

Agenda Item

Subject	Quarterly Administration Update Quarter 1 2023-24	Status	For Publication	
Report to	Local Pension Board	Date	10/08/23	
Report of	Interim Assistant Director - Pensions			
Equality Impact Assessment	Not Required	Attached	N/a	
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1 Purpose of the Report

- 1.1 To update Members on administration performance and issues for the period from 1st April 2023 to 30th June 2023.

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. **Note the on-going review of service level standards**

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.

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 (South Yorkshire Pension Authority) 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 in question for the most recently completed quarter. A review of the format and presentation of all performance reporting across the organisation is on-going and future reports will evolve to reflect the changes brought about by this review. Relevant Service Managers will be present at the meeting in order to answer any questions members may have.

Staffing

- 5.2 The following table is a summary of joiners and leavers for the administration service over the last three months.

Starters	Comments
Pensions Systems Officer x 2	1 Internal appointment
Pensions Officer x 4	1 External appointment 2 External appointments
Customer Services Officer x 2	2 Internal appointments
Business Support Officer – Customer Services	External appointments External appointment
Leavers	
Assistant Director - Pensions	
Vacancies in Administration	
Business Support Apprentice – Customer Services	Internal appointment to Pensions Systems Officer
Assistant Director - Pensions	Interviews in hand
Service Manager - Support & Engagement	Position not filled
Senior Systems Officer x 2	Positions not filled

- 5.3 The above table reflects the considerable degree of on-going recruitment activity which has been taking place following the Organisational Resilience Review completed in the autumn. This has resulted in several internal promotions which have created consequential vacancies which have now been filled. The on-going challenge of recruiting into the more senior, skilled positions remains an area of concern
- 5.4 The vacant role of Assistant Director – Pensions is not included above as it forms part of the Senior Management Team. However we are currently in the final stages of the selection process and are confident that a suitable candidate will be appointed.
- 5.5 The level of Pensions Officer recruitment over the last 18 months or so does leave us with an imbalance of staff across the career grade. This places additional pressure on those staff at the top of the career grade. It must be accepted that our ability to

influence this position in the short term is limited as it is likely to be counterproductive to progress people through the career grade too quickly. It is also the fact that the ability to recruit externally into these roles is very limited. That does not mean that the pressure on this group is not a concern, and it is something that we will be keeping under review and seeking to mitigate over the coming months.

Sickness absence

- 5.6 In terms of sickness absence, the table below shows the annualised absence levels for the administration service for the last three years and Q1 of the current year.

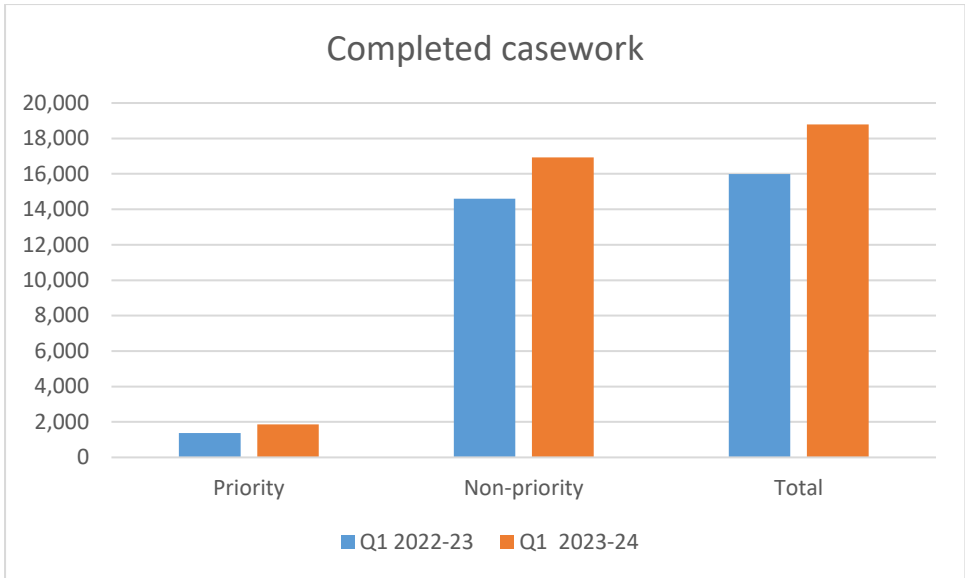
Average Days per FTE (Admin Service only)	2020-21	2021-22	2022-23	2023-24 Q1
Short-Term	1.50	3.27	3.76	0.79
Long-Term	3.00	5.48	3.72	1.01
Total	4.50	8.75	7.48	1.58

- 5.7 Based on the reported levels for Q1, the trending lower level of sickness than in the previous year is again encouraging progress.

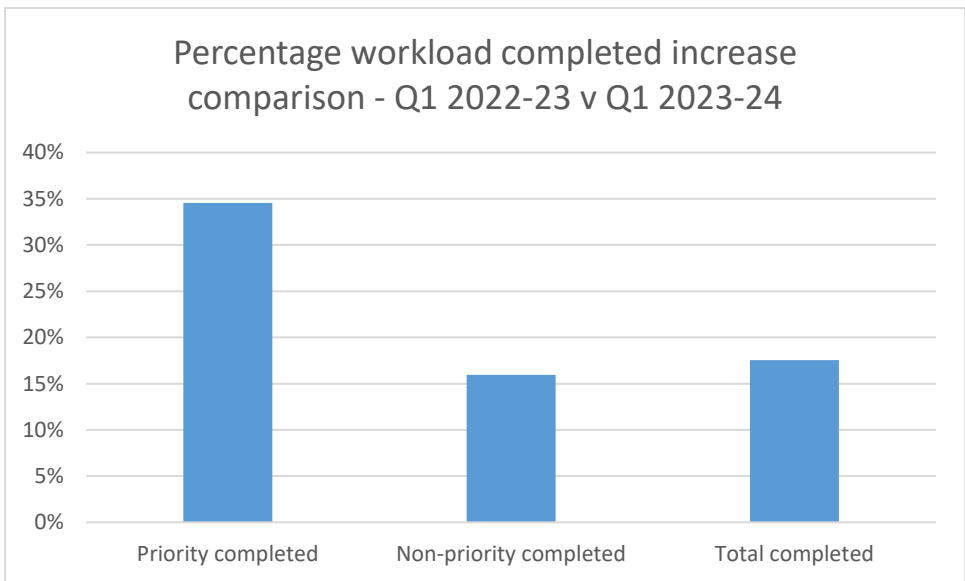
Benefits processing

Casework performance

- 5.8 As discussed at the last meeting of the Board, the coverage of casework performance has been revised (and will continue to be revised) as part of an on-going review to provide more relevant, “at-a-glance” analysis of casework processing performance.
- 5.9 Given that casework workloads follow an annual ebb and flow, quarter by quarter comparisons are of limited value. In addition, fluctuations in caseload volumes from quarter to quarter have to be managed against a static headcount (i.e. we cannot easily flex resources up and down in response to volume changes). Therefore the first change is to compare recent quarterly performance with the corresponding quarter in the previous reporting period, which is set out below:

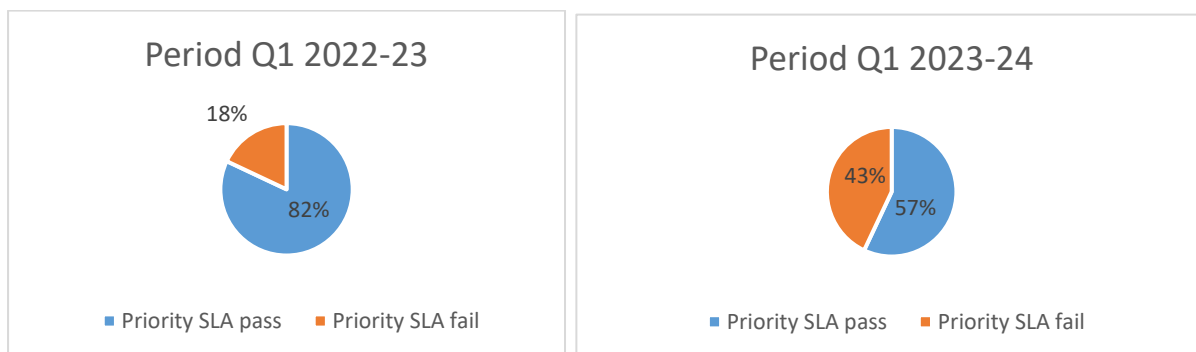


5.10 Based on a comparison with Q1 2022-23, the team have completed an increased amount of casework in both categories – a percentage comparison is below:



5.11 However despite the increased completion rate, the performance against our self-adopted service levels, particularly for priority cases, is markedly below the level achieved in the corresponding period in 2022-23 – comparisons below:

Priority cases (5 day SLA)



Non- priority cases (various SLA's)

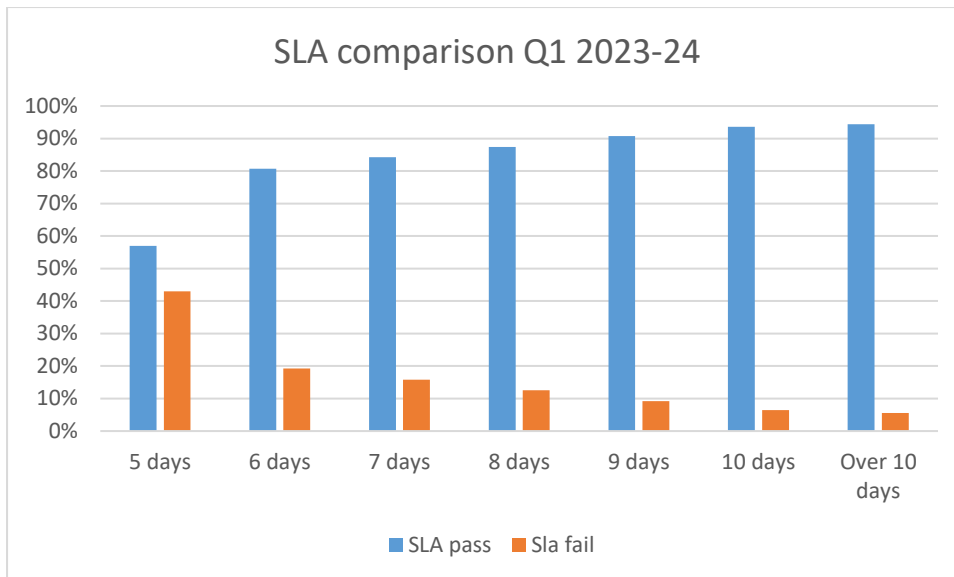


5.12 The reasons for this marked degradation in SLA performance in the “priority” category can be summarised as follows:

- Cases in the “priority” category (retirements and deaths) can be the most complex and fall to the more experienced team members to process.
- There has been a marked increase in “priority” cases (as above - 35%)
- We have lost several experienced staff members during the period, reducing our capacity to respond to rising volumes within the SLA period.

5.13 Cases in the “priority category” (retirements and deaths) all have a five-day SLA attached to them. Given the increasing complexity in the administration of the scheme, this is a very challenging target. Comparisons of the SLA’s used in comparably-sized funds (and being mindful that direct comparisons are problematic given that each organisation will use different processes and may use different definitions of the time taken on cases) show that five-day SLA targets for these types of cases are very rarely in use, which recognises how difficult this is to achieve.

5.14 By way of comparison, the chart below shows how priority case performance would have looked under SLA’s between six and ten days for the same period:



- 5.15 What is reassuring from the above analysis is that, whilst the five-day target has proved difficult to achieve, the vast majority of casework was completed within 10 days.
- 5.16 Further analysis on what SLA's are appropriate for LGPS administration in 2023 and beyond is required and extended across the non-priority caseload, but the conclusions from the analysis so far is that, for some of our processes, a five-day SLA is neither appropriate (given the nature of the scheme in 2023), nor achievable on a consistent basis for the reasons set out in paragraph 5.11 above.
- 5.17 This analysis will continue over the summer with a review to presenting the Authority Board will proposals for change (where appropriate) in the autumn.

Administration action plan

- 5.18 As mentioned at the last meeting, the management team were in the process of formulating an action plan to address three key issues: caseload backlogs, employer data processing backlogs and improving data quality.
- 5.19 An initial workshop with Pensions Administration managers and staff was held on 15 March where the various issues were aired. This was followed by a further workshop with the same group on 26 April, where high-level actions were presented. The actions were broken down into two areas: what we can do in the short-term (recovery measures) and what we can do in the longer-term to prevent reoccurrence (preventative measures).
- 5.20 This was very much focussed on the "what" rather than the "how", although two immediate actions were agreed: a capacity planning exercise to inform whether the Benefits Team was "right-sized" for the workloads on hand, and the implementation of UPM functionality that would enable us to automate as much casework as possible.
- 5.21 During July, management held three Focus Group workshops with staff to look deeper into the "how" i.e. what actions do we need to take to prevent reoccurrence

and improve our position. Notes taken and summarised from these workshops are attached at Appendix A. As noted in the Appendix, “we (the management team) will be looking to provide a single list of actions which will include how we will address the issues raised in these Focus Groups as well as other work that will help us address the challenges faced in Pensions Administration and the capacity planning work. This list will be regularly updated so that everyone can see where progress is being made.”

Customer Services

Scheme Member Engagement – Customer Satisfaction – Retirement Survey

5.22 The Authority is always keen to improve engagement with our scheme members and to measure the levels of satisfaction with our service. Each month surveys are issued to members who have recently retired to understand their experiences. The table below shows the overall satisfaction levels from respondents to the survey issued to members who retired in February, March, and April 2023, who provided an email address.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	58%	Down 1%	▼
Satisfied	33%		
Dissatisfied	7%	Up 1%	▲
Very Dissatisfied	2%		
Total Number of Respondents	101 out of 559		

The percentage of members in the green category remains above 90% which is always encouraging however some further analysis was carried out into the 9 members who were dissatisfied to identify the root causes. The following comments were made:

- No communication unless I prompted it. regular updates should be communicated automatically.
- Insufficient communication. Slow response times to queries. Emergency tax should be sorted and refunded within a month. Tax code has been changed but no refund processed.
- It has taken 3 months to obtain my pension.

Action taken in response to this, and earlier feedback, are summarised below.

- Our processes are gradually being updated to include a new step whereby when a case is placed on hold because we are awaiting further information, members will automatically be updated. A reminder will also be issued to staff to ensure members are informed at each stage throughout the retirement process.
- Feedback with regards the tax codes - The above member retired in February of this year and since then, as previously reported, we have improved this area by asking members to complete a taxation statement. Depending on the information the member supplies then determines the initial tax code that we operate.

- In regards to the above comment whereby the pension took 3 months to obtain, unfortunately the member had AVCs which contributed to the delay in paying benefits, an area we are already aware is causing concern.

Scheme Member Engagement – Customer Centre – Telephone Calls

5.23 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 positive overall, despite the drop in satisfied responses. A survey was issued to 3,782 members, with an email address, who had contacted us by phone over the months of February, March, and April 2023 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?		Compared to last quarter	
Very Satisfied	58%	Down 6%	▼
Satisfied	25%		
Dissatisfied	9%	Up 6%	▲
Very Dissatisfied	8%		
Total Number of Respondents	345 out of 3,782		

5.24 The percentage of members in the green category dropped this quarter to 83% which is disappointing, however analysis of the 17%, who were dissatisfied with the service, mainly highlight the issues below. One member who said they couldn't remember contacting the customer centre but went on to say they were dissatisfied with the service.

- Train staff members more and make sure emails are dealt with sooner than 6 weeks.
- Some guidance on wait times would be good.
- Answer emails quicker.
- The call centre each time I rang flagged up my pension request, and something then happened promptly. My main issue was that the behind the scenes pension service did nothing to move my claim for starting my pension until the call centre prompted them. I started the process in early October, as my 60th birthday was 11th November, and I had heard nothing from SYPA. In December, nothing. Then after ringing call centre late February, they got my claim flagged up and within a few days, things finally started to happen. If I hadn't rang, I assume that I would still be waiting.
- I would like to be able to see how much I have in my pension pot on the portal. I have no correspondence of what's happening with my transfer I constantly have the chase what's happening. Both party's blame each other for the transfer not going through. Worries me what it will be like when I come to retire how long will it take to organise that side in all very disappointed as I was told it was one of the best schemes about from what I've experienced so for its far from it.
- Resolve the issue promptly, I understand everyone has workload and staffing issues and the fact I am realistically years from claiming my pension, makes my problem low priority to you but to me it's all that matters I am a customer of yours who deserves their issue being resolved. I understand not all the responsibility is probably yours as you act on information from my employer too, but someone has to own the problem and get the matter resolved

Again, a mixture of comments however in response to the points above:

- The majority of our Customer Service Officers are new members of the team, due to the high turnover of staff in the Customer Centre. We are continuously building on the support, knowledge, and skills of staff in the team which will improve over time.
- With reference to the telephone wait times, it became apparent that the announcement for the queue position had ceased to work. This was later reported and is now working with no issues.

Scheme Member Engagement – Customer Centre Emails

5.25 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. The table below shows the overall satisfaction levels for February, March and April 2023.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Excellent	49%	Down 2%	▼
Good	26%		
Ok	14%	Up 2%	▲
Poor	11%		
Total Number of Respondents	85 out of 7,296 emails sent		

Unfortunately, as always in this area the response rates are low and not all members provide further information, however from the members who rated the service as poor the following comments were made:

- Three members said that they weren’t dealt with quickly enough.
- One member said they had to request a change of bank details form twice before it eventually arrived.
- One member struggled to access a secure email via egress switch ((secure platform).
- Another member was overquoted on their retirement estimate. They booked a video appointment and no one joined the call due to technical issues, and finally experienced delays with the retirement process

The member who was overquoted went on to initiate the complaints process. The member received an explanation of our failings including an apology and a promise to identify any training needs across the teams.

Scheme Member Engagement – New Joiner Survey

5.26 As part of our wider engagement with scheme members, we wanted to gain some insight into how members who have recently joined the pension scheme rated our service. A survey was issued to 1,115 members who had joined the scheme in February, March and April 2023. The new joiner survey specifically asks about the

welcome email/letter, including registration of the online portal. The results of the survey are shown below.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	17%	Up 14%	▲
Satisfied	60%		
Dissatisfied	17%	Down 14%	▼
Very Dissatisfied	6%		
Total Number of Respondents	30 out of 1,115 emails issued		

The percentages in the Satisfied/Very Satisfied category have increased for a second quarter, which is very encouraging.

When asked if the welcome letter/email provided enough information about the scheme and if it was clear what action the member needed to take, 74% agreed/strongly agreed. One member wasn't happy that they had been auto enrolled back into the scheme, another member had returned on a temporary contract and was confused why they were in the scheme and two members said they hadn't received anything from the Authority at all.

When asked how soon after joining the scheme did the member receive a welcome letter/email, 63% said within the first 3 months, 9% after 3 months and 28% saying they couldn't be sure.

When asked what could be improved with the new starter procedure one member suggested the communications regarding what members need to do to transfer a pension into SYPA.

Action Taken

Since receiving the above comment we have updated our communications to make it clear under what circumstances we will request a transfer value from a previous pension provider and when the member needs to request and provide their own figures.

Although we still have some way to go, overall, it is pleasing to see we are improving in this area of work.

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. There was a total of **2,137** new registrations in the quarter to the end of June 2023 taking the total number of registrations to 85,958 or around 51% of the total membership, as shown in Appendix B. In addition, sessions where members are invited to bring their devices are held at Oakwell House to further encourage online sign up and help them fully exploit the available facilities.

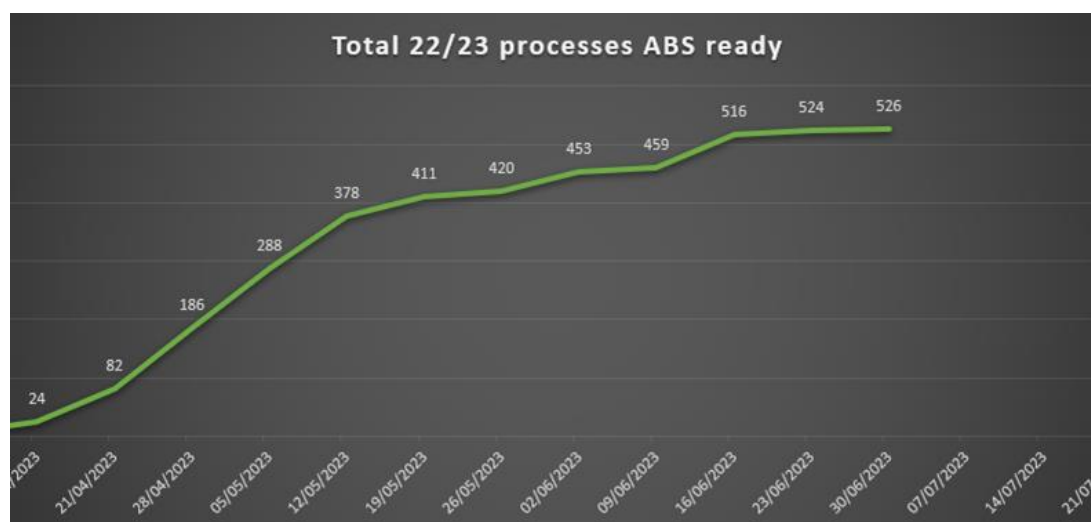
Although the numbers registered to engage with us online are not as high as we would wish as a proportion of the scheme membership overall, evidence from other funds

does suggest that our levels of registration are at least comparable with the percentage of members signed up to use online services within the Local Government Pension Scheme (LGPS) more widely.

Engagement

Employer performance

- 5.28 The submission of monthly data by employers is key to ensuring that member records are accurate and up to date. They generate the values used in the direct debits for the collection of contributions due from employers and they provide the pay and service details necessary for us to calculate employee benefits, provide Annual Benefit Statements etc. Given the importance of this data it is extremely important that employers make their data submissions correctly and on time.
- 5.29 A concerted effort both in terms of employer engagement and the application of dedicated resources to investigating and clearing errors on employers monthly data returns has significantly improved the position over recent months:



- 5.30 The above chart shows that as at 30 June 2023, employer monthly returns up to 31 March 2023 had been submitted and accepted into our systems for 526 of 552 of our employers, representing considerable progress when viewed against the position at the beginning of the calendar year when additional management resources were deployed to oversee the processing of these files (as noted elsewhere in this report, at the time of writing all employers are now up-to-date to 31 March 2023).
- 5.31 This revised approach to the management of employers and employer data has proved very successful and management are now considering the best way to embed this permanently into the administration team.

Individual query employer reporting

- 5.32 Appendix B provides details of the “top 10” employers in terms of queries and shows how they have performed over the year. It is extremely encouraging to note the continued significant improvement in performance across the board when compared

with the position a year ago, with the outstanding queries down by almost 50%. We continue to work with all employers to reduce this even further, whilst acknowledging that there will always be a level of work in hand, given the size of our membership.

Engagement activity

5.33 Over the quarter, the Engagement Team have continued to deliver a wide range of activity in support of members and employers. This has included delivery of:

- 6 Training Sessions
- 2 Employee Presentations – Virtual
- 9 Employee Presentations – In Person
- 4 Employee Presentations – Hybrid (2 x Mid Life Planning and 2 x Deferred Retirement)
- 1 day 1:1 Pension Information Service Appointments at Employers
- 2 Home Visits
- 8 1:1 Sessions Virtual/Civic Offices

5.34 In addition to this, we continue to put considerable focus on addressing specific employers who have been identified as having problems either with data submission or other issues.

5.35 The Team has identified a number of future areas of work, in particular to improve the ill health retirement process, to provide greater visibility around employers' performance in addressing queries and to develop process improvements which will make it easier for employers to respond to queries.

Annual Benefit Statements (ABS and Pensions Saving Statements (PSS))

5.36 The issue of Annual Benefit Statements by the end of August is a key task for the Pensions Service as is the associated issuing of Pension Savings Statements for tax purposes.

At the time of writing, the summary status for ABS production is as follows:

- Pay and service data for all our active members has now been updated to (at least) 31 March 2023, enabling us to provide ABS for these members over the coming weeks.
- The ABS for 99.65% of our deferred members have been produced and will be released over the next few weeks also.

This puts us in a much better position to meet the statutory deadlines associated with ABS and PSS production.

5.37 In relation to Pension Savings Statements, as previously reported work is being undertaken to ensure that tools are available to enable the Benefits Team to undertake most of this work, which will commence once the Annual Benefit Statements calculations have been produced. In addition, the resolution of a number of historic complex queries has been outsourced to Hymans Robertson – this work is on-going.

Conclusions

- 5.38 The content and presentation of data in this report will continue to evolve over time, with a view to providing something that is more focussed on key issues.

6 Implications

- 6.1 The proposals outlined in this report have the following implications:

Financial	The programme of improvement activities outlined in this report is likely to require additional resources which will need to be approved by the Authority in line with the appropriate procedures.
Human Resources	Attention needs to be paid to achieving a better balance of experience across the Pension Officer group and developing significantly improved levels of technical knowledge across the Pensions Service and this is likely to require investment in a more structured approach to training within the career grade. In addition, the capacity planning exercise currently underway is likely to result in the need for further recruitment which could exacerbate this imbalance in the levels of experience across the workforce in the short / medium term which will require careful management.
ICT	A significant degree of focus in terms of ICT development resources on addressing root causes of some of the systems challenges the service faces is likely to be required and this may require some one-off investment to expedite delivery.
Legal	None
Procurement	None

Nigel Keogh

Interim Assistant Director - Pensions

Background papers	
Document	Place of Inspection
None	