rotherham MBC attended the last Board meeting to report on their improvement plans. It is clear that there has been progress in reducing the outstanding query volumes since the start of the financial year and regular meetings continue to take place between SYPA and Rotherham MBC to ensure they remain focused on delivering against their target of resolving the backlog by 31 March 2023.
- 5.14 Following the refining of the reporting, two payroll providers (Capita and EPM) 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 Support and Engagement Manager and his team are continuing to liaise with the new contacts provided to ensure they understand their statutory responsibilities and to provide any training/support required.
- 5.15 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

- 5.16 Members may recall that SYPA moved to the collection of contributions via Direct Debit from 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.

	Jun 22 (due July)	July 22 (due Aug)	Aug 22 (due Sept)
Employers Paid by Direct Debit	513	504	506
Employers Paid on time by BACS	27	36	27
Payment received late by BACS	0	0	0
Payment outstanding (see 5.17 and 5.10)	0	0	1

5.17 The one body with a payment outstanding is the small new multi-academy trust team with just two members of staff and payment is being collected with the October contribution. Interest will be applied to any late payments where applicable but the amount is likely to be modest as the total payment outstanding relates to just two scheme members in total.

Scheme Member Engagement – Customer Satisfaction

5.18 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 May 2022, June 2022 and July 2022 who provided an email address.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	60%
Satisfied	29%
Dissatisfied	9%
Very Dissatisfied	2%
Total Number of Respondents	105 out of 449 issued

5.19 The percentage of members has dropped below 90% so some further analysis was carried out to identify the root causes. There were 11 members who were dissatisfied and they provided the following comments:-

- They need to respond quicker to messages put on 'My pension'. I messaged on a few occasions, but these were not responded to in a timely manner.
- Took too long, could not upload more than one document at a time.
- Give regular updates if there are issues.
- When I contacted you regarding my underpayment, I was referred to payroll who no longer hold my full employment records. So unfortunately, I lost 2 years of my pension.
- Keep in contact during the process, especially if there are delays. Chase up more quickly anything that might be missing.
- A handout which shows the step by step process of retiring, what you need to do, what letters/documents you can expect to receive and when
- If you are going to take more than month to make payment please tell the people affected
- If you cant answer secure online portal messages within stated time do something about it. I would not have needed to phone 5 times if I got prompt answers via email sort out your online process to allow application online if an AVC is included sort out your portal - it is regularly inaccessible and merely tells me my login is wrong - which it isnt as it works the

next day. Useless service. Even though HMRC issued me with a tax code before you made payment you still used emergency tax. No one has told me when my AVC lump sum will be paid and I doubt they will till it turns up in my bank.

- I had trouble with my AVC - incorrect forms were sent to me, when I queried them I was given incorrect advice over the phone I have been put on an emergency tax code and although the correct one was used in August, it hasn't been applied retrospectively so I'm owed tax. It's not been a great experience

The actions we have taken in response to this, and earlier feedback, are summarised below.

- Whilst we have an action in our work process when a member submits their retirement documents earlier than one month from their retirement date, we don't currently have anything in the process to prompt staff to update members if there is likely to be a delay, for example due to requesting further information from their employer, resulting in benefits being placed on hold. As a result, work is now underway to update the current retirement process. Each time a case is placed on hold members will receive an email update.
- Our current service level agreement for responding to member enquiries is 5 days. Member enquiries submitted through the online portal mypension are dealt with by our Customer Services team who have had various resourcing shortages over the last few months. Alongside resourcing issues, it was discovered that the online confirmation a member receives when submitting a query securely confirmed we aimed to reply within 24 hours. This has now been updated in line with our SLA's and staffing issues are starting to get back on track.
- Tax Codes – Information around tax has appeared on several feedback forms since surveying members, and although we have updated the website and provided more information around tax, we are still receiving comments. After following up on concerns in this area we now understand more about the issues our members are reporting regarding tax and we are working on changing the initial tax code we apply to a member's pension in the absence of a P45 when they first start receiving their pension. Within our retirement claim forms we will ask members about their income in the current tax year. Their reply will determine the tax code we operate until we receive confirmation from the tax office. Operating this method will mean a high number of our members won't pay basic rate tax on their first payment and won't need to spend time contacting the tax office to ensure they receive a tax refund. Given that the average pension from the LGPS is less than 1/12th of the standard personal allowance, we hope this will be a more reasonable approach.

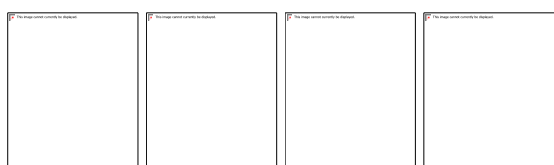
Scheme Member Engagement – Customer Centre

5.20 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 were slightly below 90% this quarter. An electronic survey was issued to 3,662 members with an email address who had contacted us by phone over the months of May, June and July 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	31%
Dissatisfied	7%
Very Dissatisfied	4%
Total Number of Respondents	480 out of 3,662

The 11% who were dissatisfied represented 51 individuals. As many do not leave specific comments it is often difficult to identify any recurring concerns but there are some clear themes that continue to emerge in relation to the accessibility of the online portal as well as some comments around offering face to face appointments. Guidance and prompts have been added to our online portal to assist users and we are also now offering some member sessions both in person and online to help with the registration process, logging on issues and general site navigation. Separately, we have also started to offer face to face appointments at our Oakwell House office for any general support (outside of the portal) that members may need. A full list of the comments received in response to the survey has not been provided as an appendix for this Quarter but can be made readily available if members wish to receive a copy.

5.21 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 2022.

Q. Overall, how satisfied are you with the service you receive from us?	
Excellent	54%
Good	28%
OK	6%
Poor	12% (8 members)
Total Number of Respondents	65 out of 4,594 emails sent

As with the telephony survey, the ratings have dropped slightly below 90% for this quarter. The response rates are relatively low and not all members provide information but we do follow up separately with those who leave contact details. From the information received, a number of members continue to be unhappy with the use of our secure email system (Egress) for sending personal information. Much of this seems to relate to a reluctance to create an Egress account. We will shortly be commencing a project to review the information that is currently being sent via secure email with a view to redirecting as much of this traffic as possible via the portal (albeit we have to recognise that some members would prefer not to use the portal either).

Scheme Member Engagement – online portal

5.22 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. There were a total of **5,065** new registrations in the quarter to the end of September.

5.23 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.

Scheme Member Engagement – New Joiner survey

5.24 As part of our wider engagement with scheme members, we wanted to gain some insight into how members who had recently joined the scheme rated our service. A survey was issued to 701 members who had joined the scheme in May, June and July 22022. The new joiner survey specifically asks about the welcome email/letter, including registration for the online portal. The results of the survey are shown below.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	12.5%
Satisfied	42.5%
Dissatisfied	37.5%
Very Dissatisfied	7.5%
Total Number of Respondents	47 out of 701 emails issued

5.25 The 45% of new joiners who responded who were not satisfied represents 18 members and this is clearly a concern. The following comments were made:-

- I called to check about my membership and was told to wait for the letter.
- Slow in contacting new members.
- Communication is shocking I only hear from you asking about this survey, nothing to do with joining.
- Did not know I was part of the pension scheme had no communication from my employer to let me know and how much will be taken from my income.
- I'd rather receive letters updating me than have to sign into a portal and remember another password.
- Response to emails and follow through could be better.
- It's very over complicated and wordy, nothing very easy to locate.
- Trying to find out how to access the portal is not easy from the website.
- Communication regarding transfers in has been lacking.
- I contacted you by email on 22.7.22, returning my previous pension rights form. I requested that my previous pension held with SYPA (I was previously employed by South Yorkshire Police) be merged with my new RMBC pension. As yet I have received no response.

It is clear that we need to improve our service to members joining the scheme and this will be a project assigned to our Communications Officer who is new in post. Part (and it is recognised only part) of the issue is related to delays in contacting new members and this is a resourcing issue related to the internal processing of monthly data files. Following the outcome of a significant cross team project aimed at improving the processing of monthly data and the associated report on Organisational Resilience and Sustainability recently approved by the Staffing Committee, a new team with expanded line management and resourcing is being created to manage the processing of monthly data files and it is envisaged this will significantly improve the processing times once established.

Annual Benefit Statements (ABS) and the triennial valuation

- 5.26 Members will be aware 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 had initially intended to issue the ABS's over a two month period between 1 May 2022 and 30 June 2022, two months ahead of the deadline. This was intended to assist with ensuring we met the timescales for both the submission of the valuation data to the actuary (end of July 2022) and the provision of Pension Savings Statements (October 2022).
- 5.27 In the last report, we updated members that we had successfully prepared statements for all deferred members but unfortunately Civica somewhat unexpectedly issued significant systems upgrade which needed to be tested and installed before the ABS production process for active members could commence. This upgrade contained a significant number of long-standing fixes and required extensive testing which delayed the original plan to have completed all statements by the end of June. In the event Civica delivered a system fix outside of the upgrade (due to the volumes of issues identified with the upgrade) which enabled production of the ABS's for active members and the exercise was successfully completed ahead of the 31 August 2022 deadline. The total number of active member statements issued by 31 August was 46,942 which was well over 99% of the eligible membership.
- 5.28 Separate to this, the data quality checks and corrections to enable the valuation data to be submitted to the actuary had been ongoing with the Projects Team for some time and we were able to provide the data to the actuary in accordance with the agreed timelines. Provisional fund level and individual employer level results have been partially received from the actuary and the queries on individual employer cases are currently being worked through. It is now envisaged we will be offering results sessions with groups of employers in November.

Administration System update

- 5.29 Members will recall that SYPA had entered into a new software contract with the system provider, Civica, in February 2022. Part of the new contract was the inclusion of an Improvement Plan in which Civica were committed to completing a range of service improvements by 30 September 2022. The latest summary against the Improvement Plan provided by Civica is attached at **Appendix B** and demonstrates that there are still a number of shortfalls in system performance. SYPA continues to engage with Civica on these issues but is currently considering a range of options for future provision to be presented to the Authority in February 2023.

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