

Agenda Item

Subject	Quarterly Administration Update Quarter 2 2023-24	Status	For Publication	
Report to	Local Pension Board	Date	27/10/23	
Report of	Interim Assistant Director - Pensions			
Equality Impact Assessment	Not Required	Attached	N/a	
Contact Officer	Nigel Keogh – Interim Assistant Director- Pensions Lindsay Grayson – Service Manager - Benefits Joanne Webster – Service Manager - Customer Services	Phone	07505 074979 01226 666399 01226 666510	
E Mail	nkeogh@sypa.org.uk lgrayson@sypa.org.uk jwebster@sypa.org.uk			

1 Purpose of the Report

- 1.1 To update Members on administration performance and issues for the period from 1st July 2023 to 30th September 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**

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
Customer Services Officer x 2	2 External appointments External appointments External appointment
Leavers	
Customer Services Officer x 1	
Vacancies in Administration	
Assistant Director - Pensions	Starting 6 November 2023
Service Manager - Support & Engagement	Position under review
Senior Systems Officer x 2	Positions not filled

- 5.3 Whilst we are currently up to complement with Pensions Officers, the level of Pensions Officer recruitment over the last 2 years continues to 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. Despite the proposals submitted to the Staffing Committee on 31 October 2023, 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.

Sickness absence

- 5.4 In terms of sickness absence, the table below shows the annualised absence levels for the administration service for the last three years and Q2 of the current year.

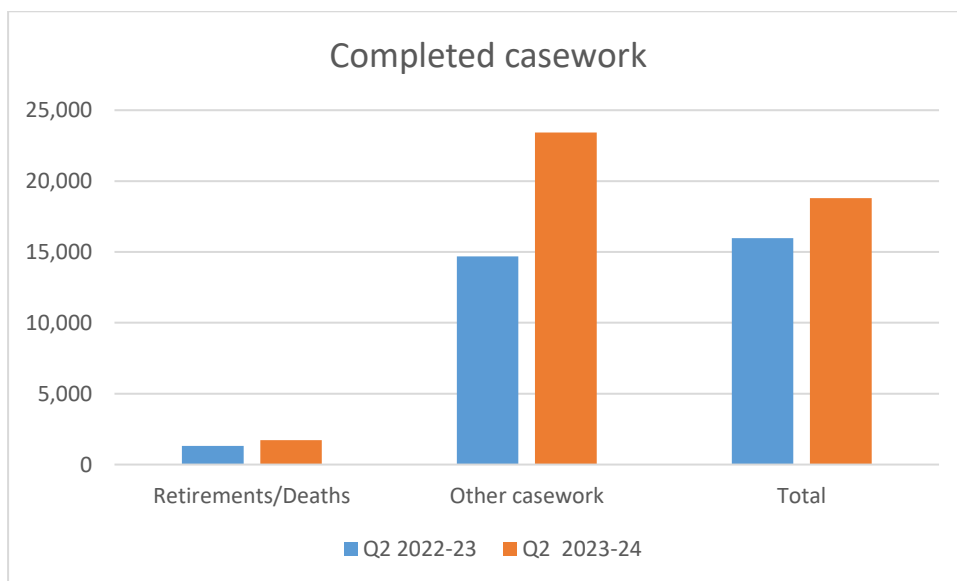
Average Days per FTE (Admin Service only)	2020-21	2021-22	2022-23	2023-24 Q2
Short-Term	1.50	3.27	3.76	0.74
Long-Term	3.00	5.48	3.72	1.76
Total	4.50	8.75	7.48	2.50

- 5.5 Whilst absence levels during the period remain are up from Q1, this trending lower level of sickness than in the previous year continues to demonstrate encouraging progress in absence management.

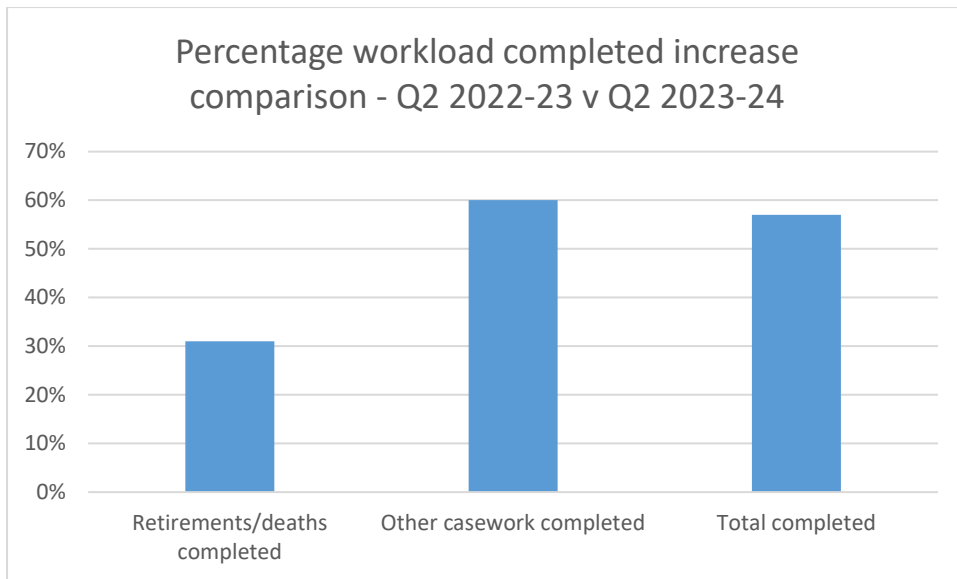
Benefits processing

Casework performance

- 5.6 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.

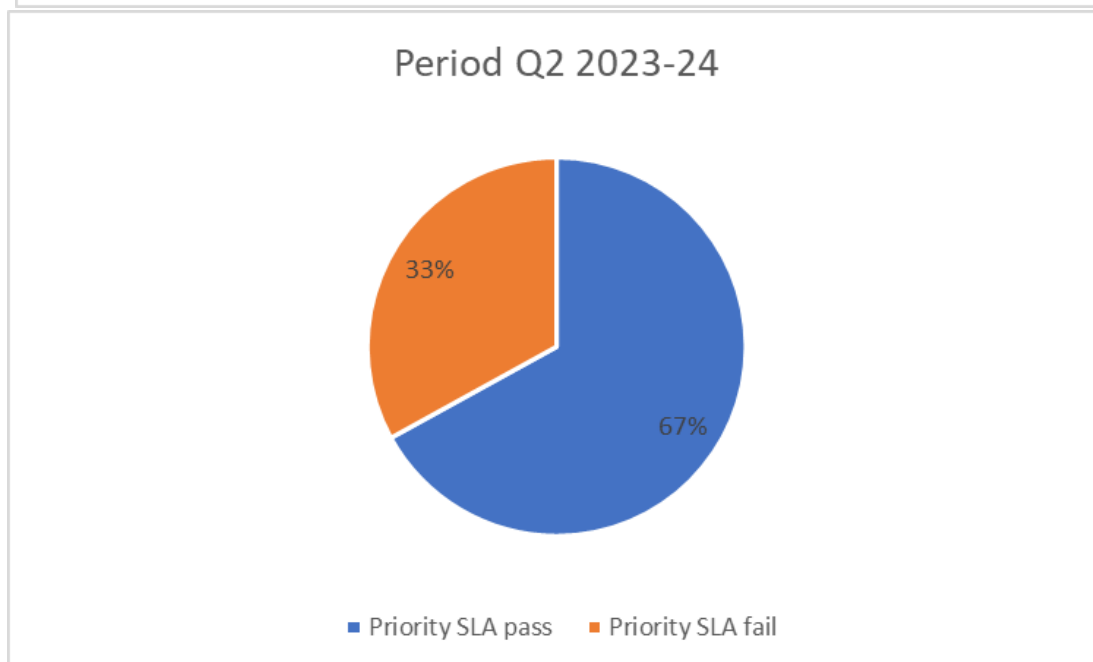
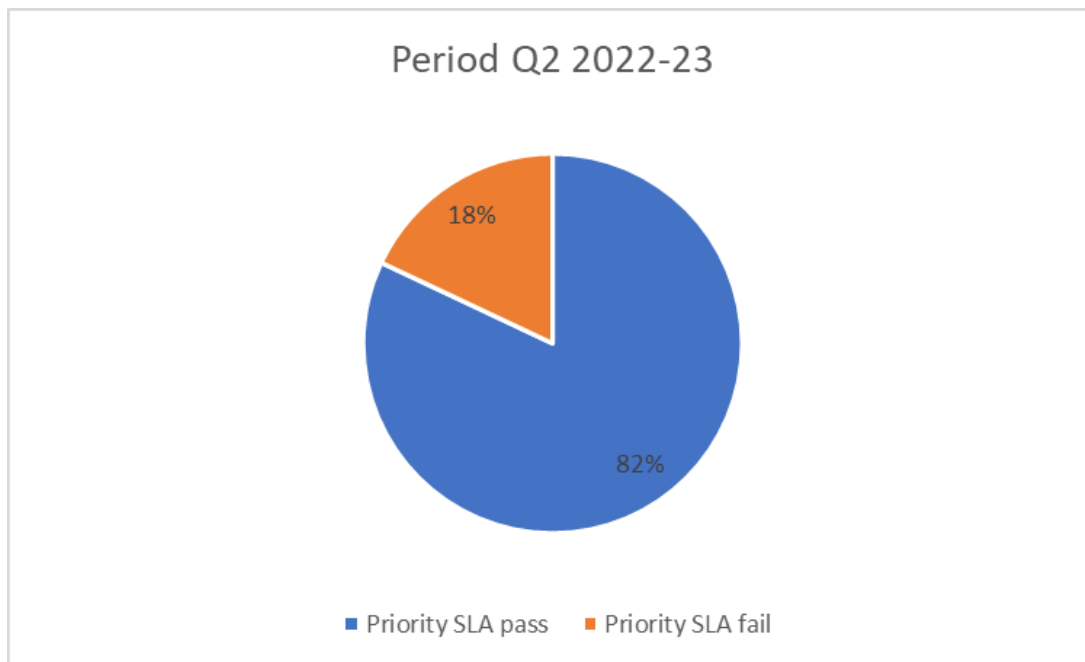


- 5.7 Based on a comparison with Q2 2022-23, the team continue to complete an increased amount of casework in both categories when compared with the same period in the 2022-23 reporting year – a percentage comparison is below:

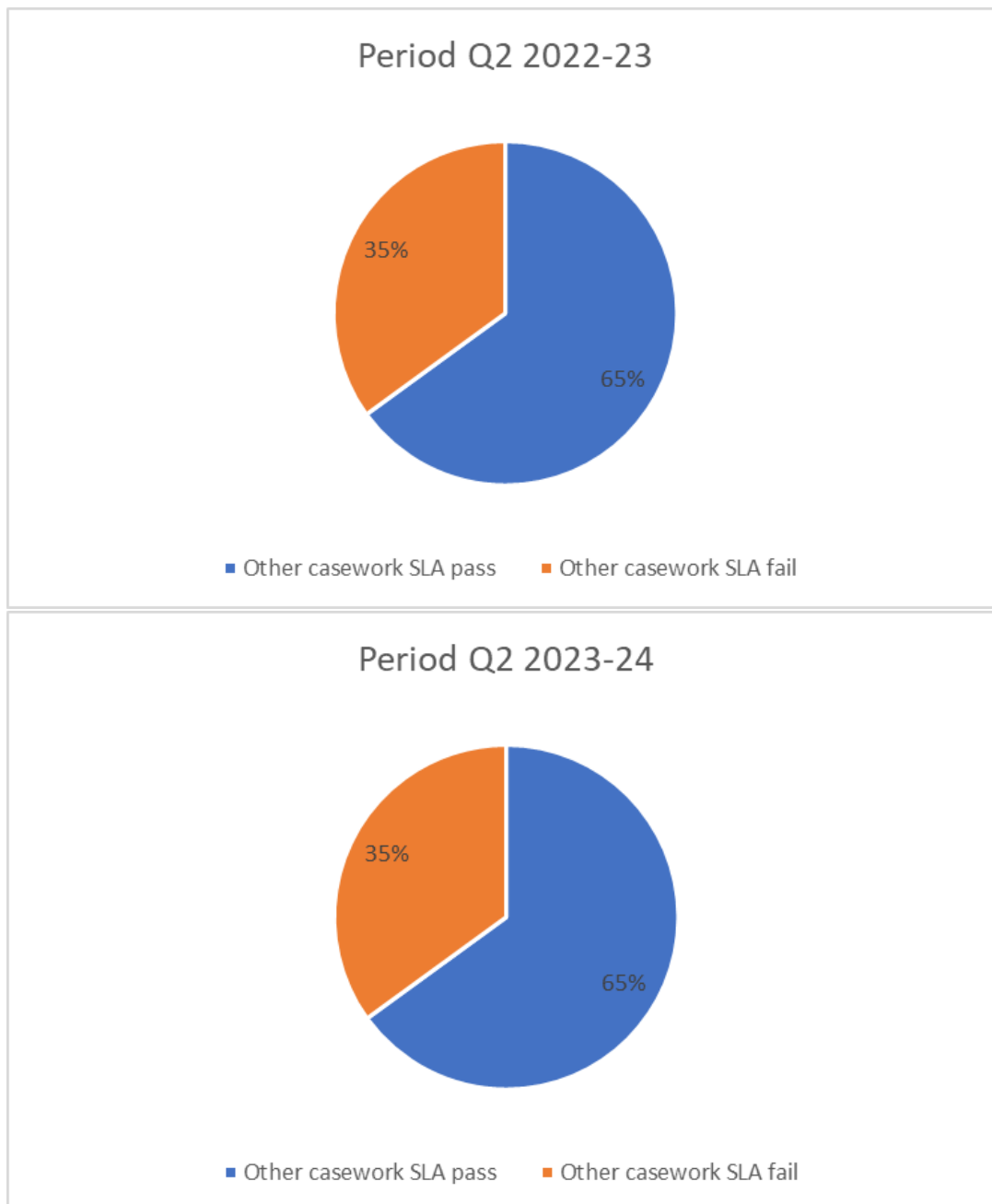


- 5.8 The overall completed case volumes increased significantly due to targetted overtime activity to focus on leaver & deferment casework (where there are considerable backlogs) which has contributed to these increased work volumes.
- 5.9 However despite the increased completion rate, the performance 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:

Retirement/Death cases (5 day SLA)



Other casework (various SLA's)



5.10 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 during the period
- We have lost several experienced staff members during the period, reducing our capacity to respond to rising volumes within the SLA period.

Measures to improve this position are set out in the Action Plan paper later in the agenda.

- 5.11 As reported at the last meeting, 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. Proposals to change this SLA are set out in a separate paper later on in the agenda.
- 5.12 Across the board performance for other casework is comparable with the same period last year, despite the increased amount of casework being processed. This is a consequence of the fact that much of the casework being processed is from existing backlogs and is already out of target. Nevertheless, the volumes that the team are getting through are encouraging in light of the challenges they face.
- 5.13 We have previously reported to members previously that we are undertaking a project to introduce a means of processing leavers either using automated tools or via bulk processing (or more likely a combination of both). The first stage of this project was to process these leavers on a bulk basis in a test system environment. The next stage is to introduce additional validation checks to ensure the bulk process can be utilised in the live systems environment. This project has been delayed due to competing but necessary priorities within the Systems Teams which supports the administration system and the revised completion date for this project is now expected to be Q3 2023-24.
- 5.14 In relation to aggregations, the numbers of outstanding cases remain excessive and only slight progress has been made to reduce this backlog. The team have reduced Aggregation Quotes to around 500 members and are keeping up with any new quotes. Aggregation quotes that were completed around this time last year are also now coming up for automatic review. This process creates a Settlement and means the member hasn’t responded to the quote during the 12 month period. Aggregation Settlements are the next backlog the team will target.

Customer Services

Scheme Member Engagement – Customer Satisfaction – Retirement Survey

- 5.15 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 May, June, and July 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	60%	No Change	
Satisfied	31%		
Dissatisfied	9%	No Change	
Very Dissatisfied	0%		

Total Number of Respondents	45 out of 316		
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Whilst there is no change in the overall green category this quarter, we have seen a shift of 2% from the satisfied category to very satisfied which is always a welcome move.

The results of the survey showed 83% of members said they were satisfied with the time it took to process their retirement benefits, leaving 8 members who were dissatisfied. Further analysis of the 8 members identified that they were unhappy with either delays surrounding their AVC payment or delays with the employer sending information to SYPA.

When asked what additional actions we could take to improve the retirement process, the following comments were noted:

- You could explain where the forms need to be sent to, there was nothing to confirm. Also, the people who answer the phone could be more understanding, sympathetic and helpful. I retired early due to redundancy, which was quite distressing, but the person didn't display any understanding of that and just referred me to my employer.
- Make it clear that it's possible to choose an immediate retirement date. Make it clear that the first payment will be at the end of the month selected for retirement.

Action taken in response to comments made are summarised below.

- Retirement claim forms have since been updated to include our address on the checklist. Prior to the update our address only appeared on the covering letter, and it wasn't immediately obvious where members should return retirement forms. In response to calls regarding redundancy, SYPA's policy is requests for a redundancy retirement quote must come from the employer.
- We are looking at reviewing information notes provide throughout Retire Online.

Scheme Member Engagement – Customer Centre – Telephone Calls

5.16 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. A survey was issued to 3,833 members, with an email address, who had contacted us by phone over the months of May, June, and July 2023 to ask about their experience of our service delivery and for ideas on service improvements. The results of the survey shown below.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	55%	Up 3%	▲
Satisfied	31%		
Dissatisfied	10%	Down 3%	▼
Very Dissatisfied	4%		
Total Number of Respondents	376 out of 3,833		

The percentages in the green category have increased by 3% which is encouraging.

When asked how members would describe their wait time to connect to a member of the team, 86% said their call was answered without having to wait in a queue or that they were fine with the overall wait time. One member said they eventually used the live chat line which was much quicker, and nine members said they waited between 20 and 30 minutes for their call to be answered, which we appreciate isn't an acceptable wait time.

In response to the points above:

- We are currently staffed with relatively new members of the team, due to the high turnover in the Customer Centre. We are continuously building on the support, knowledge, and skills of staff in the team which will improve over time. We have successfully recruited again and subject to pre-employment checks two new members of staff will join the team in November.
- We are also currently looking into trialling the following changes:
- Automatic call Distribution – the survey shows that 196 members (48%) were calling about retirement, which was the most popular subject by far. Apart from updating the telephone announcement to direct members online, we will use call routing for retirements and deaths. The aim is to train staff quicker on specialised subjects giving them the confidence to deal with these calls.
- Making use of a call back facility. This will hopefully improve member experience and reduce call abandonment rates. We are looking to offer call backs during the hours of 3.00pm – 4.30pm.

Scheme Member Engagement – Customer Centre Emails

5.17 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 May, June and July 2023.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Excellent	63%	Down 3%	▼
Good	9%		
Ok	4%	Up 3%	▲
Poor	24%		
Total Number of Respondents	86 out of 8,894 emails sent		

The percentage of members in the green category dropped for the second quarter in a row to 72% which is disappointing. 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:

- I have repeatedly tried to access my deferred pension online - it quotes figures then says I have AVCs - i spoke with SYPA and they say I don't have any, but I cannot get any further in the process to upload and forms??? (I cannot access them) - I rang up and was told the passports had been received but there is something wrong with the online system - I cannot get any further.
- I still cannot access my account, not accepting my reset password.
- It wasn't dealt with as a SAR and did not provide me with the information I required.
- 6 members said they were not dealt with quickly enough.
- 5 members said the email reply did not fully resolve their query.
- 2 members said the information was not helpful.
- 2 member had issues accessing secure emails through egress switch. Saying they thought the email was a scam.

We appreciate this is an area that we need to address. All emails are currently checked before a reply is issued which means we have an extra step in the process which occasionally holds the process up, however we do believe it is necessary to have checks in place.

Scheme Member Engagement – New Joiner Survey

- 5.18 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 819 members who had joined the scheme in April and May 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	27%	Down 1%	▼
Satisfied	49%		
Dissatisfied	24%	Up 1%	▲
Very Dissatisfied	0%		
Total Number of Respondents	33 out of 819 emails issued		

Prior to this quarter we had made really good progress with our new joiner process.

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, only 62% agreed/strongly agreed. Three members said they never received a letter/email and one member said they never left or re-joined the scheme, only changed jobs.

When asked how soon after joining the scheme did they receive a welcome letter/email, 20 members said within the first 3 months, 2 members after 3 months and 11 saying they couldn't be sure.

When asked what could be improved with the new starter procedure the following comments were made:

- Website and login user screens are very old fashioned. Possibly an app version.

- The place to sign up for an account was a bit difficult to find or not clearly marked.
- I can't remember reading anything for the app. You need to highlight this more.

Action Taken

Suggestions for a mypension app have already been put forward however we have other priorities with our online service and are currently exploring a quicker, easier registration process. With regards the sign-up links, this is something we can address and will explore ways to make the links more obvious going forward.

We recognise that there is still work to do around the new joiner process and will certainly take on board all comments made.

5.19 *Member Engagement – online portal*

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 **3,618** new registrations in the quarter to the end of September 2023 taking the total number of registrations to 89,112 or around 53% of the total membership, as shown in Appendix A. 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

5.20 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.

5.21 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, and was key to us being in a position to complete the Annual Benefit Statements by the statutory deadline of 31 August.

5.22 This revised approach to the management of employers and employer data has proved very successful and proposals for how capitalise on this were part of the package of proposals submitted to the Staffing Committee on 31 October.

Individual query employer reporting

- 5.23 Appendix B provides details of the “top 10” employers in terms of queries and shows how they have performed over the year. Despite the increased amount of work on hand at the end of the quarter (driven by an increase in the number of queries as the Benefits Team work through the backlog of leavers), the number of queries resolved in the quarter shows a significant improvement in performance across the board when compared with the position a year ago.

Engagement activity

- 5.24 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:

- 5 Training Sessions
- 5 Employee Presentations – Virtual
- 2 Employee Presentations – In Person
- 5 Employee Presentations – Hybrid (2 x Planning for Retirement, 1 x Deferred Retirement, 2 x Understanding your Pension)
- 4 Employer Focus Groups (2 in person and 2 virtual)
- 8 1:1 Sessions Virtual/Civic Offices

Current Improvements

- Identifying Employer Training needs and offering bespoke training to ensure tailored sessions appropriate for staff.
- Quarterly Newsletter for Employers which provides updates on current issues and awareness of future changes. Issue 13 (October) has been issued on time.
- Regular Meetings with Rotherham MBC Pensions Team has produced outstanding results and significantly reduced the queries and keeps the Employer informed of latest issues.
- Monthly Data Collection (MDC) Dashboard helps to identify Employers who are late with submissions in order to issue penalty notice warnings to encourage the MDC to be submitted before the deadline.
- Working with SYPA Comms team to improve the current Powerpoint presentations and change them to Canva. This will also improve the Training Videos and Webinars.
- Ill Health Retirement Process changes have been implemented and training with the larger Employers are booked in for October. The sessions delivered so far have been well-received.
- Preparations for the Employer Forum in November are underway.

Future Improvements

- Working on improvements to the EPICi system to enable more effective reporting and a visualised snapshot of the Employers Status with outstanding queries.

- Creating a Bulk Redundancy request template for Employers which will automatically create figures for all members over age 55, at the time of retirement, from using the MDC information on UPM.
- Collaboration with the MDC Focus Team to target and improve communications with non-compliant Employers/Payroll Providers.
- Working on a new Ill Health UPM Process for Stage 2 appeals.

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

- 5.25 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.
- 5.26 This year we achieved 100% of ABS issued by the deadline, comprising 100% of eligible active (47,800), deferred (50,087), councillor (40), and pension credit (83) members.
- 5.27 With regard to Pension Savings Statements, we issued 127 statements by the deadline of 6 October, with 36 more still outstanding at that date (these were more complex cases involving transfers in during the period). As at the time of writing, this number had reduced to 24. Once all the cases are completed, we will file the necessary breach report with the Pensions Regulator.
- 5.28 As previously reported, the resolution of 217 historic complex cases has been outsourced to Hymans Robertson. At present, 151 of these remain outstanding. As above, once this exercise has been completed, we will report to the Regulator.

Conclusions

- 5.29 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.

Nigel Keogh
Interim Assistant Director - Pensions

Background papers	
Document	Place of Inspection
None	