

Subject	Quarterly Administration Update – Quarter 4 2023-24	Status	For Publication
Report to	Local Pension Board	Date	25/04/2024
Report of	Assistant Director Pensions		
Equality Impact Assessment	Not Required	N/A	N/A
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1 Purpose of the Report

- 1.1 To update members on the administration performance, work undertaken for the Period 1 January 2024 to 31 March 2024.
- 1.2 Report on service Improvement plans.
- 1.3 Highlight industry issues that affect the Fund.
- 1.4 Report details of appeals, breaches & complaints and,
- 1.5 Report on recent legislation changes.

2 Recommendations

- 2.1 Members are recommended to:
 - a. **Accept the report with or without comment 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 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 seek to address operational risks around data quality and backlogs in work (O2 and O6) and the people risks around vacancy levels and single points of failure (P1 and P2). The key mitigants of these risks identified are the plan to address backlogs on a systematic basis and the recruitment to new roles approved by the Authority which will increase the resilience of the team and ensure that there are sufficient resources to handle incoming work.

5 Performance

- 5.1 This report seeks to make Board Members aware of the main areas of administration performance and any topical issues relevant since the last report.
- 5.2 the latest Corporate Plan introduced an Administration Improvement Plan. The Plan is a series of interlinked activities, intended to address long standing issues, which have affected the underlying performance of the administration service, and to place the service on a stable and sustainable basis.
- 5.3 This programme of work incorporates the need to address things over which the Authority has no choice, such as the need to implement the changes in the pension regulations arising from various legal challenges related to discrimination based on either age or gender. These plans represent a significant volume of work for the team over a number of years and must not be underestimated.
- 5.4 The Administration Improvement Plan covers;
- A1 – Improvements in Data Quality
 - A2 – Recruit to the Pensions Administration structure approved at the end of 2023.
 - A3 – System Improvements—ensure the Authority is making the best use of technology.
 - A4 – Clear backlogs
 - A5 – Implement the McCloud Remedy
 - A6 – Successfully link SYPA to the Pensions Dashboards
- Update;
- A1 – Data cleansing - recently undertaken prior to the annual Pensions Increase.
 - A2 – Appointed 2x Service Managers.
 - A3 – Task group set up to review transfers' processes. End project date of 31 July 24.

UPM (Administration Software) Audit Civica are being actively chased to agree a date for this Audit.

A4 – Update on backlogs in Table 1 below.

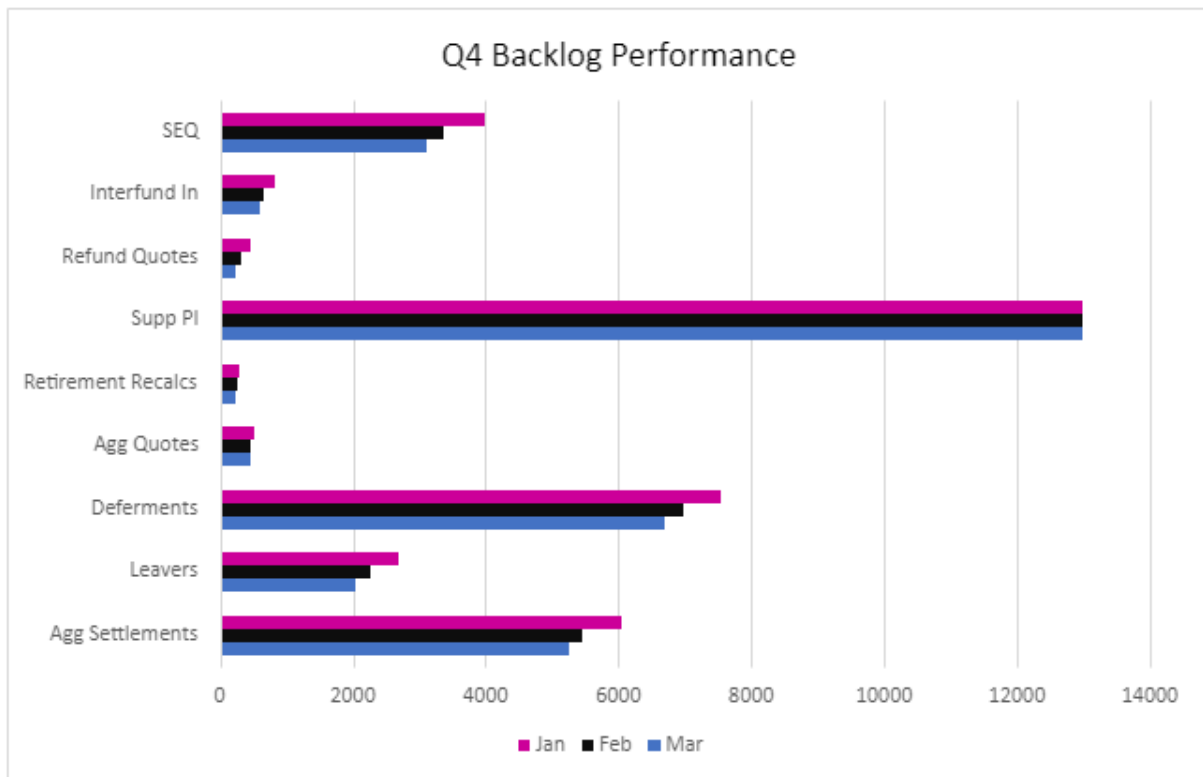
A5 – McCloud update see Item 8.

A6 – Pensions Dashboards see item 7.

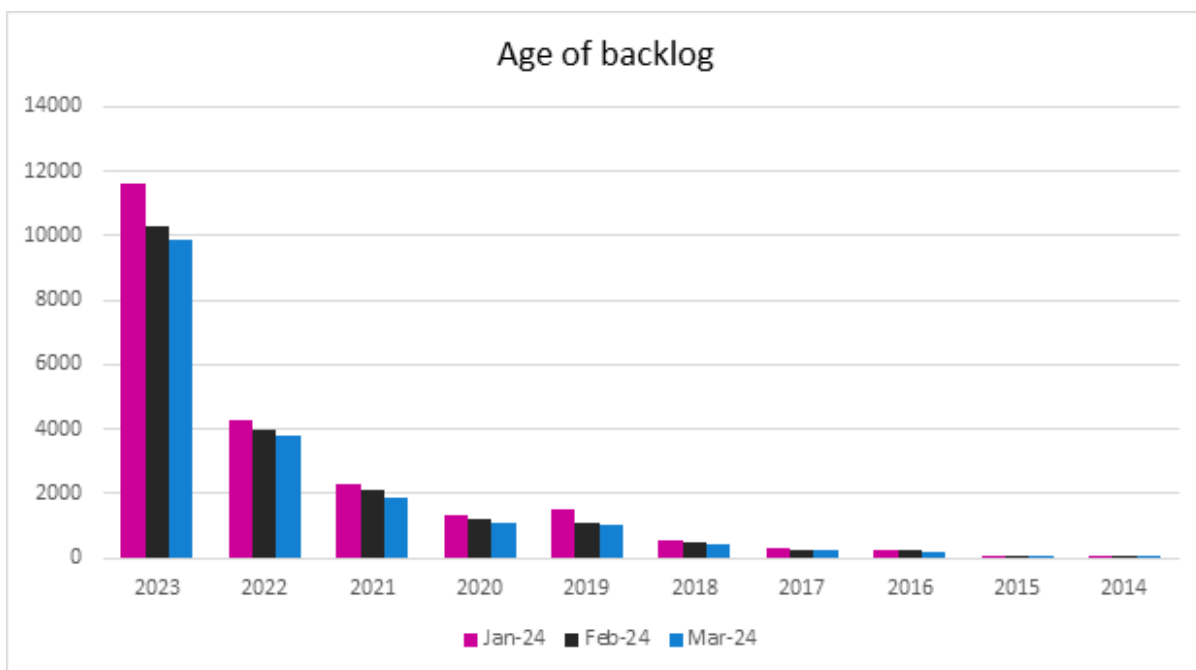
Case Work Performance & Backlogs

5.5 Backlogs

The tables below show the reduction in volumes of outstanding cases and the overall age of the backlog. Prior reporting has not clearly highlighted the full extent of the backlog due to a lot of the tasks being 'in-pend' and the age of work. We have not yet started targeting Supplemental Pension Increase (Supp PI) cases as further data is needed to process the work.



*SEQ are standard Employer Queries



Case Type	Starting Point	Feb	% Reduction from starting point	Mar	% Reduction from starting point
Agg Settlements	6059	5459	10%	5243	13%
Leavers	2692	2266	16%	2030	25%
Deferments	7536	6978	7%	6682	11%
Agg Quotes	508	452	11%	449	12%
Retirement Recalcs	287	258	10%	246	14%
Supp PI	13000	13000	0%	13000	0%
Refund Quotes	471	313	35%	224	52%
Interfund In	822	659	25%	595	33%
SEQ	4001	3374	16%	3118	22%
Total	35376	32759	7.50%	31587	11%

In March less resource time was available for overtime as the Team's focus was directed to clear data errors in preparation for the Pensions Increase run across all categories of membership.

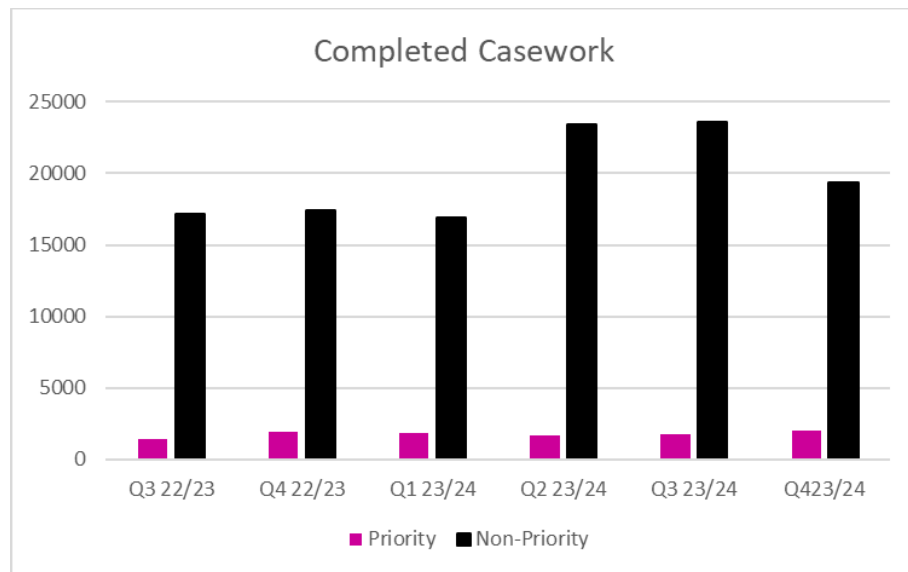
- 5.6 The reporting of performance statistics has been updated to compare previous periods more easily. Graph (i) below shows completed casework volumes back to Q3 2022/2023. The chart shows that targeted overtime has increased the number of cases completed. Graph (ii) highlights the levels of performance against current

service standards for both priority and non-priority casework. As backlogs are tackled as previously reported this has a negative effect on performance levels.

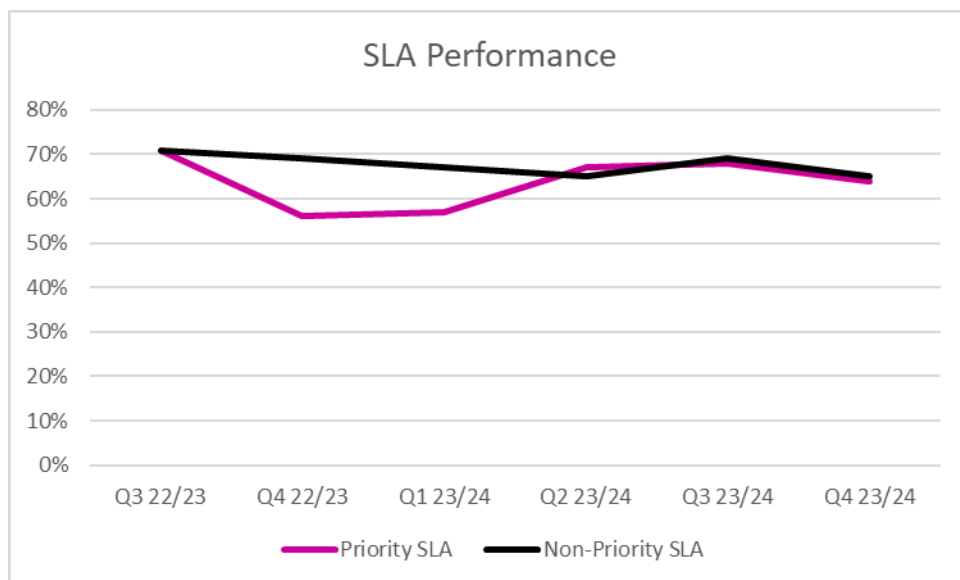
Incoming casework has increased over the last year. Whilst improvement can be seen in priority casework performance levels this will be difficult to maintain until staff have been recruited to the revised structure. Service levels decreased slightly during Q4, this was expected due to the number of older cases that were completed during overtime and by the Project Team.

Graph (i) & (ii) below provide a summary of performance against the main casework areas. Overall, a good level of improvement was made against priority work.

Graph (i)

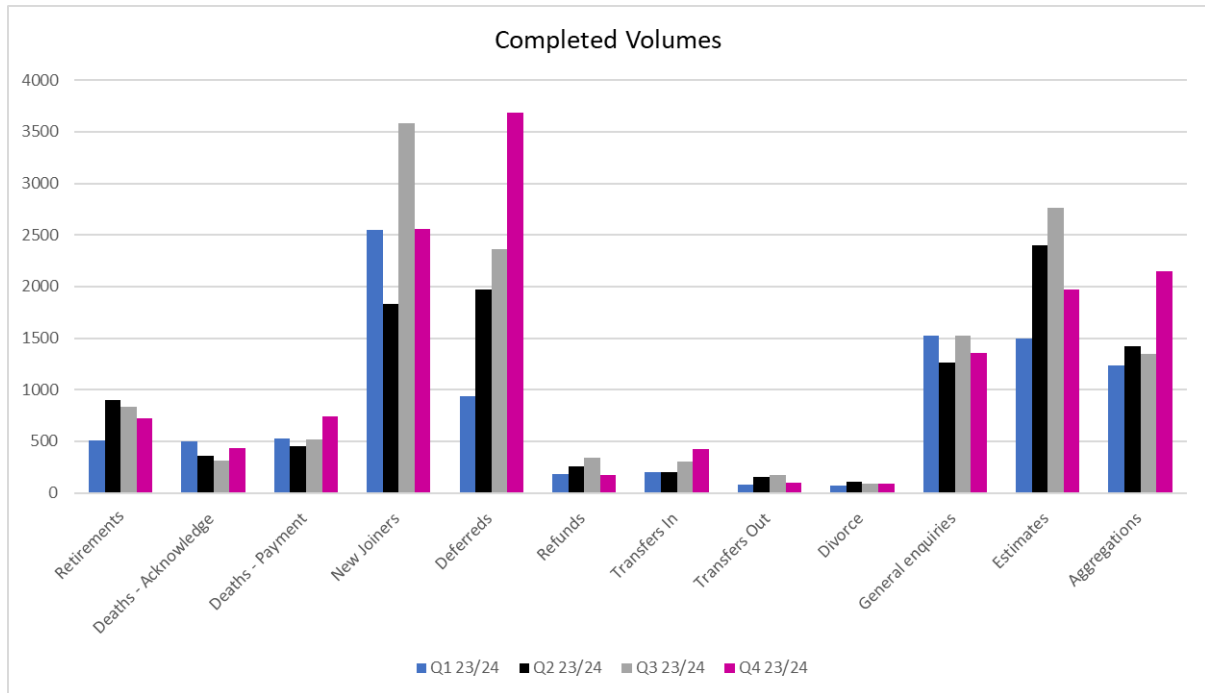


Graph (ii)

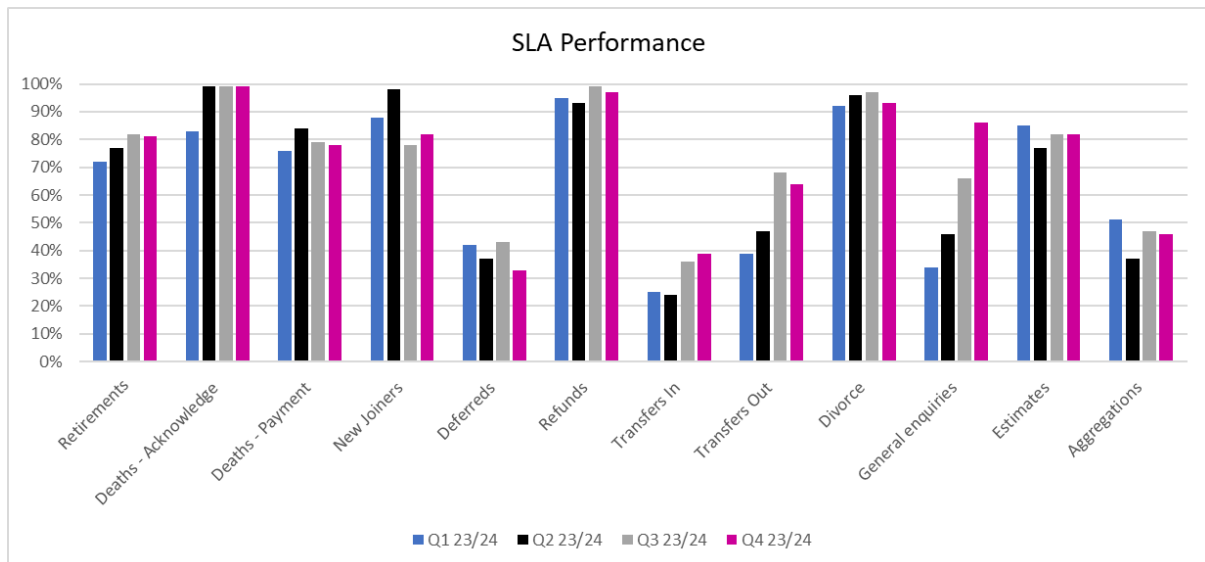


5.6 Graphs iii & iv provide a summary of performance across the main subject areas as previously requested by the Board. Performance level has dipped but is as expected due to the backlogs being tackled, as those cases are out-of-time. Work has started on the Aggregation Settlement backlog.

Graph (iii)

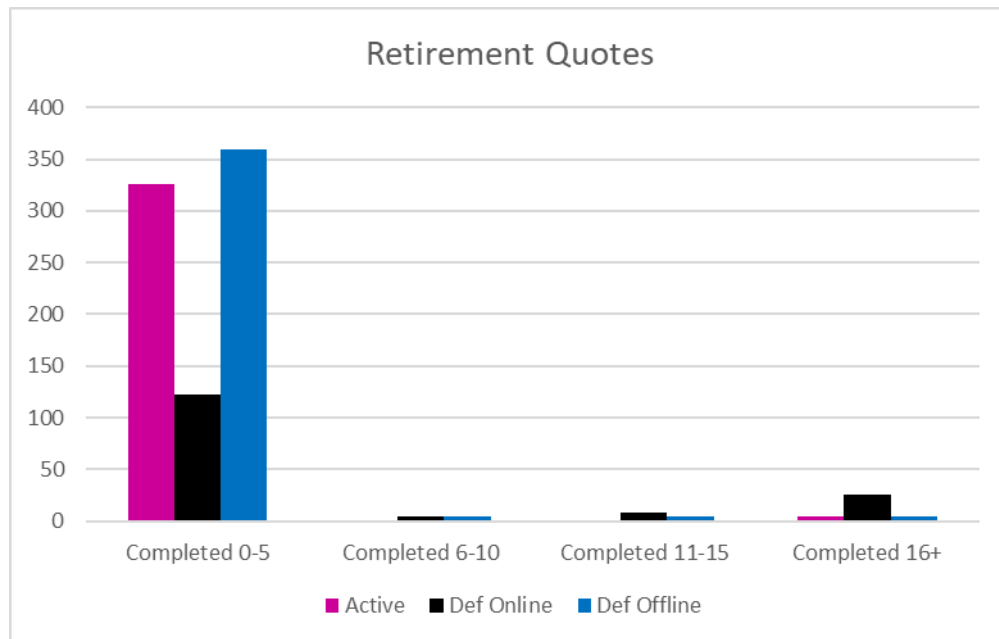


Graph (iv)

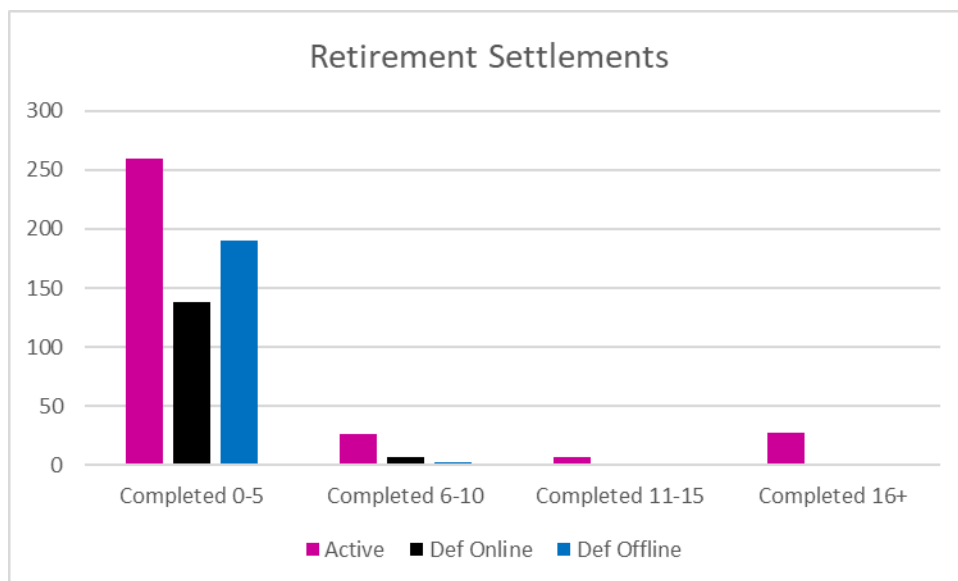


5.7 Graphs v & vi below provide a breakdown of retirements from Active and Deferred status over the Last quarter, Jan – Mar 2024. A revised work allocation method is ensuring that cases are worked on quicker. This has improved performance as fewer cases are taking over 5 days to complete.

Graph (v)

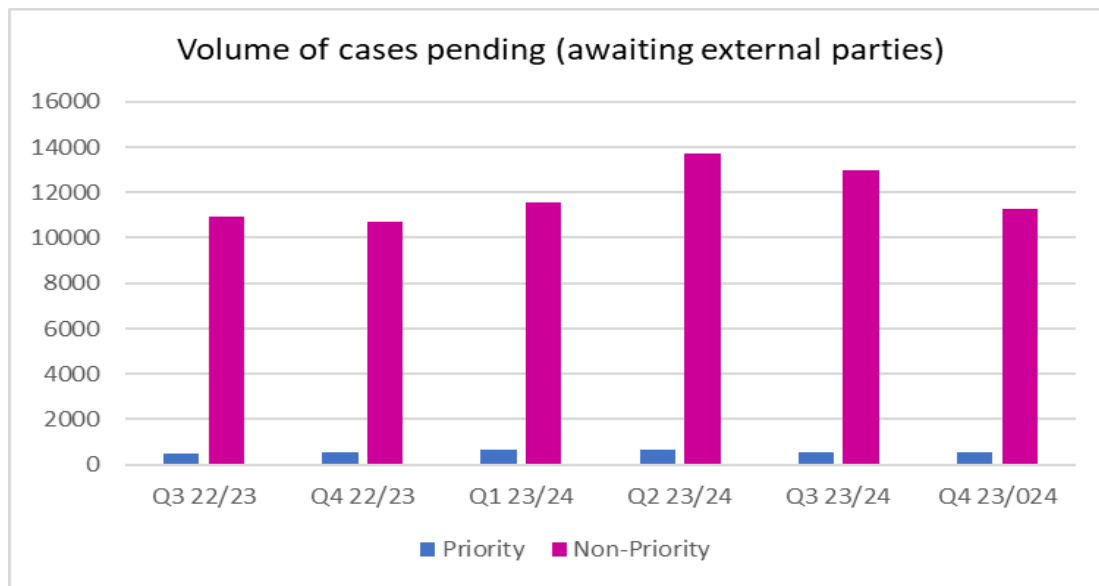


Graph (vi)

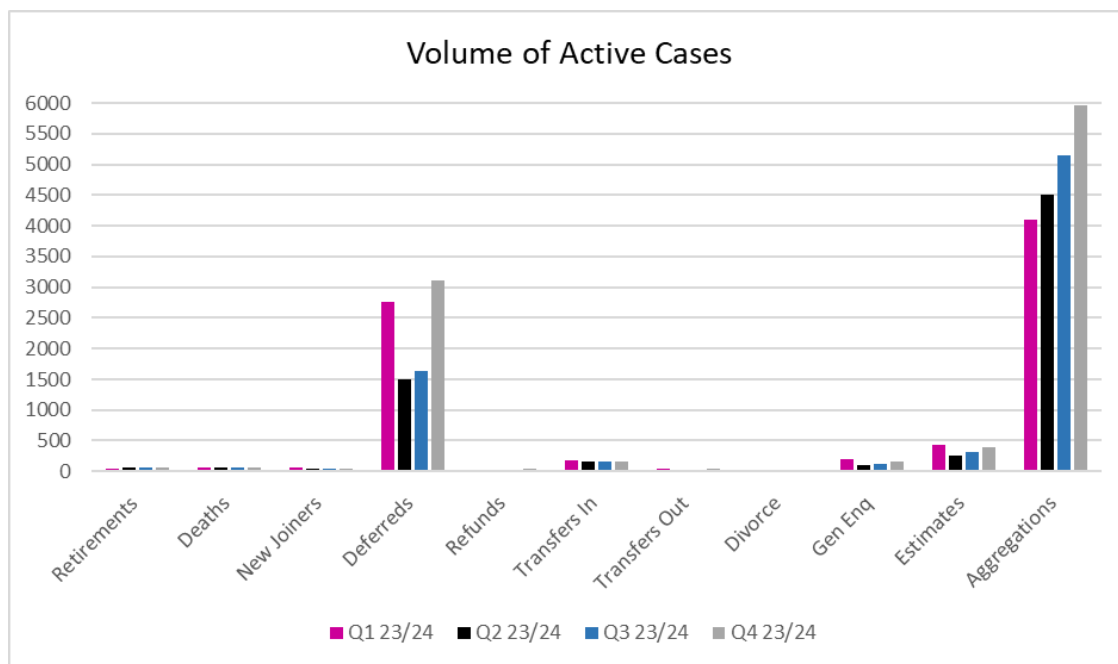


Graphs vii & viii show cases outstanding to 31/03/2024. Graph vii showing cases awaiting information from third parties whilst Graph viii shows those ready to be processed. Most cases in a 'pending' state are leavers where information is required from the employer. Graph viii includes the aggregations & deferment casework waiting to be processed.

Graph (vii)



Graph (viii)



NB. There was a high increase in the volume of active aggregation settlements due to around 1000 cases auto changing from aggregation quote to settlement after 12 months of the quote been issued.

2023/2024 Overall Summary

There are still challenges processing work within targets and in understanding how to better use the data available. However, 2023/2024 has been a positive year overall. Backlogs have been identified, are being tackled with active monitoring in place. Capacity has been measured and a model identified going forward to cope with the workload of the Authority. Recruitment has started. Statistics clearly show a record

high for the volume of work completed in the year, 90,745 cases! This is a 30% increase on the cases completed in 2022/2023 (69,800). Clear proof that the new ways of working, including the targeted overtime whilst the recruitment takes place, are having a positive impact.

Customer Services – Scheme Member Engagement

5.8 Customer Satisfaction – Retirement Survey – November 2023 – January 2024

Survey sent to 487 members with an email address. Of those 122 responded.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	54%	Up 2%	▲
Satisfied	40%		
Dissatisfied	5%	Down 2%	▼
Very Dissatisfied	1%		
Total Number of Respondents	122 out of 487		

5.9 Customer Centre – Telephone Calls – November 2023 to January 2024

Survey sent to 3,421 members with an email address. Of those 94 responded.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	59%	Up 4%	▲
Satisfied	31%		
Dissatisfied	6%	Down 4%	▼
Very Dissatisfied	4%		
Total Number of Respondents	94 out of 3,421		

5.10 Customer Centre Emails –“click face” Survey November 2023 to January 2024

6,548 emails issued - 59 responses received.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Excellent	51%	Down 14%	▼
Good	17%		
Ok	14%	Up 14%	▲
Poor	18%		
Total Number of Respondents	59 out of 6,548 emails sent		

Comments

The feedback from the email survey covers the Christmas period when the office was closed for a week and therefore, this negatively affects the figures in this period.

5.11 New Joiner Survey – September to November 2023

2,202 members were surveyed. The new joiner survey specifically asks about the welcome email/letter, including registration of the online portal. 42 completed surveys received.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	19%	Down 7%	▼
Satisfied	48%		
Dissatisfied	21%	Up 7%	▲
Very Dissatisfied	12%		
Total Number of Respondents	42 out of 2,202 emails issued		

For the third quarter in a row the satisfaction rates have fallen.

Comments

- Worryingly 36% of respondents said they never received a welcome letter from the Authority. Further investigation will be carried out to determine the reason for this.

5.12 Member Engagement – online portal

All scheme members (regardless of status) are encouraged to sign up to the online portal. There was a total of **1,479** new registrations in the quarter to the end of March 2024. Total registrations, 93,200 approx. 52% of the total membership. See **Appendix A** for registrations over the last year.

mypension registrations as at 31 March 2024	
Active	32,588 (63%)
Deferred	33,908 (52%)
Pensioner & Beneficiary Pensioner	26,704 (42%)
Total	93,200 (52%)

6 Data Quality and GMP Reconciliation and Rectification

- 6.1 No further work undertaken on Data Quality since the report to Authority Board up in March. GMP project still on Target to complete in the summer.

7 Pensions Dashboards

- 7.1 The DWP (Department for Work and Pensions) released guidance on the staged timetable on 25 March 2024, it was accompanied by a written ministerial statement. The Pensions Dashboard Regulations 2022 (as amended by The Pensions Dashboards (Amendment) Regulations 2023) provide for a single connection deadline of 31 October 2026 for relevant schemes to connect to the dashboard ecosystem.
- 7.2 The guidance published on 25 March 2024 sets out a staged timetable to smooth the process of connecting thousands of schemes by 31 October 2026. The guidance specifies 31 October 2025 for public service pension schemes. This date has been pushed back by one month from that initially proposed in 2023, to allow for a staging break in the summer of 2025. Though the staged timetable is not mandatory, pension schemes must have regard to the guidance.
- 7.3 The Authority now needs to seek to appoint an Integrated Service Provider (ISP) at the earliest opportunity. The ISP sits between the Fund and the pensions dashboards and will create their own connections to the dashboards. They will take a regular cut of the Fund's data, typically monthly, and make that available to the dashboards so that members can be matched, and the relevant data can be viewed.
- 7.4 The Authority will need to agree with the ISP the matching criteria that will be used to locate members from the Fund's database. Current guidance from the Pensions Administration Standards Association (PASA) suggests the matching criteria should be date of birth, surname, and national insurance number. Additional criteria can be included to assist with matching such as address, postcode and other personal details including email and phone number. Once the matching criteria is agreed the Authority will be able to cleanse those specific data fields to ensure the maximum number of full matches are facilitated once dashboards are live.
- 7.5 The Authority will need to develop a detailed project plan to prepare for the implementation of dashboards. The plan will be developed when an ISP is appointed.

8 McCloud

- 8.1 The Authority continues to work with the administration database provider, Civica to implement functionality for the McCloud remedy. The functionality that has been delivered to date includes:
- The ability to identify 'in scope' members – those who meet the qualifying criteria
 - Implementing calculation of the new underpin for:
 - i Retirement of active members aged under 65
 - ii Calculation of deferred benefits for members under age 65.
- 8.2 Functionality to implement the underpin to all new leavers is in progress. Some issues were identified during testing this functionality which has meant that the implementation has been slightly delayed. The updated functionality is expected to be available from June 2024.

8.3 Civica have now published their plan and timeline for further development of the database functionality. The plan is for all remaining functionality to be available for testing from September 2024 with a view to being implemented into live from November 2024. The Fund cannot therefore commence the bulk rectification of casework until November at the earliest. Once implemented the system should automatically recalculate the benefits of deferred, pensioner and deceased members in scope of the remedy.

8.4 Where an uplift to a pension already in payment is required, then the pensions team will create a process to arrange for this uplift to be processed with payroll. It is understood this will be a manual task which cannot be automated.

8.5 The Authority will develop a detailed rectification plan once the position on further regulatory changes and guidance becomes clearer.

8.6 A closed consultation, on statutory guidance from the Department for Levelling Up, Housing and Communities (DLUHC), on the draft McCloud statutory guidance, commenced on 1 March 2024. The draft guidance was sent to:

- the McCloud statutory guidance working group
- the Scheme Advisory Board (England and Wales)
- software providers.

The guidance will apply to administering authorities in England and Wales. The guidance covers several issues related to the McCloud remedy, including:

- data collection and verification
- identifying members in scope
- prioritisation
- compensation.

The consultation ends on Friday 12 April 2024. The views of the Authority were fed back to the Chair of the regional Pensions Officers Group to feed into the guidance working group.

8.7 The Teachers' Pension Scheme (TPS) has produced a video for employers about excess service in the TPS. The webinar explains what the McCloud remedy will mean for teachers with excess service, depending on whether they are employed by an LGPS employer or not, and whether the member is active, deferred or a pensioner. The webinar also explains what employers will need to do when TPS contacts them about their employees with excess service. Employers will need to verify or correct the information supplied by TPS, and provide the information that their administering authority will need to build a LGPS pension record for members who are rolled back to the LGPS. This information has been passed on to the Employers in the Fund in the latest Employer Newsletter.

9 Appeals, Breaches & Complaints

9.1 Breaches

Ref	Date Recorded	Category	Description	Actions	Outcome
72	20/02/24	Breach of Law	Payment of refund after the 5 year cut off period	Pay the refund	Refund now paid
73	13/03/24	Breach of Law	Payment of refund after the 5 year cut off period	Pay the refund	Refund now paid

This case is due to the drafting of the Regulations not the team.

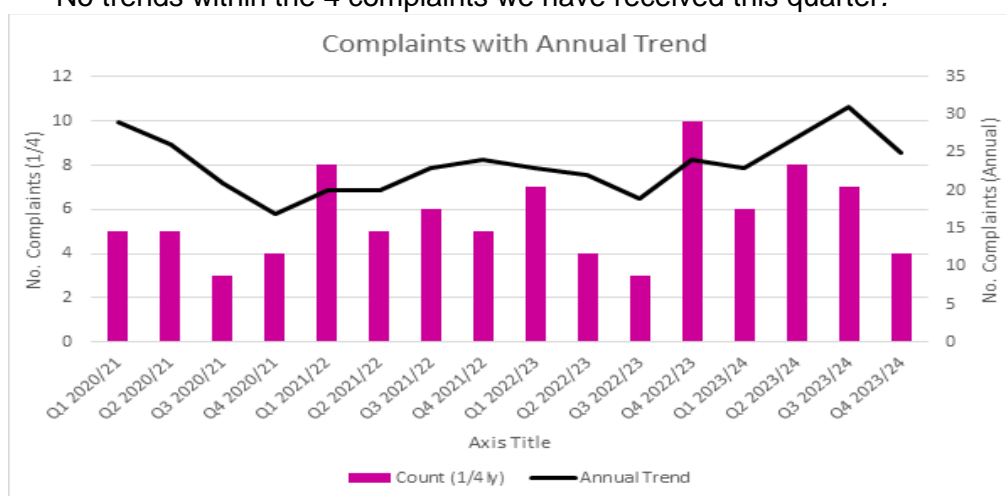
9.2 Appeals

Stage 1 raised	2
Stage 2 Raised	0
Appeals Decided	2
Appeals Upheld	0

No trends with current appeals. A Transfer Out process improvement project has been set up to ensure the Authority is fully TPR compliant, improve the end to end journey for the member and eliminate any waste from the process. New reporting for appeals will launch for the Q1 24/25 report.

9.3 Complaints

No trends within the 4 complaints we have received this quarter.



10 Employer Engagement

10.1 Current Improvements

- Identifying Employer Training needs to offer bespoke training to ensure tailored sessions appropriate for staff.
- Quarterly Employer Newsletter updated. Providing updates on current issues and awareness of future changes. Issue 15 (April) issued on time.
- Regular Meetings in place with Rotherham MBC Pensions Team which has led to significant reduction in queries and keeps the Employer informed of latest issues in a timely manner.

- Monthly Data Collection Dashboard identifies Employers who are late with submissions. Penalty warnings issued to encourage improvements.
- All stock presentations are being updated.
- 3 Employer Focus Groups held in February. Well, received by employers.
- Employer portal due to be updated to the latest Civica module 'Employer Hub' Testing is being undertaken of all processes. Online videos and guides are being prepared to help with transitioning Employers to the new platform. Target date for go live on 'Employer Hub' is still to be agreed as the Authority is awaiting a fix for a bug that was identified during early testing.
- Employer Survey has been issued with a response due date of 30 April 2024.

10.2 Future Improvements

- Improve the EPICi system to enable more effective reporting and a visualised snapshot of outstanding Employer queries.
- Employer Hub Implementation – final checks for seamless transition
- Creating a Bulk Redundancy request template for Employers.
- Improve communications with non-compliant Employers/Payroll Providers

10.3 Training and Presentations

- 8 Employer Training Sessions
- 3 Employee Presentations – Virtual
- 7 Employee Presentations – In Person
- 3 Employer Focus Groups
- 1 Event Day at Rotherham Town Hall
- 2 x half day 1:1 sessions Virtual/Civic Offices

See **Appendix B** for the latest position on outstanding employer queries.

11 Legislation Update

- 11.1 The South Yorkshire Mayoral Combined Authority (Election of Mayor and Transfer of Police and Crime Commissioner Functions) Order 2024 The Home Office laid The South Yorkshire Mayoral Combined Authority (Election of Mayor and Transfer of Police and Crime Commissioner Functions) Order 2024 on 21 March 2024, transferring the functions of the Police and Crime Commissioner (PCC) for South Yorkshire to the South Yorkshire Mayoral Combined Authority. The Order also modifies regulation 64 of the LGPS Regulations 2013 so that no exit payment is due in respect of the PCC.
- 11.2 Administration systems have been updated in line with this Fund Employer change. The Fund Actuary has been involved with Fund work on this matter.
- 11.3 HMT laid The Pensions (Abolition of Lifetime Allowance Charge etc) Regulations 2024 before Parliament on 14 March 2024, coming into force on 6 April 2024. They amend relevant legislation to ensure the smooth operation of the new pensions tax framework following the abolition of the lifetime allowance. This includes providing for transitional issues that were not included in the Finance Act 12 2024 and issues with the Act that were identified through consultation with industry after it was published.

- 11.4 HMT laid The Pensions Increase (Review) (No.2) Order 2024 before Parliament on 15 March 2024, coming into force on 8 April 2024. On 8 March 2024, HMT initially laid The Pensions Increase (Review) Order 2024. However, a sequencing error in relation to the equivalent benefits uprating order rendered it legally null. Consequently, HMT had to lay it again as a second order.
- 11.5 HMT made The Public Service Pensions (Exercise of Powers, Compensation and Information) (Amendment) Directions 2024 on 20 March 2024, which came into force on 21 March 2024. The Directions amend The Public Service Pensions (Exercise of Powers, Compensation and Information) Directions 2022. These complement the McCloud remedy legislation. Specifically, for the LGPS, the new directions delete the direction setting out the interest rate to apply on an amount owed by a member to the scheme and the direction providing for netting off. These were deemed unnecessary for the LGPS.

12 Implications

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

Financial	GMP Rectification and McCloud Remedy will increase Authority Cost on benefits. Pensions Dashboards will increase budget spend on Administration.
Human Resources	Pensions Dashboards – work resulting from the implementation of this government initiative is unknown currently.
ICT	An ISP provider will be required.
Legal	A number of case processes have statutory time limits associated with them.
Procurement	None

Name Debbie Sharp
Title Assistant Director Pensions

Background Papers	
Document	Place of Inspection
Authority Board Administration Paper	Modern Gov