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Date: 07 July 2021

To: MEMBERS OF THE SOUTH YORKSHIRE
LOCAL PENSION BOARD

This matter is being dealt with by: Gill Richards

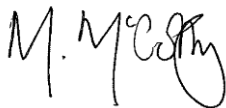Direct Line: 01226 772806
Email: grichards@syjs.gov.uk

Dear Member

SOUTH YORKSHIRE LOCAL PENSION BOARD
Thursday 15 July 2021

A meeting of the South Yorkshire Local Pension Board will be held at 10.00 am on Thursday 15th July, 2021 at the Civic, Hanson Street Barnsley S70 2HZ.

The agenda is attached.

Yours sincerely

Martin McCarthy
Deputy Clerk

Terms of Reference

1. Compliance and Control

1.1 To review administrative governance and risk management processes and procedures in order to ensure they remain compliant with the Regulations and Regulators Code of Practice.

1.2 To assist with the development and review the implementation of the Authority's various policy documents and procedures.

1.3 To review the actions taken in response from internal and external review agencies (such as Internal and External Audit and the Pensions Ombudsman).

2. Administration

2.1 To monitor and review the performance of the Scheme administration from the scheme members' and employers' perspective including making any recommendations for changes to the Pensions Administration Strategy.

2.2 Assess the quality of service provided by the Pensions Administration Service and identify any areas for improvement.

3. Communications

3.1 To monitor and make recommendations as appropriate on the means and content of communication with scheme members and employers.

3.2 To produce an Annual Report upon the Board's activities to be submitted to the Pensions Authority.

4. Budget

4.1 To agree an annual budget for the operation of the Local Pension Board and submit it to the Authority for approval.

5. Reporting

5.1 To make such recommendations to the Authority with regard to the matters set out in these Terms of Reference as it sees fit.

SOUTH YORKSHIRE LOCAL PENSION BOARD

THURSDAY 15 JULY 2021 AT 10.00 AM AS A THE CIVIC, HANSON STREET, BARNSLEY, S70 2HZ

AGENDA

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	Committee Business	
1	Welcome and Apologies	
2	Announcements	
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13	Data Quality Improvement Plan Update	To Follow

SOUTH YORKSHIRE PENSIONS AUTHORITY

LOCAL PENSION BOARD

22 APRIL 2021

PRESENT: G Warwick (GMB) (Chair)

Councillor M Chaplin (Sheffield City Council), N Doolan-Hamer (Unison), R Fennessy (South Yorkshire Police), D Gawthorpe (Unite), A Gregory (Scheme Member Representative), N Gregory (Academy Representative) and D Webster (Scheme Member Representative)

Officers: J Bailey (Head of Pensions Administration), G Graham (Director), M McCarthy (Deputy Clerk) and G Richards (Senior Democratic Services Officer)

C Scott (Independent Advisor to the Board)

Apologies for absence were received from S Loach

1   WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies were noted as above.

2   ANNOUNCEMENTS

None.

3   URGENT ITEMS

None.

4   ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS

None.

5   DECLARATIONS OF INTEREST

None.

6   MINUTES OF THE MEETING HELD ON 28 JANUARY 2021 AND ACTIONS AND MATTERS ARISING

J Bailey commented that with regard to the employers survey which had been due in Quarter 4, an exercise had been carried out to update all the employer contacts

which had caused a delay. The survey would be issued during the current quarter and it was hoped the results would be available for the next meeting of the Board.

C Scott commented that at the end of the fiduciary training in March when the Board had also met to discuss the effectiveness survey, there had not been a lot of time to discuss investments and responsible investment with SYPA's Head of Investments S Smith and felt it would be helpful to arrange a session to discuss these matters in more detail. G Graham confirmed that this could be arranged.

RESOLVED – That the minutes of the meeting held on 28th January 2021 be agreed as a true record.

7   REVIEW OF THE AUTHORITY'S RISK REGISTER

A report was submitted which provided the Board with the opportunity to review the Authority's Corporate Risk Register.

The Risk Register, which was reviewed on a quarterly basis by the Senior Management Team, was attached as an Appendix to the report.

Members were reminded that the Authority had created a specific Covid risk register which had been reported to the Board in July 2020. This had remained in place until the autumn when the risks which had not been effectively mitigated were consolidated into the Corporate Risk Register. In addition, the initiation of major projects such as the new office accommodation had resulted in the creation of new risk registers specific to those projects which were reviewed within the relevant project management structures; any issues of corporate significance, for example major budgetary variances or significant time delays, would be reported to the Senior Management Team – there had been no such issues so far.

With regard to the governance risk relating to the Board, A Gregory queried if there were any measures planned to reduce the risk score from a nine towards its target of two.

G Graham replied that the risk had been reduced following C Scott's appointment as the Board's advisor and a further review would be done which would reflect the outcome of the Board's self-assessment. The new Learning and Development Strategy should also have a positive impact on the score. It was unlikely that the risk would be reduced to its target level in the next two years due to matters outside of the Authority's control.

The Board discussed the risks around investment and funding, noting that the next review of the Risk Register would take into account the approval of the Net Zero Action Plan.

RESOLVED – That the Board note the Authority's Corporate Risk Register.

8   GOVERNANCE AND REGULATORY UPDATE

A report was considered which provided an update on governance and regulatory matters.

The Board was informed that there had been a number of developments in the area of governance requirements on funds which they needed to be aware of.

- The Scheme Advisory Board had approved the final stage of its Good Governance Project and had made recommendations to the Minister in relation to regulation changes and was implementing an action plan in relation to items that did not require regulatory change. Key issues arising from the report and the implications for SYPA were detailed within the report.

- The Pensions Regulator (TPR) had issued its draft single code of practice for consultation. This would replace 10 existing codes, including CoP 14 which specifically related to the governance of public sector schemes. The draft code replicated and re-ordered the existing codes but there was also a number of significant changes which were explained within the report. Officers would be preparing a response to relevant elements of the proposed Code of Practice and would consult with the Chair of the Board before submitting to the Chair of the Authority in consultation with the s41 members under the urgent business procedure.

The Director commented that although it was thought that the Authority was well placed to deal with these matters there was no room for complacency. The TPR document was approximately 150 pages and there were bound to be some areas that required attention. It was particularly annoying that the consultation was being run at a time when elected members could not respond which was disrespectful to the LGPS as a community and as part of the pensions industry.

In response to a question around the timetable the Director explained that the Good Governance recommendations would be phased in over the next two years. Some needed changes to the Regulations which would involve time to get through the statutory consultation, further time to make the Regulations followed by the production of statutory guidance, all this could take up to two years.

With regards to responding to the consultation, TPR had given the opportunity to respond to each part of the Code so comments could be made just to parts of the Code which may raise particular issues.

The Director commented that there was a strong case for an LGPS version of the Code as TPR's responsibilities for public sector schemes, and in particular the LGPS, was more constrained than for private sector schemes; this could lead to inappropriate regulations for the LGPS.

In response to a question on using the term 'governing body', the Director thought that this was, in some ways, progress. Previously with regard to public sector schemes TPR had only been prepared to engage with Local Pension Boards even though they were not a decision making body. Using 'governing body' as a whole

entity was progress and recognised the role of the Authority (or Pension Committee) in the governance structure.

RESOLVED – That the report be noted.

9   QUARTERLY ADMINISTRATION UPDATE

A report was submitted which gave an update on administration performance and issues for the period from 1st January 2021 to 31st March 2021.

Members noted that the content of the report was continually reviewed to ensure it was appropriate to support the scrutiny of the administration service and included information not provided previously.

Staffing

The report contained a table detailing starters, leavers and vacancies for the period including commentary on the status of the vacancies.

In terms of sickness absence, this had reduced compared with the previous two quarters, much of it directly related to the fact that two staff previously absent long-term had returned to work.

In response to a question from N Gregory, J Bailey confirmed that at the moment it was planned for some staff to begin to return to the office in July, subject to government guidance.

Case Work Performance

The reporting of performance had been updated in order that members could more easily compare like-for-like periods.

It was noted that the volume of case work had improved slightly over the quarter but seemed to be at a plateau of what could be achieved whilst working from home.

The handling of death cases had now been incorporated into the report and showed that they continued to be dealt with extremely quickly, the handling of retirements was not as effective but was still within acceptable timescales.

With regard to the retrospective files from Rotherham MBC and the effect on joiners and leavers, J Bailey confirmed that the quality of monthly files received from Rotherham was now at acceptable levels.

Members thought it would be helpful with regard to all case work to include what was 'normal' or acceptable figures, e.g. in respect of unprocessed leavers, so that problem areas could be identified.

Statutory Disclosure Reporting

Reporting had been developed further in this area and Appendix A showed the Quarter 4 report for most of the areas covered under various disclosure regulations; this showed that statutory targets were generally being met in the main areas. The reporting would be further developed to cover all areas.

Employer Performance

It was noted that the vast majority of employers had continued to provide the monthly returns despite the difficult circumstances. A table within the report the current position of monthly returns received in respect of the last three months.

Individual Query Employer Reporting

Members were reminded that at the last Board meeting they had requested the reporting be updated to reflect the actual performance of key employers to that trends could be monitored. Appendix B showed the performance in recent quarters for the employers or payroll providers with the highest volumes of queries. It was noted that further development work was needed to provide more accurate reporting.

Appendix C gave a brief summary of some of the engagement activity undertaken during the quarter.

Customer Satisfaction

Satisfaction levels remained high. A table in the report showed overall satisfaction levels from survey respondents who retired in November and December 2020 and January 2021.

Customer Centre

An electronic survey was issued to around 3,000 members who had contacted the Customer Centre by telephone during November and December 2020. The results showed that 90% were satisfied with the service received.

The feedback from the Live Chat facility showed that 94% were satisfied and feedback from email responses also showed high levels of satisfaction.

Online Portal

An exercise had been carried out to encourage all scheme members to sign up to use the online portal. Appendix D showed the numbers who had registered since January 2019, these numbers were continuing to increase.

J Bailey agreed to supply N Gregory with the number of employees who had signed up for the portal since her employer had promoted its use.

Annual Benefit Statements

The template for the 2021 statement for active members had been drafted and was attached at Appendix F.

An internal working group was meeting fortnightly and reviewing all aspects of the Monthly Data Collection process and was focused on a number of key areas which were detailed within the report. The group was proving successful with 78 employers already showing their active member records had been fully completed to the end of March 2021 ready for the ABS's to be produced.

Production of the Annual Benefit Statements would commence in early May as would the issue of deferred statements. J Bailey confirmed that the ABS process was on track.

RESOLVED – That the report be noted.

10   REVIEW OF BREACHES, COMPLAINTS AND APPEALS

The Board considered a report which gave an update on the latest reported breaches and provided details of complaints and appeals for the period 1st January 2021 to 31st March 2021.

The report contained details of two individual data breaches and one cyber security 'near miss' that had occurred during the quarter.

It was noted that there had been four complaints receive during the period which was half the number of the equivalent period in the previous year; of these, two were outside the control of SYPA. Of the two within the control of SYPA, one was an issue with monthly data files received from Rotherham MBC payroll which would be resolved ahead of the 2021 ABS exercise and the other was a legacy data migration issue dating back to 2014. Investigations were underway to check if any other members had been affected. The outcome of the investigation would be reported at the next Board meeting.

The period had seen five Internal Dispute Resolution Procedure appeals details of which were set out in the report.

RESOLVED – That the Board note the breaches summary and the outcome of complaints received.

11   LOCAL PENSION BOARD ANNUAL REPORT

The Board considered its Annual Report for 2020/21.

The report was submitted for approval subject to the inclusion of the attendance at today's meeting and the final budget figures.

M McCarthy commented that the report had evolved well over the last five years and reflected the work of the Board and its importance as a challenge and scrutiny function and gave reassurance of the Authority's governance arrangements.

It was confirmed that, when approved, the Annual Report would be published on the Authority's website and be included in SYPA's Annual Report.

Board members were requested to check the training section and report any amendments to G Richards as soon as possible. It was also agreed that there needed to be recognition that the Board had an advisor in the membership section.

RESOLVED – That, subject to the amendments above, the Board approve the Annual Report for 2020/21.

12   MEMBER LEARNING AND DEVELOPMENT STRATEGY

A report was submitted to secure the Board's comments on and endorsement of the proposed Member Learning and Development Strategy covering members of both the Board and the Pensions Authority.

Members were reminded that the review of governance carried out by Hymans Robertson had recommended that the Authority produced a learning and development strategy that addressed the needs of members of the Authority and the Local Pension Board in an integrated way. The attached Learning and Development Strategy was the first draft of this.

Mandatory training for new members of the Board included the 3-day LGA Fundamentals course. This was a significant commitment for members and it was often difficult for some to find the time to complete the course.

Hymans Robertson recently had recently produced an online course named the LGPS Online Learning Academy which was a series of modules to provide the initial level of understanding a new member would need and could be completed at the members own pace.

It was suggested that this course be made mandatory in place of the Fundamentals although the Authority would still support members who wished to complete the Fundamentals training.

It was noted that the Board's concerns around training needs assessments would be delivered by the new Strategy.

Set out within the Strategy was the internal seminar programme for 2021/22 and also a list of approved external events for the year.

An additional seminar was proposed for Board members in October which would focus on the Regulator's single code and there would be a further seminar in March 2022 on a topic of the Board's choice.

RESOLVED – That the Board:

i)   Endorse the proposed Learning and Development Strategy at Appendix A to the report.

ii)   Note the proposed programme of events for Board members for the 2021/22 Municipal Year as set out in the strategy.

13   TRAINING OPPORTUNITIES AND FEEDBACK

A Gregory had found the training events he had attended very useful and encouraged members to take advantage of the events on offer.

N Gregory had attended the last CIPFA Local Pension Board event which she had found worthwhile. Discussions had included the Pensions Regulator, consultation on the minimum pension age and Board self-assessment.

G Graham asked if members could share any electronic copies of handouts/presentations from events they had attended which then could be uploaded to the online Reading Room.

14   EFFECTIVENESS REVIEW

C Scott thanked the Board for responding to the effectiveness survey and actively participating in the workshop.

The report captured the high level messages from the review which were generally positive and highlighted areas for improvement which would be progressed over the year.

The Chair commented that in the pre-meet members had unanimously approved the report and the changes to the Constitution and asked if the Director would seek the Authority's approval.

The Director informed the Board that the annual review of the Board's Constitution would be brought to the Board meeting in July and then would be taken to the Authority.

It was noted that the issue of extending the term of office for the local authority councillors on the Board would have to be discussed by the South Yorkshire Leaders in September.

RESOLVED – That the Board agree that the report was a true reflection of the Effectiveness Survey and also agree the actions outlined within the report to improve its effectiveness.

15   LOCAL PENSION BOARD WORK PROGRAMME

The Board's Work Programme was presented for information.

RESOLVED – That the Work Programme be noted.

16   FEEDBACK FROM AUTHORITY MEETINGS

G Graham gave an update from the March meeting of the Authority. Agenda items had included:

- Corporate performance was on track but not moving as swiftly as had been hoped due to home working.
- Investment performance had been remarkably good.
- The Authority had approved an amplified Statement of Investment Beliefs in relation to Responsible Investment.
- The Net Zero Action Plan had been agreed.
- The quarterly Responsible Investment engagement report had been considered.
- The contract for the replacement of the pensions administration software had been awarded. A brief paper would be brought to the next Board meeting detailing the enhancements to the software in the new contract.

The Chair thanked officers for the update.

CHAIR

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SOUTH YORKSHIRE
PENSIONS AUTHORITY

Subject	Membership of the Local Pension Board	Status	For Publication
Report to	Local Pension Board	Date	15 July 2021
Report of	Deputy Clerk		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Gill Richards	Phone	01226 772806
E Mail	grichards@syjs.gov.uk		

1. **Purpose of the Report**

1.1 To update the membership of the Board.

2 **Recommendation**

2.1 **Members of the Local Pension Board are recommended to:**

   a. Note the revisions to the membership of the Board.

_____

3. **Link to Corporate Objectives**

3.1 This report links to the delivery of the following corporate objectives:

   Effective and Transparent Governance

   To uphold effective governance showing prudence and propriety at all times.

   It is important that the Pensions Authority as Scheme Manager ensures the Board has a stable membership to enable the Board to operate in an effective way.

4. **Implications for the Corporate Risk Register**

4.1 The actions outlined in this report seek to address the risk contained in the corporate risk register that the degree of instability in the membership of the Board impacts on its effectiveness in fulfilling its role leading to the risk of intervention by the Pensions Regulator.

5. **Background and Options**

5.1   Sheffield CC have agreed re-appoint Cllr Mike Chaplin to the Board for a further two years. Discussions are ongoing with Barnsley MBC and Doncaster MBC regarding a further Local Authority Councillor appointment.

5.2   The table below shows the current membership of the Board.

		Date of Appointment
Cllr Mike Chaplin (Sheffield CC)	Local Authority Councillor	April 2020
Vacancy	Local Authority Councillor	
Rob Fennessy (South Yorkshire Police)	'Other Large Employer'	April 2019
Nicola Gregory (Minerva Learning Trust)	Academy	January 2018
Steve Loach (Head of Finance, Barnsley MBC)	1 Local Authority Senior Manager	October 2019
Nicola Doolan-Hamer (Unison)	Trades Union	July 2015
Danny Gawthorpe (Unite)	Trades Union	June 2020
Garry Warwick (GMB)	Trades Union	July 2015
Andrew Gregory	Scheme Member	July 2019
David Webster	Scheme Member	October 2019

5.3   Note: The Local Authority Councillors are rotated every two years; all other appointments are for three years. A member may serve a maximum of three terms of office if approved elsewhere on today's agenda.

6.   Implications

6.1   The proposals outlined in this report have the following implications.

Financial	None
Human Resources	None
ICT	None
Legal	None
Procurement	None

Gill Richards   **Martin McCarthy**
Senior Democratic Services Officer   **Deputy Clerk**

Background Papers	
Document	**Place of Inspection**

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SOUTH YORKSHIRE
PENSIONS AUTHORITY

Local Pension Board Workplan as at July 2021

14th October 2021	27th January 2022	28th April 2022
Apologies & Declarations	Apologies & Declarations	Apologies & Declarations
Minutes	Minutes	Minutes
Compliance & Control	**Compliance & Control**	**Compliance & Control**
Regulatory Update	Regulatory Update	Regulatory Update
Authority Risk Register Update	Authority Risk Register Update	Authority Risk Register Update
Annual Review of Governance Compliance Statement	The Pensions Regulator's Annual Return	
Pensions Administration	**Pensions Administration**	**Pensions Administration**
Quarterly Administration Report	Quarterly Pension Administration Report	Quarterly Administration Report
Review of Breaches, Complaints and Appeals	Review of Breaches, Complaints and Appeals	Review of Breaches, Complaints and Appeals
Admin System Functionality	Benchmarking of Administration	Data Quality Improvement Plan
Local Pensions Board Operations	**Local Pensions Board Operations**	**Local Pensions Board Operations**
Training Feedback	Training Feedback	Training Feedback
Local Pension Board Budget		Effectiveness Review
		Local Pension Board Annual Report
Recommendations to the Authority (if any)	Recommendations to the Authority (if any)	Recommendations to the Authority (if any)
Workplan for future meetings	Workplan for future meetings	Workplan for future meetings

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SOUTH YORKSHIRE PENSIONS AUTHORITY

Subject	Local Pension Board Constitution	Status	For Publication
Report to	Local Pension Board	Date	15th July 2021
Report of	Director and Clerk		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	George Graham Director	Phone	01226 772887
E Mail	ggraham@sypa.org.uk		

1 **Purpose of the Report**

1.1 To give effect to amendments to the Board's constitution proposed as a result of the effectiveness review conducted by the Board.

_____

2 **Recommendations**

2.1 Members are recommended to:

    a. **Approve the revised constitution set out at Appendix A.**

_____

3 **Link to Corporate Objectives**

3.1 This report links to the delivery of the following corporate objectives:
Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

Keeping the constitution under review and ensuring it evolves to meet the changing circumstances faced by the Board represents good practice.

4 **Implications for the Corporate Risk Register**

4.1 The actions outlined in this report address the risks around the effectiveness of the Board which are included in the Corporate Risk Register.

5 **Background and Options**

5.1 At its last meeting the Board considered the outcome of its own effectiveness review which recommended that the Authority agree to several amendments to the Board's constitution, specifically

- Changes to the maximum term of office of non-councillor members.
- Changes to the term of office of councillor members.

- Changes to make clear that virtual meetings and/or virtual attendance (subject to the availability of technology) are permissible.

5.2 At its annual meeting on 10th June the Authority agreed to give effect to the first and third of these proposals and to consult the South Yorkshire Leaders Group on the second, although in doing so the Authority indicated its support for the proposal.

5.3 Attached at Appendix A is a revised constitution giving effect to the agreed changes. The constitution has also been updated to incorporate the Conflicts of Interest Policy in a similar way to the Authority ensuring that these key documents are all in one place. A new clause (9.6) has been added cross-referring to the Conflicts of Interest Policy and the need for members of the Board to have regard to it. A small number of tidying up grammatical amendments have also been made which do not change the specific terms of the Constitution.

6   Implications

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

Financial	None
Human Resources	None
ICT	None
Legal	The Board is required to have a constitution which is subject to approval by the Authority as Scheme Manager.
Procurement	None

George Graham

Director

Sarah Norman

Clerk

Background Papers	
Document	**Place of Inspection**
Board Effectiveness Review	2021 Mar Effectiveness Conclusions.pdf (southyorks.gov.uk)

Constitution of the South Yorkshire Local Pension Board

July 2021

Date Approved:	2015
Date Revised:	July 2021
Date of Next Review	July 2022
Responsible Officer:	Monitoring Officer

Contents

1.   Name

1.1   The name of the Board is "the South Yorkshire Pensions Authority Local Pension Board" and is established by South Yorkshire Pensions Authority ("the Authority") as the administering authority for the South Yorkshire Pension Fund under the provisions of Section 5 of the Public Sector Pensions Act 2013 ("the Act") and the Local Government Pension Scheme (Amendment)(Governance) Regulations 2015.

2.   Purpose and Role

2.1   The role of the Local Pension Board as defined by Sections 5(1) and (2) of the Public Service Pensions Act 2013 is to:

2.1.1   Secure the effective and efficient governance and administration of the LGPS for the South Yorkshire Pension Fund

2.1.2   Provide the Scheme Manager with such information as it requires to ensure that any member of the Local Pension Board or person to be appointed to the Local Pension Board does not have a conflict of interest.

2.1.3   Ensure the South Yorkshire Pension Fund effectively complies with the Code of Practice on the Governance and Administration of Public Service Pensions Schemes issued by the Pensions Regulator and is effectively managed and administered in compliance with the Code.

2.2   The Board will carry out its role in line with the specific terms of reference set out in Appendix A to this Constitution.

3.   Powers of the Local Pension Board

3.1   Where any breach of legislation or duties is committed or is alleged to have been committed by the Pensions Authority or its Boards the Local Pension Board shall:

3.1.1   Within one month of the possible breach, meet with the Authority Chair (supported by the Head of Paid Service and Section 73 officer) to discuss the breach.

3.1.2   Ask the Authority Chair to explain the actions taken and provide evidence of the legitimacy of the actions taken.

3.1.3   Consider the matter on the facts available and evidence provided by the Chair and shall:

3.1.3.1   Refer it back to the Authority to consider afresh and correct any areas of concern/breaches of duty; or

3.1.3.2   Determine that no breach of duty has taken place.

3.2   If under clause 3.1 above it is decided that a breach has occurred, the Local Pension Board shall (as required by the Code of Practice and the Pensions Act 2004):

3.2.1   Report the breach to the Scheme Manager who should take prompt and effective action to investigate and correct the breach and its causes and, where appropriate, notify any affected members: or

3.2.2   Where prompt and effective action to remedy the breach has not been taken and/or where scheme members have not been informed when they should have been, report the breach as a breach of material significance to the Pensions Regulator.

3.3   As per Regulation 106(6) of the Local Government Pension Scheme (Governance) Regulations 2014 and subject to the terms in this Constitution, the Local Pension Board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

4. Scheme Manager Consents

4.1 The Local Pension Board shall not:

4.1.1 Consider or become involved in any internal dispute resolution appeals or the process itself.

4.1.2 Enter into contracts on behalf of the Administering Authority.

4.1.3 Use the Local Pension Board to act on behalf of a particular constituency or Pension Fund member in general or in relation to a specific complaint at any time.

4.1.4 Compromise the Pensions Authority's ability to comply with its fiduciary duty to the Pension Fund and its members.

4.2 The Local Pension Board must seek written consent from the Scheme Manager before it:

4.2.1 instructs the Pension Fund actuary to provide a report of any kind.

4.2.2 Requests any external advisor to attend a meeting of the Local Pension Board which shall require any remuneration of any level.

4.2.3 incurs a cost to the Pension Fund.

4.2.4 Can amend this constitution.

5. Membership

5.1 In accordance with Regulation 107 of the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 the South Yorkshire Local Pension Board will be made up of an equal number of employer and member representatives which is no less than four in total. The South Yorkshire LPB will comprise of 10 members in total.

5.1.1 Employer representatives will consist of:

- 2 Local Authority Councillors (rotated every 2 years) in line with a pattern agreed with the Constituent Authorities
- 1 'Other Large Employer' (appointed for 3 years)
- 1 Academy (appointed for 3 years)
- 1 Local Authority Senior Manager (appointed for 3 years)

5.1.2 Employee representatives will consist of:

- 3 Trades Unions who must be LGPS Scheme members (appointed for 3 years)
- 2 members selected from active, pensioner and deferred members (appointed for 3 years)

5.1.3 Appointment of employer and Trades Union representatives will be by nomination, Scheme member representatives will be appointed by an application process.

5.1.4 A non-Councillor member (employer or scheme member) may serve a maximum of three terms of office.

5.2 No officer of South Yorkshire Pensions Authority or any elected Member appointed by a constituent Authority to serve on the South Yorkshire Pensions Authority may be a Member of the Local Pension Board.

5.3 Members of the Local Pension Board will be voting members; each member shall have one vote. It is expected that the Board will, as far as possible, reach a consensus; the Chair of the Board will have the final deciding vote which will be reported to the Administering Authority.

5.4 Regulation 107 requires that the administering authority, South Yorkshire Pensions Authority, ensures that all employer or member representatives sitting on the Board have relevant experience and capacity to represent the employers or members of the Fund.

5.5   Substitute members will not be permitted.

5.6   Each Local Pension Board member shall endeavour to attend all LPB meetings during the year. Failure to attend any meetings within a 6-month period will result in removal from the Board unless a meeting of the Board specifically agrees to a waiver of this rule because of specific circumstances.

6.   Chair

6.1   The Board shall elect a Chair from amongst its members.

6.2   The Board shall elect a Vice-Chair from amongst its members.

6.3   When the Chair of the Board is from the employer representatives, then the Vice-Chair will be elected from the member representatives, and vice versa.

7.   Leaving the Board

7.1   A member of the Board shall cease to hold office if:

7.1.1   He or she notifies the Board of a wish to resign.

7.1.2   He or she is an elected councillor and is appointed to the Pensions Authority.

7.1.3   He or she ceases to be employed by the body on behalf of whom he/she acts as a representative, including but not limited to Trade Unions or Scheme employers.

7.1.4   A member fails to attend meetings or otherwise comply with the requirements of being a Board member, for example fails to attend the necessary knowledge and understanding training.

7.1.5   A member dies or becomes incapable of acting.

7.1.6   There exists a conflict of interests in relation to a Board member which cannot be managed within the internal procedures of South Yorkshire Pensions Authority.

8.   Standards and Interests

8.1   All members of the Board will adhere to the Seven Principles of Public Life. These are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

8.2   In addition, Local Authority Councillors serving on the Board are subject to their Council's Code of Conduct for Members. Members of the Board who are not Councillors but are members of a professional body or represent a Trade Union are subject to any Code of Conduct applicable to that body or Trade Union.

8.3   All members of the Board shall complete a declaration of their interest and deposit it with South Yorkshire Pensions Authority's Monitoring Officer as required by Regulation 108 (4) of the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015.

8.4   The Monitoring Officer will make arrangements for the publication of the register of interests of members of the Local Pension Board on the website of the South Yorkshire Pensions Authority.

9.   Conflicts of Interests

9.1   Further to the Regulations, a member shall not be appointed who has an existing conflict of interest.

9.2   For the avoidance of doubt, being a member of the Pension Scheme is not a conflict of interest.

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9.3 Where a member becomes conflicted during their appointment, they shall inform the Scheme Manager without delay and their tenure shall end with immediate effect.

9.4 Where a member has been removed from the Board under this clause 9, they will be entitled to be reappointed once the conflict has been resolved.

9.5 Such reappointment shall be made to the Board only where written approval from the Scheme Manager (advised by the Monitoring Officer) has been provided.

9.6 The Board shall maintain a policy in relation to conflicts of interest which will form part of this Constitution and to which members of the Board must have regard.

10. Meetings and Procedures of the Board

10.1 The Board shall hold a minimum of four meetings in any municipal year. Additional meetings may be called at any time by the Chair.

10.2 For the avoidance of doubt "meeting" in this context includes meetings held entirely virtually or allowing the participation of individual members virtually.

10.3 In the absence of the Chair at a meeting of the Board, the Vice-Chair will preside over that meeting. If both the Chair and Vice-Chair are absent, then the Board will appoint one of its members to preside at that meeting.

10.5 The quorum for a meeting of the Board shall be at least 2 employer and 2 employee representatives.

10.6 Board meetings shall be held in public. The public may be excluded from the meeting when matters are considered that, in the opinion of the Scheme Manager, contain information covered by exempt/confidential information procedures under Schedule12A of the Local Government Act 1972 (as amended) or represent data covered by the Data Protection Act 1998.

10.7 All agendas and papers for Board meetings will be made publicly available on South Yorkshire Pensions Authority's website unless, in the opinion of the Scheme Manager, they are covered by exempt/confidential information procedures under Schedule 12A of the Local Government Act 1972 (as amended) or represent data covered by the Data Protection Act 1998.

10.8 Minutes of proceedings at meetings of the Board shall be kept in accordance with statutory requirements. Following the approval of the minutes by the Chair of the Board, they shall be forwarded to all Pension Board members.

10.9 Minutes of meetings of the Board shall be published on South Yorkshire Pensions Authority's website.

11. Knowledge, Skills and Training

11.1 To be appointed as a member of the Board a person must have knowledge and understanding of and be fully familiar with:

11.1.1 The rules of the scheme.

11.1.2 Any document recording policy about the administration of the Scheme which is for the first time being adopted in relation to the Scheme.

11.1.3 The law relating to pensions; and

11.1.4 Any other matters which are prescribed in regulations.

11.2 Pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies, and knowledge to identify gaps or weaknesses.

11.3 Pension Board members will comply with the Scheme Manager's training policies as set out in the Learning and Development Strategy and attend all training provided by the Scheme Manager.

11.4 A written record of relevant training and development will be maintained for each member of the Board and details of training undertaken by each member of the Board will be published in the Board's Annual Report.

11.5 Training where needed, that is provided by the Scheme Manager, will be charged to the Pension Fund.

11.6 Subject to the Regulations or any advice or requirement issued by the Pensions Regulator, the Board must agree and implement a programme of training in respect of all members of the Board to ensure that they are adequately trained to perform their respective duties.

12. Accountability

12.1 The Local Pension Board will be collectively and individually accountable to the Scheme Manager and the Pensions Regulator.

13. Expenses and Funding

13.1 Members of the Board will be reimbursed for reasonable subsistence and travel expenses in accordance with relevant policies of the Administering Authority.

13.2 For the avoidance of any doubt, Pension Board members shall not receive an annual allowance of any kind.

13.3 The Board will be provided with adequate resources to undertake its role; these will include as a minimum:

- Accommodation and administrative support to conduct its meetings.
- Training; and
- Legal, technical, and other professional advice.

13.4 The expenses of the Local Pension Board shall be regarded as part of the costs of the administration of the Fund.

14. Annual Report

14.1 At the end of each Municipal Year the Chair of the Board shall compile an annual report on the activities of the Board, including records of attendance and training, for submission to the Authority and for inclusion in the Authority's Annual Report and Accounts.

15. Variations
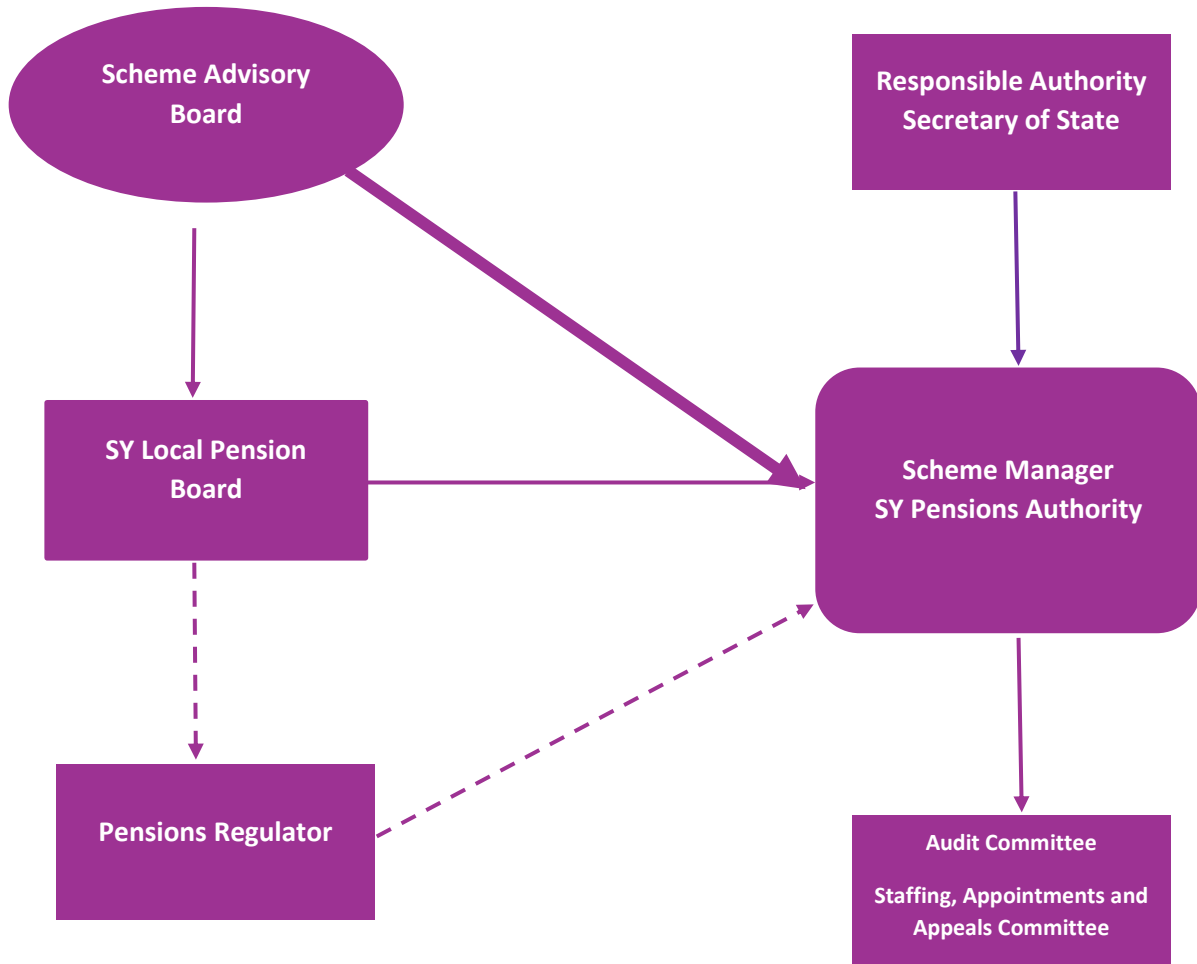
15.1 Any variation to this Constitution, considered necessary by the Board, shall be reported to the Scheme Manager for consideration and written consent.

15.2 No variation made by the Board will be valid without the express consent of the Scheme Manager.

16. Data Protection

16.1 The Local Pensions Board will adhere to the Data Protection Policies of the Administering Authority.

17. Governance Structure

17.1 The diagram below shows how the South Yorkshire Local Pension Board fits into the overall governance structure flowing from the Public Sector Pensions Act 2013 and the Local Government Pension Scheme Regulations 2013 (as amended).

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  ┌──────────────────┐                          ┌──────────────────────┐
  │ Scheme Advisory  │                          │ Responsible Authority │
  │      Board       │                          │  Secretary of State   │
  └──────────────────┘                          └──────────────────────┘
          │          ╲                                      │
          ▼           ╲                                     ▼
  ┌──────────────────┐ ╲                          ┌──────────────────────┐
  │ SY Local Pension │  ╲──────────────────────▶  │    Scheme Manager    │
  │      Board       │ ─────────────────────────▶ │  SY Pensions Authority │
  └──────────────────┘                          └──────────────────────┘
          ┊                                                 │
          ▼              ┊ ┊ ┊ ┊ ┊                          ▼
  ┌──────────────────┐ ┊                          ┌──────────────────────┐
  │ Pensions Regulator│                           │   Audit Committee    │
  └──────────────────┘                           │                      │
                                                  │ Staffing, Appointments and │
                                                  │   Appeals Committee  │
                                                  └──────────────────────┘
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Constitution of the South Yorkshire Local Pension Board

Appendix A – Terms of Reference

July 2021

Appendix A Terms of Reference

1.   Compliance and Control

1.1   To review administrative governance and risk management processes and procedures to ensure they remain compliant with the Regulations and the Regulator's code of practice.

1.2   To assist with the development and review the implementation of the Authority's various policy documents and procedures.

1.3   To review the actions taken in response from internal and external review agencies (such as Internal and External Audit and the Pensions Ombudsman).

2.   Administration

2.1   To monitor and review the performance of Scheme administration from the scheme members' and employers' perspective including making any recommendations for changes to the Pensions Administration Strategy.

2.2   To assess the quality of service provided by the pension administration service and identify any areas for improvement.

3.   Communications

3.1   To monitor and make recommendations as appropriate on the means and content of communication with scheme members and employers

3.2   To produce an Annual Report upon the Board's activities to be submitted to the Pensions Authority.

4.   Budgets

4.1   To agree an annual budget for the operation of the Local Pension Board and submit it to the Authority for approval.

5.   Reporting

5.1   To make such recommendations to the Authority with regard to the matters set out in these terms of reference as it sees fit.

Constitution of the South Yorkshire Local Pension Board

Appendix B – Conflicts of Interest

July 2021

1. **Introduction**
    There is a requirement for Local Pension Board (LPB) members not to have a conflict of interest. However, it is important to note that the issue of conflicts of interest must be considered in the light of the LPB's role in assisting the Scheme Manager (South Yorkshire Pensions Authority) in securing compliance with the Local Government Pension Scheme (LGPS) regulations.

    The LPB does not make decisions in relation to the Scheme and, therefore, it is not anticipated that significant conflicts will arise. Nevertheless, this Policy has been drafted to assist in the effective identification, monitoring, and management of conflicts of interest.

    This Policy sets out to meet the requirements that specifically apply by virtue of the Public Service Pensions Act 2013 and the standards of conduct and practice as set out in the Pensions Regulator's Code of Practice.

2. **Identifying Conflicts**
    LPB Members
    For the purposes of a member of the LPB, a conflict of interest is defined in section 5(5) of the 2013 Act as a "financial or other interest likely to prejudice the way in which someone carries out their role as a member of a pension board". It further specifies that a conflict does not include a financial or other interest arising merely by virtue of that person being a member of a relevant pension scheme. Therefore, a conflict of interest may arise when a member the LPB must fulfil their legal duty to assist the Scheme Manager and, at the same time, they have.

    - a separate personal interest (financial or otherwise); or
    - another responsibility in relation to that matter, giving rise to a possible conflict with their first responsibility as a member of the LPB.

    The Scheme Manager must also satisfy itself that those appointed to the LPB do not have an actual conflict of interest prior to appointment and "from time to time". This will be achieved by regular monitoring and review of the declarations of interest register.

    There is a corresponding duty on any person who is proposed to be appointed, or an appointed member of the LPB, to provide the Scheme Manager with such information as it may require to be satisfied that there are no conflicts of interest. LPB members will also have the responsibility to anticipate potential conflicts of interest in relation to plans for future LPB activity.

    Some examples of how a conflict of interest may arise specifically in relation to an LPB member include.

    a) a finance officer appointed as a member of the LPB may, from time to time, be required to take or scrutinise a decision which may be, or appear to be, in opposition to another interest or responsibility. For example, they may be required as an LPB member to take or scrutinise a decision which involves the use of departmental resources to improve scheme administration, whilst at the same time being tasked, by virtue of their employment, with reducing departmental spending.

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b)   an LPB member who works closely with the Scheme Manager's internal audit function may be required, as part of their work to audit the administration of the Pension Scheme. For example, the employee may become aware of confidential breaches of law which have not yet been brought to the attention of the LPB.

c)   an employer representative (elected Member) who also works in the private sector, may also have a conflict of interest as a decision-maker in their own workplace. For example, they may work for a company to which the Scheme Manager has outsourced its pension administration services and the Board are reviewing the standards provided by it.

LPB Advisors

Conflicts of interest may also arise in respect of Advisors to the LPB.

For example: an Advisor may have a conflict of interest if he or she (or the same company) is also advising the Scheme Manager. The risk to the LPB is that the Advisor does not provide, or is not seen to provide, independent advice.

Where there is likely to be a conflict of interest in giving advice, the LPB should consider carefully whether it is appropriate to appoint the Advisor in the first place. It may also be necessary to consider carefully whether they should take steps to remove the Advisor who has already been appointed.

3. **Monitoring and Managing Potential Conflicts**

For the Scheme Manager to fulfil its obligations to ensure the LPB members do not have a conflict of interest, the LPB must include an item on conflicts of interest at each meeting and also in its Annual Report.

The LPB is required to maintain a written register of dual interests and responsibilities which have the potential to become conflicts of interest, which may adversely affect members' or advisors' suitability for the role. Each member (as well as any attendees participating in the meeting) will be expected to declare, on appointment and at each meeting, any matter which may lead to conflicts of interest, such a conflict could be in relation to a general subject area or to a specific agenda item of an LPB meeting.

The Chair of the LPB must be satisfied that the LPB is acting within.

- the conflicts of interest requirements of the Public Service Pensions Act 2013 and the pension scheme regulations, and
- in the spirit of any national guidance or code of practice in relation to conflicts of interest for LPB members.

Each LPB member, or a person proposed to be appointed to the LPB (as well as any attendees participating in the meeting) must provide the Chair of the LPB with such information as he or she reasonably requires for the purposes of demonstrating that there is no conflict of interest.

LPB members are required to have a clear understanding of their role and the circumstances in which they may find themselves in a position of conflict of interest and should know how potential conflicts should be managed.

The LPB is required to evaluate the nature of any dual interests and responsibilities, assess the impact on operations and governance were a conflict of interest to materialise and seek to prevent a potential conflict of interest becoming detrimental to the conduct or decisions of the LPB. The LPB may consider seeking independent legal advice from the Monitoring Officer, or external advisors where necessary, on how to deal with these issues, if appropriate.

Individual members of the LPB must know how to identify when they have a conflict of interest which needs to be declared and which may also restrict their ability to participate in meetings or decision-making. They also need to appreciate that they have a legal duty under the Regulations to provide information to the Scheme Manager in respect of conflicts of interest.

The Member will need to consider how any conflict can best be managed to comply with the statutory requirements. Options may include.

a)   the member withdraws from the discussion and any decision-making process on the relevant item(s); or
b)   the member resigns from the LPB if the conflict is so fundamental that it cannot be managed in any other way.

SOUTH YORKSHIRE
PENSIONS AUTHORITY

Subject	TPR Code of Practice 14	Status	For Publication
Report to	Local Pension Board	Date	15 July 2021
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jason Bailey	Phone	01226 772954
E Mail	JBailey@sypa.org.uk		

1   Purpose of the Report

1.1   To update members on current levels of compliance with TPR Code of Practice 14 and the outcome of the TPR Survey on Governance and Administration.

_____

2   Recommendations

2.1   Members are recommended to:

a. **Review the latest update on compliance levels and highlight any potential areas which may require more focus.**

b. **Note the outcomes of the TPR Survey**

_____

3   Link to Corporate Objectives

3.1   This report links to the delivery of the following corporate objective:

Listening to our stakeholders

To ensure that stakeholders' views are heard within our decision making processes. The Board has a significant role to play in assisting the Scheme manager with ensuring compliance with the Regulations and reviewing compliance with the code of practice is an important part of this.

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times. The code of practice is currently the key set of guidance in the Pensions Regulator's oversight of public service pension schemes.

4   Implications for the Corporate Risk Register

4.1   The actions outlined in this report have the following implications for the Corporate Risk Register. In order to ensure the Board can be effective in carrying out its role (Risk G2), it needs to have oversight of compliance with the code of practice.

5   Background

5.1   The Public Services Pensions Act 2013 introduced the framework for the governance and administration of public service pension schemes such as the LGPS and provided an extended regulatory oversight to the Pensions Regulator.

5.2   The Regulator is required to issue codes of practice covering specific matters relating to public service schemes. Codes of practice set out the standards of conduct and practice expected from those who are responsible for public service pension schemes.

5.3   Although codes of practice are not statement of law, and there is no penalty for failing to comply with the codes, they are intended to provide practical guidance in relation to the governance and administration of the scheme. The Regulator indicates that the code of practice 14 is directed particularly at scheme managers and members of pension boards.

5.4   A copy of the code of practice has been placed in the SYPA Reading Room (under Local Pension Board special interest). The document itself covers the following four main areas:-

- Governing the Scheme
- Managing Risks
- Administration
- Resolving Issues

5.5   Members will be aware that the Regulator has recently consulted on introducing a single code of practice that will apply to all pension schemes and this will replace the existing code of practice 14 later in the year. In the meantime, the code remains in place and it is timely for members to be provided with an update of progress made against the code.

5.6   **Appendix A** is based on a document presented to members last year which had been constructed by extracting the individual subject areas covered by the code of practice and providing commentary on SYPA levels of compliance. Where possible, the cross referencing to the relevant section of the code of practice was included. The Appendix has been updated with an update of progress made to date and details of any further actions still to be followed up.

5.7   The actions outstanding will continue to be pursued as the majority of the requirements are expected to be carried through to the new single code of practice following the outcome of the consultation. The intention is for a new Action Plan to be drawn up by the Governance Risk and Compliance Officer incorporating the existing actions and any further changes identified once the new single code is launched.

5.8   With the co-operation of the Chair of the Board, SYPA previously contributed to the annual TPR Governance and Administration Survey and TPR have now published the results of the Survey. The SYPA responses are shown in **Appendix B** and the survey results are included as **Appendix C**.

5.9   In response to the survey, the LGA have commented that for the LGPS in general the results show improvements in risk management processes, cyber controls and the proportion of members receiving their annual benefit statement on time. Unsurprisingly, most schemes identified implementing the McCloud remedy as a significant risk. Governance has generally stood up well given the unique challenges the last year has presented.

6   Implications

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

Financial	None
Human Resources	None – Governance and Risk Officer now in post
ICT	None
Legal	None
Procurement	None

George Graham

Director

Background Papers	
Document	**Place of Inspection**
Code of Practice 14	SYPA Reading Room

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The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes
Compliance Statement - Governance

Code Section / Sub Section	Legal Requirements		TPR's Guidance	How we comply	Evidenced by	Action(s) identified & reference to action plan	July 2021 Update	Further Actions Required (if any)
Knowledge and understanding required by pension board members [30 - 60]	A member of the pension board of a public service pension scheme **must** be conversant with: a) the rules of the scheme b) any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme A member of a pension board **must** have knowledge and understanding of: a) the law relating to pensions b) any other matters that are prescribed in regulations	1	Schemes should establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding [38]	Requirements set out in LPB Constitution	https://www.southyorks.gov.uk/JAGUHome/Pensions/PensionsLocalPensionBoard.aspx	Amend Member Learning and Development Strategy to apply to both the Board and the Authority's members.	Ammended L&D Strategy agreed by both LPB and Authority.	None specifically, although monitoring of the strategy will be undertaken.
		2	Schemes should designate a person to take responsibility for 1 above [38]	Clerk as set out in the Authority's constitution	https://meetings.southyorks.gov.uk/ecSDDisplay.aspx?NAME=Constitution&ID=206&RPID=24536&sch=doc&cat=13051&path=13051&zTS=C			
		3	Schemes should prepare and keep an updated list of documents and legislation, with which they consider pension board members need to be conversant [41 & 46]	Member Handbook updated annually and provided to all Board and Authortiy members contains signposts to relevant documents. Documents and learning materials stored in an on line reading room	Reflected in the Member Handbbook which is available	Add hyperlinks to the Member Handbook	Additional signposting included in the 2021/22 Handbook.	Include hyperlinkns in 2022/23 Handbook following completion of the new website.
		4	Clear guidance on the roles and responsibilities and duties of boards and its members should be set out in scheme documentation [47]	Set out in the Board's Constitution and Terms of Reference.	ref above			
		5	Schemes should assist pension board members to determine the degree of knowledge an understanding needed [48]	Training Needs Analysis conducted by the Clerk with support from the Board's Independent Adviser		Produce a single Annual TNA document and training plan covering Board and Authority members	Work in hand	See previous column.
		6	Schemes should provide board members with the relevant training and support that they require [55]	Programme of internally organised seminars for all Board and Authority members, Pre Board meeting sessions with Independent Adviser. Specific external activities signposted and sufficient budget available to fund attendance.	ref above	May need to introduce additional funding to facilitate release of members from employment to attend external events	Core training programme established. Specific sessions for LPB to have topics identified as a result of needs analysis and short sessions to be provided alongside Board meetings. On Line Learning Academy acquired.	Assess resource requirements as part of next Board Effectiveness Review.
		7	Schemes should offer pre-appointment training or arrange for mentoring by existing board members [56]	1:1 induction session offered to new members with Director and also introductory conversation with the Independent Adviser.		Introduce mandatory requirement to complete TPR on line learning and IGA fundamentals in the first year of membership	Requirement introduced but amended to replace fundamentals with the On Line Learning Academy for practical reasons. Fundamentals will continue to be supported for any member who wishes.	
		8	Pension Board members should undertake a personal training needs analysis and use a personalised training plan to document and address any identified gaps or weaknesses [57]	TNA undertaken with Clerk	ref above	Translate TNA into individual training plans	Work in hand	See previous column.
		9	Learning programs should be flexible, cover the type and degrees of knowledge and understanding required, reflect the legal requirements and be delivered with an appropriate timescale [58]	The Learning and Development Strategy is reviewed annually to determine the most appropriate mediums through which to deliver training on key issues - a key objective is to ensure it is delivered in a proprtionate and understandable manner	Member L&D Strategy approved at Authority in June 2019 (2020 update postponed pending Hymans Governance Review)	Create a single L&D Strategy covering both the Board and Authority in line with Hymans recommendation	Ammended L&D Strategy agreed by both LPB and Authority	
		10	Schemes should keep appropriate records of learning activities of board members [60]	Maintained by the Clerk	Summary information provided in the Annual Report which is available on line	Records should be matched to TNA's and individual training plans	Additional support provided to members for record keeping.	Examine additional means of capturing data making it easy for members to input. Examine use of Modern.gov for publication of records.
Conflicts of interest and representation [61 - 91]	In relation to the Pension Board, scheme regulations **must** include provision requiring the scheme manager to be satisfied : a) that a person to be appointed as a member of the Pension Board does not have a conflict of interest b) from time to time, that non of the members of the Pension Board has a conflict of interest. Scheme regulations **must** require each member or proposed member of a Pension Board to provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of meeting the requirements referred to above. Scheme regulations **must** include provision requiring the Pension Board to include employer representatives and member representatives in equal numbers.	1	Only potential conflicts of interest are identified for pension board members (actual conflicts of interest are prohibited) [68]	Conflicts policy in place and provided to new members and covered in 1:1 induction,	Policy available on line	Full publication of declarations of interest in the same way as Authoritymembers when Moderngov improvements implemented.	Declarations published.	Improve data capture and publication using Modern.gov.
		2	The 'Seven principles of public life' should be applied to all board members [70]	Refelcted in the conflicts policy	Policy available on line			
		3	Schemes should incorporate these principles into any codes of conduct (and across their policies and processes) and other internal standards for boards [70]	Refelcted in the conflicts policy for the Board and the codes of conduct for Authority members and officers.	Policy available on line			
		4	Schemes should set out clear guidance on the roles, responsibilities and duties of those pension boards and the members of those boards in scheme documentation [73]	Reflected in the constitution of the Board and the Constitution of the Authority.	Constitutions of the Board and the Authority both available on line			
		5	Take professional legal advice when considering issue to do with conflict of interests [74]	Legal advice available when required through the monitoring officer initially and specialist advice can be called from the LGPS legal framework if necessary				
		6	Schemes should ensure that there is an agreed and documented conflicts policy and procedure that should be kept under regular review [76]	In place and reviewed in 2019.	Specific policy for the Board available on line. Specific policy for the Authority now included in the constitution also on line.			
		7	Schemes should cultivate a culture of openness and transparency [78]	Very significant amount of information placed in the public domain through the Authority's website including details of policies and practices, corporate strategies reports and investment holdings	https://www.sypensions.org.uk/#openinnewwindow	Upgrade website and integrate all content within a single framework	Project in hand to upgrade, update and restructure the website including the upgrade and full integration of Modern.gov	See previous column.
		8	Board members should have a clear understanding of their role and the circumstances in which they may find themselves in a position of conflict of interest [78]	Delivered as part of the Appoinmtnet/Induction Process.	Induction presentation and member handbook available	Develop separate induction packages for Board and Authority	Not progressed due to other prirorities	To be examined in 2022/23 when additional staff resource can support the work necessary.

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes
Compliance Statement - Governance

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Code Section / Sub Section	Legal Requirements		TPR's Guidance	How we comply	Evidenced by	Action(s) identified & reference to action plan	July 2021 Update	Further Actions Required (if any)
		9	Board members should know how to manage potential conflicts [78]	*Process set out in the policy*	Policy available on line			
		10	Pension Board members should be appointed under procedures that require them to disclose any interest or responsibilities that could become conflicts of interest [80]	In place	Declarations available on line	Formalise appointment process and relevant checks in a procedure document	No further progress due to other priorities	To be examined in 2022/23 when additional staff resource can support the work necessary.
		11	All terms of engagement should include a clause requiring disclosure of all interests and responsibilities that could become conflicts of interest as soon as they arise [81]	Referenced in the Declaration of Interests form	Copy available			
		12	All disclosed interests should be recorded [81]	Declarations process in place.	Declarations available on line			
		13	Schemes should consider what important matters or decisions are likely to be considered during, for example, the year ahead and identify and consider any potential or actual conflicts of interest [82]	A work progrmme for the forthcomonh year is devised and whilst a fluid document provides for such scrutiny	Copy available			
		14	Identify, evaluate and manage dual interests [84]	Identifed via the staement of particulars form				
		15	Use a register of interests to record and monitor dual interests [84]	ref above				
		16	Capture decisions about how to manage potential conflicts of interest in their risk register or elsewhere [84]	Not specifically captured in the risk register (although effective operation of the Board is) how to manage conflicts is covered in the Policy.				
		17	The register of interest and other relevant documents should be circulated to the board for ongoing review [84]	For the Pensions Authority it is avaialble on the Authority's website	https://www.southyorks.gov.uk/webcomponents/jsec.aspx			
		18	The register of interest and other relevant documents should be published [84]	In place	via website as referenced above	Improve access when Moderngov installation is undertaken	Modern.gov installation due later this financial year.	See previous column.
		19	Conflicts of interest should be included as an opening agenda item at board meetings and revisited during the meeting where necessary [85]	In place	**Copy of agenda front sheet?**			
		20	Establish and operate procedures that ensure boards are not compromised by potentially conflicted members [86]	On an Authority level arrnagements are in place to liasie with constituent councils Monitoring Officers to provide updated information where required. Annual exercise undertaken in establishing any such conflicts. Potential conflicts in relation to Board members would be considered as part of the appointment process				
		21	Be open and transparent about the way they manage potential conflicts of interest [87]	Any such scenario would be reported to the Authority. Advice provided where necessary.				
		22	Consider seeking professional legal advice when assessing any option when seeking to manage a potential conflict of interest [88]	The Authority through an SLA is able to call on the legal services dept of Barnsley MBC to offer advice in this area.				
		23	Membership of boards should be designated with regard to proportionality, fairness and transparency and with the aim of ensuring that the board has the right balance of skills, experience and representation [91]	Make up of Board - split between Employer/Employee reps/sector reps/tu reps	Membership list available			
Publishing information about schemes [92 - 99]	The scheme manager for a public service scheme must publish information about the pension board for the scheme(s) and keep that information up-to-date. The information must include: a) who the members of the pension board are b) representation on the board of members of the scheme(s) c) the matters falling within the pension board's responsibility	1	Scheme managers must publish the information required about the pension board and keep that information up to date [95]	Relevant web pages maintained	https://www.sypensions.org.uk/Home/About-Us/Local-Pension-Board	Bring format of data published in line with that for the Authority when changes made to Moderngov installation.	Modern.gov installation due later this year. This work will be undertaken following initial migration.	See previous column.
		2	Schemes should also publish useful related information about the Pension Board (such as set out in 96 and 97)	*ref above*				
		3	Have policies and processes to monitor all published data on an ongoing basis to ensure it is accurate and complete [98]	ref above				

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Code Section / Sub Section	Legal Requirements		TPR's Guidance	How we comply	Evidenced by	Action(s) identified & reference to action plan	July 2021 Update	Further Actions Required (if any)
Internal controls [101 - 120]	The scheme manager of a public service pension scheme must establish and operate internal controls. These must be adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and in accordance with the requirements of the law.	1	Internal controls should include a clear separation of duties, processes for escalation and decision making and documented procedures for assessing risks, reviewing breached of the law and managing contributions to the scheme [103]	Constitution sets out clear scheme of delegation and decision making authorities	https://meetings.southyorks.gov.uk/ecSDDisplay.aspx?NAME=Constitution&ID=206&RPID=24536&sch=doc&cat=13051&path=13051&zTS=C			
				Breaches policy in place	Copy available	Publish policy on the website	Policy updated and published on website.	
				Information on breaches complaints compliments and appeals provided to each meeting of the Local Pension Board	https://meetings.southyorks.gov.uk/ieListMeetings.aspx?CId=400&Year=0&zTS=C			
				Contributions collection information included in the annual report as required and in the quarterly administration report to the Local Pension Board	https://www.sypensions.org.uk/Publications/Annual-Reports	Look to include summary indicator on contributions within the Corporate Report presented to the Authority	Contributions issues identified in Corporate Report where required.	
		2	Internal controls should address significant risks that are likely to have a material impact on the scheme [105]	Corporate Risk Management Framework in place and risk register included within the Quarterly Report to the Authority with additional oversight from the Audit Committee and Local Pension Board	Framework availavle on the website and register is available on the website within the Corporate Strategy and with the quarterly Corporate Performance Report	Controls assurance mapping to demonstrate linkage between specific controls and risks to be developed	Still to be developed. Newly appointed Governane and Risk officer to assist with this project.	See previous column.
		3	Sufficient time and attention should be spent on identifying, evaluating, and managing risks and developing and monitoring appropriate controls [105]	The review of the risk register is a standing item on the agenda for the monthly meetings of the Senior Management Team	SMT Agendas	Alter process so that the new role of GRC Officer undertakes the regular reviews outside of SMT meetings with the relevant SMT members and these are then signed off by SMT	Governance and Risk Officer newly appointed but this is on the work plan.	See previous column.
		4	Schemes should carry out a risk assessment [106]	Annual full reassessment and rebasing of the risk register forms part of the process of updating the Corporate Strategy	Annual Review of the Corporate Strategy reported to the January meeting of the Authority each year.			
		5	Schemes should record risks in a risk register and review it regularly [108]	See above	SMT Agendas			
		6	Schemes should keep appropriate records to demonstrate compliance with legal requirements [108]	Redords retention policy and associated GDPR policies in place	Policies available	Compliance reporting needs to be developed links to reporting against diclosure requirements	Compliance reporting now presented quarterly to Pensions Board.	
		7	Prioritise risks where the impact and likelihood of the risk materialising is high [109]	Reflected in both the risk management framework and the register itself	See above	Provide clearer links between actions included in strategies and risks on the risk register.	Some progress in specific areas such as the Corporate Strategy and Climate Change Policy. However, there is not currently a systematic approach.	Consider a more systematic approach as part of the process of reviewing the Corporate Strategy.
		8	Review any existing internal controls	Part of the ongoing process of business improvement and a consequence of ongoing internal and external	Internal Audit reports and Audit Committee papers			
		9	Design internal controls to mitigate main risks and consider how best to monitor them [111]			See action in relation to 7 which will facilitate this.		
		10	Schemes should periodically review the adequacy of internal controls [115]	Forms part of the annual internal audit plan and is also fundamental to the process for producing the Annual Governance Statement	Annual Internal Audit Report available with Audit Committee papers on line AGS which forms part of the statement of accounts	? A more transparent controls review as part of the AGS process	The AGS process has been made more robust by including Internal Audit review of the draft into the process to ensure the statement reflects reality.	Examine the process for producing the AGS as a result of the proposed changes around Statutory Officer roles.
		11	Internal or external audits and / or quality assurance processes should ensure that adequate internal controls are in place and being operated effectively [116]	Comprehensive internal and external audit arrangements in place overseen by an Audit Committee of the Authority	Audit Committee Afendas are available on the website. No fundamental control issues raised by either group of auditors and Head of IA's annual conclusion provides substantial assurance over the effectivemess of the control environment			
		12	Review internal controls when substantial changes take place or where a control has been found to be inadequate [116]	Forms part of routine custom and practice		Develop a "lessons learned" process for when things go wrong that deals with issues of this sort in a more disciplned and well documented way	Pojects and Improvements Lead now appointed and has delivered formal project management training to managers. Lessons Learned reviews now an integral part of all new projects.	
		13	Internal controls that regularly assess the effectiveness of investment-related decision making	Indpendent monitoring of performance is in place and there is an independed overview of the investment process through the independent advisers. However, decisions are now largely restricted to strategic allocations and rebalancing.	Papers for Investment Advisory Panel are available			
		14	Internal controls that regularly assess the effectiveness of data management and record keeping	Ongoing data improvement plan in place using common and conditional data scores to determine a focus for activity	Data Improvement Plan available on line with Local Pension Board papers			

Code Section / Sub Section	Legal Requirements		TPR's Guidance	How we comply	Evidenced by	Action(s) identified & reference to action plan	July 2021 Update	Further Actions Required (if any)
		15	Internal controls that ensure that new employers understand what member data is required and how it should be supplied [112]	New employer on boarding process includes an internal checklist of requirements.	New Employer Process on website			
		16	Internal controls that require internal or external auditors to audit any automated systems [112]	In place	Audit Plans			
		17	Internal controls to ensure that systems support the maintenance and retention of good member records [112]	DART software used to monitor quality of scheme member data	Data Improvement Plan	Publication of data quality scores within regular performance reporting	Provided to Local Pension Board every six months.	
		18	Internal controls that ensure data are complete (e.g. undertake a data cleansing or member tracing exercise and review this on a regular basis (at least annually or at regular intervals that they consider appropriate) [112]	DART software used to monitor quality of scheme member data	Data Improvement Plan	Review and improve process for tracing members.	Tracing agency engaged and initial results received back identifying 'Living as Stated' and potential forwarding addresses for other members.	Contact members individually using data provided by tracing agency to verify identity and updated contact details.
		19	Ensure that all staff completes information management training before they are given access to sensitive data	Forms part of induction process together with annual refresher	Induction process documentation	Improve transparency of reporting of completion in terms of induction and refresher as part of revised approach to L&D which formed part of the 2020/21 budget		
		20	Ensure that member communications are reviewed regularly [112]	Regular communications such as Benefit Statements and newsletters are tested with the customer group.	Version control on publications on website and review dates assigned.	New working group to be established to review all individual member communications.	Rolling programme of review of standard documentation by Customer Services, Benefits Team and S&E Managers commenced.	Review effectiveness of process.
		21	Schemes should put in place systems and processes for making an objective assessment of the strength of an employer's covenant	Employers with no guarantor from tax-raising body were identified as part of the 2019 valuation preparations and individual funding discussions were held with impacted employers.	Adjusted funding targets agreed with a number of employers as valuation outcomes.	Risky employers to be subject to ongoing monitoring and engagement in the inter-valuation period.	A small number of risky employers have been helped to exit the fund over the last 12 months and dialogue has commenced with others regarding the use of the new employer flexibilties.	Formal monitoring plan still needs to be developed.

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Code Section / Sub Section	Legal Requirements		TPR's Guidance	How we comply	Evidenced by	Action(s) identified & reference to action plan	July 2021 Update	Further Actions Required (if any)
Scheme record-keeping [122 - 146]	Scheme managers **must** keep records of information relating to: - member information - transactions - pension board meetings and decisions Legal requirements for this are set out in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014. Schemes **must** ensure that processes that are created to manage scheme member data meet the requirements of the relevant Data Protection Act(s) and the data protection principles.	1	Schemes must keep records relating to member information, transactions and pension board meetings and decisions [122]	All Pension Board meetings are documented and minuted, with agendas and reports published publically in advance.	https://www.southyorks.gov.uk/JAGUHome/Pensions/PensionsLocalPensionBoard.aspx			
		2	Schemes should be able to demonstrate to the Regulator, where required, that they keep accurate, up-to-date and enduring records [124]	Record-keepng monitored through the Data Improvement Plan and pro-actively managed using the DART tool.	Data Scores reported regularly to the Local Pension Board.	Trend analysis reporting and compliance to be developed by Technical Adviser.	Update on the Data Improvement Plan provided at July Board meeting. Data interrogation has been enhanced through development of DART tool. Certain types of individual case work now have data validation built in at the start of the process.	Initial Data Validation to be expanded to all main case types.
		3	Schemes should establish and operate adequate internal controls to support record-keeping requirements [125]	All data changes in relation to individual scheme data are managed by a change control process.	UPM Process Maps.	Further work instructions to be developed within UPM process maps where required.	All new or updated processes now have comprehensive work instructions built in. Example is the child pension review process that has been approved by Audit.	Rolling programme for Benefits Team Manager to review all case processes.
		4	Scheme managers must ensure that member data across all membership categories specified in the Record Keeping Regulations is complete and accurate [126]	Record-keepng monitored through the Data Improvement Plan and pro-actively managed using the DART tool.	Data Scores reported regularly to the Local Pension Board.	Trend analysis reporting and compliance to be developed by Technical Adviser.	Update on the Data Improvement Plan provided at July Board meeting. Data interrogation has been enhanced through development of DART tool. Certain types of individual case work now have data validation built in at the start of the process.	Initial Data Validation to be expanded to all main case types.
		5	Member data should be subject to regular data evaluation [126]	See above	See above	See above	See above	See above
		6	Scheme managers must keep specific member data to enable them to uniquely identify a scheme member and calculate benefits correctly [127]	See above	See above	See above	See above	See above
		7	Schemes should require employers to provide them with timely and accurate data and ensure that appropriate procedures and timescales are in place to do this [128 and 130]	Employers must provide individual scheme data on a monthly basis since 1 April 2018.	Employer compliance is monitored with formal escalation processes in place. Compliance is reported to the LPB quarterly. Use of Pensions Admin Strategy where required.	Introduce Reporting of application of Pensions Admin Strategy.	Employer compliance levels with submission of monthly data continue to be extremely high (approaching 100%) as reported quarterly to the Local Pension Board and it has not been necessary to apply the formal measures in the Admin Strategy.	Continue to monitor employer compliance and introduce "quality" measure to reporting.
				Individual query reporting has been developed to ensure that employers respond to queries in a timely manner.	Employer compliance is monitored and reported to the Local Board from July 2020.	Formal escalation process to be developed for individual queries.	To date, enagement with employers on responsiveness to individual query handling has been remained informal with awareness of pressures on resources during the pandemic.	Formal escalation process still to be introduced for individual queries.
		8	Schemes should seek to ensure that employers understand the main events that require information to be passed to the Scheme [129]	Support and Engagement Team created from Administration Service restructure to improve employer engagement. Team offers training and support to employers. Employer Forum held annually.	New web pages available for employers with 'one stop shop' for employer information. Quarterly Employer Bulletin produced promoting cheme and procedural changes and offering training sessions. Induction process for new employers joining the scheme.	Collaborative working group with employers to be established.	Significant volumes of training offered to all employers and collaborative working groups operating with large employers.	Wider employer engagement group still to be established.

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Code Section / Sub Section	Legal Requirements		TPR's Guidance	How we comply	Evidenced by	Action(s) identified & reference to action plan	July 2021 Update	Further Actions Required (if any)
		9	Schemes should be able to trace the flow of funds into and out of the scheme and reconcile these against expected contributions and scheme costs [131]	Collection of contributions is now driven directly from the individual monthly returns via Direct Debit so contributions paid must match individual member records. Employer contributions automatically calculated from valuation data to ensure accuracy.	Monitoring of Contribution payments reported quarterly to Local Pension Board and penalties applied for late payment.	Introduce Reporting of application of Pensions Admin Strategy.		
		10	Records should be kept of any amounts due to the scheme that have been written off [132]	All write-offs on the pensioner payroll are managed by an agreed policy and reported on a monthly basis.	Monthly write-off process in place with sign-off by Head of Finance. All pension write-offs managed by UPM processes.	Introduce reporting of individual write offs across all services.		
		11	In respect of keeping information about the pension board, schemes should keep records of pension board meetings, including decisions made, and should also keep records of key discussions [133]	All Pension Board meetings are documented and minuted, with agandas and reports published publically in advance.	https://www.southyorks.gov.uk/JAGUHome/Pensions/PensionsLocalPensionBoard.aspx			
		12	Scheme managers should also keep records of any decisions taken by members of the pensions board other than at a pension board meeting [134]	All decisions by Pension Board members are documented and minuted.	https://www.southyorks.gov.uk/JAGUHome/Pensions/PensionsLocalPensionBoard.aspx			
		13	Records should be retained for as long as they are needed [135]	All records for Board meetings are retained indefinitely.	https://www.southyorks.gov.uk/JAGUHome/Pensions/PensionsLocalPensionBoard.aspx			
		14	Schemes should have in place adequate systems and processes to enable the retention of records for the necessary time periods	All member records retained indefinitely.	General Data Retention policy in place.	Data Retention Policy to be developed further with specific reference to individual data types	The development of this policy and action plan will be the responsibilty of the newly appointed Governance and Risk officer.	See previous column.
		15	Schemes should monitor data (based on a proportionate and risk based approach) on an ongoing basis to ensure it is accurate and complete [136, 137]	Record-keepng monitored through the Data Improvement Plan and pro-actively managed using the DART tool.	Data Scores reported regularly to the Local Pension Board.	Trend analysis reporting and compliance to be developed by Technical Adviser.	Update on the Data Improvement Plan provided at July Board meeting. Data interrogation has been enhanced through development of DART tool. Certain types of individual case work now have data validation built in at the start of the process.	Initial Data Validation to be expanded to all main case types.
		16	Schemes should carry out a data review exercise at least annually [138]	As above	As above	As above	As above	As above
		17	Schemes should continually review their data [138]	As above	As above	As above	As above	As above
		18	Upon change of admin system, schemes should review and cleanse data records [140]	NA. Would be addressed as part of any system migration.				
		19	Schemes should put in place a data improvement plan where poor quality or missing data is identified [141]	Record-keepng monitored through the Data Improvement Plan and pro-actively managed using the DART tool.	Data Scores reported regularly to the Local Pension Board.	Trend analysis reporting and compliance to be developed by Technical Adviser.	Update on the Data Improvement Plan provided at July Board meeting. Data interrogation has been enhanced through development of DART tool. Certain types of individual case work now have data validation built in at the start of the process.	Initial Data Validation to be expanded to all main case types.
		20	Schemes should reconcile member records with information held by the employer [142]	Monthly Returns process ensures records are consistent between employer and administering authority.	Automated data matching between administering authority and Employer records upon receipt of monthly data.	Discrepancy reporting to be further enhanced.	New validation tool introduced in Q1 2021/22 compares data between employer data file and admin authority database.	Reporting on employer data file quality following introduction of validation tool to be introduced from Q2 of 2021/22.
		21	Schemes should ensure their processess are GDPR compliant and should understand their data protection responsibilities [143, 144]	Data flow mapping carried out and all staff provided with GDPR training.	Data flow mapping exercise completed and records of all staff completing GDPR training.	GDPR Action Plan to be developed from flow mapping exercise.	Review of flow mapping exercise did not identify any significant risks but newly appointed Governance and Risk Officer will be developing Action Plan.	See previous column.
		22	Schemes should be able to demonstrate that they keep records in line with all legal requirements that relate to record-keeping in public service pension schemes [145, 146]	All member records retained indefinitely.	General Data Retention policy in place.	Data Retention Policy to be developed further with specific reference to individual data types	The development of this policy and action plan will be the responsibilty of the newly appointed Governance and Risk officer.	See previous column.
Maintaining contributions [147 - 186]	Employer contributions **must** be paid to the scheme in accordance with any requirements in the scheme regulations.

Where employer contributions are not paid on or before the date they are due under the scheme and the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to the Regulator in the exercise of any of its functions, the scheme manager must give a | 1 | Scheme managers should have effective procedures and processes in place to identify payment of failures that are - and are not - of material significance to the Regulator [150 - 151] | New Direct Debit collection process ensures that contributions are paid in a timely manner for all employers. Estimated collection rates apply where no monthly return available. | Contribution payments rates reported quarterly to the Local Pension Board. | Small number of employers not yet signed up to Direct Debit process to be pursued. Use of penalties if required. | Contributions receipts working effectively under the Direct Debit arrangements. Most employers signed up to Direct Debits and employers not signed up notified of penalties to apply from Quarter 2 of 2021/22. | Report to Local Pension Board on any penalties once applied. |
| | | 2 | Such procedures are likely to involve:

a) Developing a record to monitor the payment of contributions
b) Monitoring the payment of contributions | Employer Costing system reports all early retirement costs to be invoiced to employers. | Costing System reports balanced to the ledger by Finance. | | | |

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Code Section / Sub Section	Legal Requirements		TPR's Guidance	How we comply	Evidenced by	Action(s) identified & reference to action plan	July 2021 Update	Further Actions Required (if any)
	written report of the matter to the regulator as soon as reasonably practicable. Where employee contributions are not paid within the prescribed period, if the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to the Regulator in the exercise of any of its functions, they **must** give notice of the failure to the Regulator and the member within a reasonable period after the end of the prescribed period. Where there is a failure to pay employee contributions on an earlier date in accordance with scheme regulations, schemes should also consider their statutory duty under section 70 of the Pensions Act 2004 to assess and if necessary report breaches of the law.		c) Managing overdue contributions d) Reporting payment failures that are likely to be of material significance to the Regulator [152]	Contributions due and contributions received are recorded using EPIC system and main accounting system; contributions payments are reconciled monthly and non-payment or late payment identified & followed up with the employer. Escalation and penalties such as late payment interest used as required.	Reconciliation records on EPIC, correspondence with employers.			
		3	Schemes should have a contributions monitoring record [155 - 157]	See above.	See above			
		4	Schemes should monitor contributions on an on-going basis [161]	See above.	See above			
		5	A risk based and proportionate monitoring approach should be used to identify employers and situations that present a higher risk of payment failure [162]			Risky employers to be subject to ongoing monitoring and engagement in the inter-valuation period.	A small number of risky employers have been helped to exit the fund over the last 12 months and dialogue has commenced with others regarding the use of the new employer flexibilties.	Formal monitoring plan still needs to be developed.
		6	Schemes should have a process in place to identify where payments are late or have been underpaid, overpaid or not at all [163]	Estimated collection rates apply where monthly return is late.Monitoring of late payment submissions. *Data on contributions due and payments received is reconciled and any under or over payments resolved with the employer.*	*See above.*	Develop reporting on employers who are submitting late returns using EPIC.	Formal monitoring now in place through Direct Debit process.	
		7	Scheme managers must record and retain information on transactions (including any employer and employee contributions) [166]	All contributions data recorded via the Ledger and via the EPIC recording system.	Accounts are audited.			
		8	Where payment failure is identified, there should be a process to follow to resolve the issue quickly (including the suggested steps set out in the Code) [169]	Formal escalation process in place.	Contribution payments rates reported quarterly to the Local Pension Board. Use of Admin Strategy where required.	Introduce Reporting of application of Pensions Admin Strategy.	Contributions receipts working effectively under the Direct Debit arrangements. Most employers signed up to Direct Debits and employers not signed up notified of penalties to apply from Quarter 2 of 2021/22.	Report to Local Pension Board on any penalties once applied.
		9	Schemes should keep a record of their investigation and communications between themselves and the employers [170]	Correspondence recorded on UPM and Mimecast.		Introduce Reporting of application of Pensions Admin Strategy.	Contributions receipts working effectively under the Direct Debit arrangements. Most employers signed up to Direct Debits and employers not signed up notified of penalties to apply from Quarter 2 of 2021/22.	Report to Local Pension Board on any penalties once applied.
		10	Schemes should have a process that is able to detect deliberate underpayment or non-payment or other fraudulent behaviour by an employer [171]	New Direct Debit collection process ensures that accurate contributions are paid and mitigates this risk.				
		11	Schemes should maintain a record of their investigation and communications with an employer following payment failure	Correspondence recorded on UPM and Mimecast.		Introduce Reporting of application of Pensions Admin Strategy.	Contributions receipts working effectively under the Direct Debit arrangements. Most employers signed up to Direct Debits and employers not signed up notified of penalties to apply from Quarter 2 of 2021/22.	Report to Local Pension Board on any penalties once applied.
		12	Where schemes identify a payment failure, they should attempt to recover contributions within 90 days of their due date [174]	Part of contributions monitoring proess.				
		13	Where payment failure is identified, it should at least ask the employer the 3 questions set out in 175	Formal escalation process in place.				
		14	Schemes should investigate the payment failure and use their judgement when deciding whether to report to the Regulator taking into account the wording of the Code [177]	Formal escalation process in place.				
		15	Schemes should identify and report to the Regulator, as appropriate, any payment failures that may not be of material significance when taken individually, but which could indicate a systematic problem [181]	Formal escalation process in place.				
		16	Schemes should consider whether it is appropriate to report payment failures of employer contributions to members where it is reported to the Regulator	Formal escalation process in place.				

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Code Section / Sub Section	Legal Requirements		TPR's Guidance	How we comply	Evidenced by	Action(s) identified & reference to action plan	July 2021 Update	Further Actions Required (if any)
		17	In the case of an employer failing to pay employee contributions to the pension scheme, if the scheme manager has reasonable cause to believe the payment failure to be of material significance to the Regulator, the failure must be reported to the Regulator and members within a reasonable period [184]	Formal escalation process in place.				
		18	Reports to the Regulator should be made in accordance with the Code	Formal escalation process in place.				
Providing information to members [187 - 211]	The law requires schemes to disclose information about benefits and scheme administration to scheme members and others. The Code summarises the legal requirements around: a) Benefit Statements [188 - 195] b) Other information about scheme administration [196 - 197] c) Who is entitled to information [198 - 199] d) When basic scheme information must be provided [200 - 201] e) What information must be disclosed on request [202] f) How benefit statements and other information must be provided [203 - 206] Schemes should also comply as appropriate with other legal disclosure requirements [211]	1	Managers of the scheme must ensure that scheme members and others are given information in accordance with the Disclosure Regulations 2013 and other legal requirements, unless they are an 'excluded person' [188 - 206]	Service level targets set for all case types to ensure compliance with disclosure Regulations.	Case load performance reported to the Board each quarter.	Reporting against disclosure targets to be developed for the Local Pension Board.	Disclosure reporting now presented quarterly to Local Pension Board.	
		2	Schemes should design and deliver communications to scheme members in a way that ensures they are able to engage with their pension [207]	Communications written in plain english and issued electonically. Members encouraged to register for the online portal on commencing membership. Hard copies available if no internet access. Ongoing engagement strategy to promote membership.	Numbers of members registering for the online portal - as reported to the Board quarterly.		Significant increase in number of members registered for portal and promotion of this continues. Communications continue to be moved from paper to online.	New website to be introduced. Rolling programme of review of standard documentation to be undertaken by Customer Services, Benefits Team and S&E Managers.
		3	Information should be clear and simple to understand as well as being accurate and easily accessible [207]	communications reviewed by customer groups.	Feedback from customers is identified by surveys specifically asking about whether communications were easily understood. Management information from Customer Centre queries identifies areas of focus.	Develop Action Plan from Customer Centre data.	Survey results from different media (calls, emails, webchats) reported to Local Pension Board. Individual actions identified by surveys addressed.	Document all actions taken in response to survey feedback - to assist with Customer Services Excellence review.
		4	Schemes should attempt to make contact with their scheme members and, where contact is not possible, schemes should carry out a tracing exercise to locate the member and ensure that their member data are up-to-date [208]	Pensioner records screened via external tracing service. Individual tracing carried out for 'lost' members approaching retirement.	Pensioner exercise completed using external tracing service to screen all current pensioners. UPM process for tracing individual members approaching retirement.	Tracing service to be used to screen deferred membership.	Tracing agency engaged and initial results received back identifying 'Living as Stated' and potential forwarding addresses for other members.	Contact members individually using data provided by tracing agency to verify identity and updated contact details.
		5	Where a person has made a request for information, schemes should acknowledge receipt if they are unable to provide information at that stage	UPM process created for general enquiries from members.	Reporting on performance for this case type included in case load reporting to the Board every quarter.	Review UPM processes to ensure member acknowledgement built into process maps where required.	Member acknowledgement now built into retirement process map.	Roll out acknowledgement into other process maps where required.
		6	Schemes may encounter situations where the time period for providing information takes longer than expected. In these circumstances, schemes should notify the person and let them know when they are likely to receive the information [209]	UPM process created for general enquiries from members.	Reporting on performance for this case type included in case load reporting to the Board every quarter.	Review UPM processes to ensure member acknowledgement built into process maps where required.	Member acknowledgement now built into retirement process map.	Roll out acknowledgement into other process maps where required.
		7	Scheme managers must provide information in accordance with the time periods specified in the 2013 Act and the Disclosure Regulations 2013 [209]	Service level targets set for all case types to ensure compliance with disclosure Regulations.	Case load performance reported to the Board each quarter.	Reporting against disclosure targets to be developed for the Local Pension Board.	Disclosure reporting now presented quarterly to Local Pension Board.	
		8	Information should be readily available at all times to ensure that members are able to access it when they require [210]	Full scheme Information on main website and MyPension portal.	Website analytics and registrations for MyPension protal.			

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Code Section / Sub Section	Legal Requirements		TPR's Guidance	How we comply	Evidenced by	Action(s) identified & reference to action plan	July 2021 Update	Further Actions Required (if any)
Internal dispute resolution [212 - 240]	Scheme managers **must** make and implement dispute resolution arrangements that comply with the requirements of the law and help resolve pensions disputes between the scheme manager and a person with an interest in the scheme	1	Scheme managers must implement IDRP arrangements that comply with the LGPS regulations and help resolve disputes [213 - 224]	Constitution sets out delegated authority for nominated adjudicators. Professional adviser engaged to support preparation of appeals.	IDRP appeal volumes and outcomes reported to the Pensions Authority and Board each quarter.			
		2	Schemes should publish and make IDRP time limits readily available [225]	IDRP documentation available on website and send to scheme members on request.	SYPA website and EPIC employer portal.			
		3	Schemes should be satisfied that the time taken to reach a decision is appropriate to the situation and be able to demonstrate this [230 & 240]	Adjudicators and professional adviser fully conversant with time scales and processes.	Time scales notified to appellant when appeal receipt is acknowledged.	Reporting on appeal outcomes to be enhanced to include time scale responses.	Added to Q1 report for 2021/22.	
		4	Schemes should provide the applicant with regular updates on the progress of their investigation. They should notify the applicant where the time period for a decision is expected to be shorter or longer than the reasonable time period and let them know when they are likely to receive an outcome [232]	Adjudicators and professional adviser fully conversant with time scales and processes.				
		5	Scheme regulations or other documents recording policy about the administration of the scheme should specify internal dispute resolution arrangements [233]	*Reference to appeal process is included in all notifications of decisions to members.*	*Scheme documentation within process maps.*			
		6	Schemes should focus on educating and raising awareness of their internal dispute resolution arrangements and ensuring that are implemented [233]	*Reference to appeal process is included in all notifications of decisions to members. Customer Centre staff trained on explaining complaints process.*	*Scheme documentation within process maps.*			
		7	Schemes should ensure that the effectiveness of the arrangements is assessed regularly and be satisfied that those following the process are complying with the requirements set, which includes effective decision making [234]	Adjudicators are members of the Senior Management Team and therefore demonstrate the appropriate level of knowledge and understanding through wider governance processes.	IDRP appeal volumes and outcomes reported to the Pensions Authority and Board each quarter.	Reporting on appeal outcomes to be enhanced to include time scale responses.	Added to Q1 report for 2021/22.	
		8	Schemes should confirm and communicate their arrangements to members, for example, in the joining booklet [235]	Information on the complaints process issued to new members.	*Scheme documentation within process maps.*			
		9	Schemes should make their arrangements accessible to potential applicants, for example by publishing them on a scheme website [235]	IDRP documentation available on website and send to scheme members on request.	SYPA website and EPIC employer portal.			
		10	Schemes should ensure they make the following information available to applicants: a) The procedure and processes to apply for a dispute to be resolved b) The information that an applicant must include c) The process by which any decisions are reached d) An acknowledgement once an application has been received [239]	IDRP documentation available on website and send to scheme members on request.	SYPA website and EPIC employer portal.			
Reporting breaches of the law [241 - 275]	Certain people are required to report breaches of the law to the Regulator where they have reasonable cause to believe that: a) a legal duty that is relevant to administration of the scheme has not been, or is not being, complied with b) the failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions	1	Schemes should be satisfied that those who are responsible for reporting breaches are made aware of the Code [244]	Reporting Breaches Procedure in place and published for the benefit of those responsible.	Breach Reporting covered as an agenda item at each Board meeting.	Reporting Breaches Procedure to be added to main website	Website updated.	
		2	Training should be provided for scheme managers and pension board members [244]	Programme of internally organised seminars for all Board and Authority members, Pre Board meeting sessions with Independent Adviser. Specific external activities signposted and sufficient budget available to fund attendance.	ref above	May need to introduce additional funding to facilitate release of members from employment to attend external events	Additional on line opportunities have been made available and are signposted to members in a monthly update e mail. On line Learning Academy acquired and to be rolled out.	Review adequacy of programme as part of the next Board effectiveness review.

Code Section / Sub Section	Legal Requirements		TPR's Guidance	How we comply	Evidenced by	Action(s) identified & reference to action plan	July 2021 Update	Further Actions Required (if any)
		3	All others under a statutory duty to report should ensure they have a sufficient level of knowledge and understanding to fulfil that duty [244]	Reporting Breaches Procedure in place and published for the benefit of those responsible.	Breach Reporting covered as an agenda item at each Board meeting.			
		4	Those with a statutory duty to report should establish and operate appropriate and effective procedures in regards to reporting breaches [245]	Reporting Breaches Procedure in place and published for the benefit of those responsible.	Breach Reporting covered as an agenda item at each Board meeting.			
		5	Those procedures should be in accordance with and take into account paragraphs 245 and 262 of the Code [245]	Reporting Breaches Procedure in place and published for the benefit of those responsible.	Breach Reporting covered as an agenda item at each Board meeting.			
		6	Reports made to the Regulator should be submitted in accordance with paragraphs 263 to 271 [263]	As appropriate				
		7	Procedures should reference whistleblowing protection and confidentiality [272 to 275]	Reporting Breaches Procedure covers whistleblowing protection		Reporting Breaches Procedure to be added to main website	Website updated.	

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Appendix B

The Pensions Regulator

Public Service Governance and Administration Survey 2020

This document is intended to be used as a guide to help you gather the information required for the survey. Please note, however, that we need you to complete the questionnaire through the <u>online survey link</u> contained in your invitation email.

Thank you for taking the time to complete this survey. Please answer the questions in relation to the scheme referenced in your invitation email. Where the scheme is locally administered, we mean the sub-scheme or fund administered by the local scheme manager.

Your responses will be kept anonymous unless you consent otherwise at the end of the survey. Linking your scheme name to your answers will help inform The Pensions Regulator's (TPR's) engagement with you in the future.

This survey should be completed by the scheme manager or by another party on behalf of the scheme manager. They should work with the pension board chair to complete it, and other parties (e.g. the administrator) where appropriate.

There is a space at the end of the survey to add comments about your answers where you feel this would be useful.

SECTION A – GOVERNANCE

The first set of questions is about how your pension board works in practice.

A1. EVERYONE TO ANSWER
Focusing on the scheme's pension board meetings in the <u>last 12 months</u>, please tell us the following:

Please write in the number for each of a-c below. Please include any board meetings that were held remotely (e.g. via teleconference or online meeting software)

a) **Number of board meetings that were <u>scheduled</u> to take place (in the last 12 months)** ....4............

b) **Number of board meetings that actually <u>took place</u> (in the last 12 months)** ....4............

c) **Number of board meetings that were attended by the scheme manager or their representative (in the last 12 months)** ....4..........

A2. ANSWER IF KNOW NUMBER OF BOARD MEETINGS HELD (A1b=0+)
Thinking about the number of pension board meetings that took place, was this more, the same or less than in the previous 12 month period?

Please select one answer only

1. More
2. Same
3. Less
4. Don't know

A3. EVERYONE TO ANSWER

Do the scheme manager and pension board have sufficient time and resources to run the scheme properly?

Please select one answer only

1. Yes
2. No
3. Don't know

A4. EVERYONE TO ANSWER

Do the scheme manager and pension board have access to all the knowledge, understanding and skills necessary to properly run the scheme?

Please select one answer only

1. Yes
2. No
3. Don't know

A5. EVERYONE TO ANSWER

How often does the scheme manager or pension board carry out an evaluation of the knowledge, understanding and skills of the board as a whole in relation to running the scheme?

Please select one answer only

1. At least monthly
2. At least quarterly
3. At least every six months
4. At least annually
5. Less frequently
6. Never
7. Don't know

A6. EVERYONE TO ANSWER

On average, how many hours of training <u>per year</u> does each pension board member have in relation to their role on the pension board?

Please write in the number below

15….hours per year

A7. EVERYONE TO ANSWER

Does the pension board believe that in the last 12 months it has had access to all the information about the operation of the scheme it has needed to fulfil its functions?

Please select one answer only

1. Yes
2. No
3. Don't know

A8. EVERYONE TO ANSWER

Is the pension board able to obtain sufficient specialist advice on cyber security when it needs to?

Please select one answer only

1. Yes
2. No
3. Don't know

A9. EVERYONE TO ANSWER

Focusing on the composition of your pension board, please tell us the following:

Please write in the number for each of a-d below

a) **Number of <u>current</u> board members** ....10...............

b) **Number of <u>vacant</u> positions on the board** ......0............

c) **Number of members that have <u>left</u> the board
    in the last 12 months** ......2............

d) **Number of members that have been <u>appointed</u>
    to the board in the last 12 months** ......2...........

A10. EVERYONE TO ANSWER

Does the scheme have a succession plan in place for the members of the pension board?

Please select one answer only

1. Yes
2. No
3. Don't know

SECTION B – MANAGING RISKS

The next set of questions is about managing risks.

B1. EVERYONE TO ANSWER

Does your scheme have any of the following?

Please select one answer per row	Yes	No	Don't know
a) **Its own documented procedures for assessing and managing risk** *(please select 'No' if your scheme relies on your local authority's documented procedures for assessing and managing risk)*	O	O	O
b) **A documented policy to manage the pension board members' conflicts of interest**	O	O	O
c) **Processes to monitor records for all membership types on an ongoing basis to ensure they are accurate and complete**	O	O	O
d) **A process for monitoring the payment of contributions**	O	O	O
e) **A process for resolving contribution payment issues**	O	O	O
f) **Procedures to identify breaches of the law**	O	O	O
g) **Procedures to assess breaches of the law and report these to TPR if required**	O	O	O

B2. ANSWER IF HAVE ANY OF THE KEY PROCESSES AT B1

When were these last reviewed by the scheme manager or pension board?

Please select one answer per row (just for those selected at B1)	In the last 12 months	More than 12 months ago but less than 3 years ago	More than 3 years ago	Never been reviewed	Don't know
a) **The scheme's own documented procedures for assessing and managing risk**	O	○	○	○	○
b) **The documented policy to manage the pension board members' conflicts of interest**	O	○	○	○	○
c) **The processes to monitor records for all membership types on an ongoing basis to ensure they are accurate and complete**	O	○	○	○	○
d) **The process for monitoring the payment of contributions**	O	○	○	○	○
e) **The process for resolving contribution payment issues**	O	○	○	○	○
f) **The procedures to identify breaches of the law**	O	○	○	○	○
g) **The procedures to assess breaches of the law and report these to TPR if required**	O	○	○	○	○

B3. EVERYONE TO ANSWER

Does your scheme have its own risk register?

Please select 'No' if your scheme relies on your local authority's risk register.

Please select one answer only

1. Yes
2. No
3. Don't know

B4. EVERYONE TO ANSWER

In the last 12 months, how many pension board meetings reviewed the scheme's exposure to new and existing risks?

Please write in the number below

…One………………………

B5. EVERYONE TO ANSWER

To what do the top three governance and administration risks on your register relate? If you do not have a risk register, please tell us to what the top three governance and administration risks facing your scheme relate.

Please select up to three options below

1. Funding or investment
2. Record-keeping (i.e. the receipt and management of correct data)
3. Guaranteed Minimum Pension (GMP) reconciliation
4. Securing compliance with changes in scheme regulations
5. Production of annual benefit statements
6. Receiving contributions from the employer(s)
7. Lack of resources/time
8. Recruitment and retention of staff or knowledge
9. Lack of knowledge, effectiveness or leadership among key personnel
10. Poor communications between key personnel (board, scheme manager, administrator, etc.)
11. Failure of internal controls
12. Systems failures (IT, payroll, administration systems, etc.)
13. Cyber risk (i.e. the risk of loss, disruption or damage to a scheme or its members as a result of the failure of its IT systems and processes)
14. Administrator issues (expense, performance, etc.)
15. Remediation (i.e. the actions required to remedy the age discrimination in the 2015 schemes; also referred to as 'McCloud' or 'Sergeant')
16. Other (please specify): ..Reduction in productive capacity due to impact of the virus...
17. Don't know

B6. EVERYONE TO ANSWER

Which, if any, of the following actions have you taken in relation to the remediation proposals?

By 'remediation' we mean the actions required to remedy the age discrimination in the 2015 schemes. This is also often referred to as either 'McCloud' or 'Sergeant'.

Please select all the options that apply

1. Assessed the possible administration impacts
2. Assessed the data requirements
3. Commenced a specific data cleansing or data gathering exercise
4. Assessed any additional resources likely to be required
5. Discussed system requirements with IT suppliers
6. Provided specific information to members
7. Taken other actions (please specify): ....
8. None of these
9. Don't know

SECTION C – ADMINISTRATION AND RECORD-KEEPING PROCESSES

The next set of questions is about administration and record-keeping.

C1. EVERYONE TO ANSWER

Does the scheme have an administration strategy?

Please select one answer only

1. Yes
2. No
3. Don't know

C2. EVERYONE TO ANSWER

Thinking about the scheme's objectives in terms of administration, how important are the following?

Please select one answer per row	Not at all important	Not particularly important	Neither important nor unimportant	Fairly important	Very important	Don't know
a) Addressing issues which impair your ability to run your scheme effectively	○	○	○	○	**○**	○
b) Implementing legislative change	○	○	○	○	**○**	○
c) Meeting TPR's expectations	○	○	○	**○**	○	○
d) Improving members' experience (e.g. by providing online access)	○	○	○	**○**	○	○
e) Increasing automation or administrator efficiency	○	○	○	**○**	○	○
f) Moving to a new administration system or a new administrator	○	**○**	○	○	○	○
g) Reducing costs	○	**○**	○	○	○	○

C3. EVERYONE TO ANSWER

Which of the following best describes the scheme's administration services?

Please select one answer only

1. Delivered in house
2. Undertaken by another public body (e.g. a county council) under a shared service agreement or outsource contract
3. Outsourced to a commercial third party
4. Other
5. Don't know

C4. ANSWER IF ADMINISTRATION IS CURRENTLY DELIVERED IN-HOUSE (C3=1)

Are you likely to look to outsource any of your scheme administration in the next three years?

Please select one answer only

1. Yes – to another public body (e.g. a county council) under a shared service agreement or outsource contract
2. Yes – to a commercial third party
3. Yes – but unsure who to
4. No
5. Don't know

C5. EVERYONE TO ANSWER

In the last 12 months, how many pension board meetings had administration as a dedicated item on the agenda?

Please write in the number below

……..4…………………….

C6. EVERYONE TO ANSWER

Is your scheme single employer or multi-employer?

Please select one answer only

1. Single employer scheme (i.e. used by just one employer)
2. Multi-employer scheme (i.e. used by several different employers)

C7. ANSWER IF SINGLE EMPLOYER SCHEME (C6=1)

In the last 12 months, has your participating employer…

Please select one answer per row	Yes	No	Don't know
a) **Always provided you with accurate and complete data?**	○	○	○
b) **Always submitted the data required each month to you on time?**	○	○	○

C8. ANSWER IF SINGLE EMPLOYER SCHEME (C6=1)

And in the last 12 months, has your participating employer submitted data to you electronically?

Please select one answer only

1. Yes – all data
2. Yes – some but not all data
3. No
4. Don't know

C9. ANSWER IF MULTI-EMPLOYER SCHEME (C6=2)

In the last 12 months, what proportion of your scheme's employers have…

Please write in the percentage (from 0% to 100%) in each box. If you don't know exactly, please give approximate percentages

a) **Always provided you with accurate and complete data?** …………85….. %

b) **Always submitted the data required each month to you on time?** …………99….. %

C10. ANSWER IF MULTI-EMPLOYER SCHEME (C6=2)

And in the last 12 months, what proportion of your scheme's employers have…

Please write in the percentage (from 0% to 100%) for each of a-c below. If you don't know exactly, please give approximate percentages. The percentages in the boxes should sum to 100%

a) **Submitted all data to you electronically?** ………100….. %

b) **Submitted some but not all data to you electronically?** ……………… %

c) **Not submitted any data to you electronically?** ……………… %

SECTION D – CYBER SECURITY

The next set of questions is about your scheme's cyber security.

Which, if any, of the following controls does your scheme have in place to protect your data and assets from 'cyber risk'?

By 'cyber risk' we mean the risk of loss, disruption or damage to a scheme or its members as a result of the failure of its information technology systems and processes.

Please select all the options that apply

1. Roles and responsibilities in respect of cyber resilience are clearly defined and documented
2. Cyber risk is on the risk register and regularly reviewed
3. Assessment of the vulnerability to a cyber incident of the key functions, systems, assets and parties involved in the running of the scheme
4. Assessment of the likelihood of different types of breaches occurring in the scheme
5. Access to specialist skills and expertise to understand and manage the risk
6. System controls (e.g. firewalls, anti-virus and anti-malware products and regular updates of software)
7. Controls restricting access to systems and data
8. Critical systems and data are regularly backed up
9. Policies on the acceptable use of devices, passwords and other authentication, and on home and mobile working
10. Policies on data access, protection, use and transmission which are in line with data protection legislation and guidance
11. An incident response plan to deal with any incidents which occur
12. The scheme manager has assured themselves of third party providers' controls (including administrators)
13. The scheme manager receives regular updates on cyber risks, incidents and controls
14. The pension board receives regular updates on cyber risks, incidents and controls
15. None of these
16. Don't know

Have any of the following happened to your scheme, including at your administration provider, in the last 12 months?

Please select all the options that apply

1. Computers becoming infected with ransomware
2. Computers becoming infected with other viruses, spyware or malware
3. Attacks that try to take down your website or online services
4. Hacking or attempted hacking of online bank accounts
5. People impersonating your scheme in emails or online
6. Staff receiving fraudulent emails or being directed to fraudulent websites
7. Unauthorised use of computers, networks or servers by staff, even if accidental
8. Unauthorised use or hacking of computers, networks or servers by people outside your scheme
9. Any other types of cyber security breaches or attacks
10. None of these
11. Don't know

D3. ANSWER IF EXPERIENCED ANY CYBER SECURITY BREACHES OR ATTACKS IN THE LAST 12 MONTHS (D2=1-9)

Thinking of all the cyber security breaches or attacks experienced by your scheme in the last 12 months (including at your administration provider), which, if any, of the following happened as a result?

Please select all the options that apply

1. Software or systems were corrupted or damaged
2. Personal data (e.g. on members, beneficiaries or staff) was altered, destroyed or taken
3. Permanent loss of files (other than personal data)
4. Temporary loss of access to files or networks
5. Lost or stolen assets, trade secrets or intellectual property
6. Money was stolen
7. Your website or online services were taken down or made slower
8. Lost access to any third-party services you rely on
9. None of these
10. Don't know

D4. ANSWER IF EXPERIENCED ANY CYBER SECURITY BREACHES OR ATTACKS IN THE LAST 12 MONTHS (D2=1-9)

Did you report any of these cyber security breaches or attacks to…?

Please select all the options that apply

1. The pension board
2. Information Commissioner's Office (ICO)
3. TPR
4. Members of your scheme
5. None of these
6. Don't know

D5. ANSWER IF EXPERIENCED ANY CYBER SECURITY BREACHES OR ATTACKS IN THE LAST 12 MONTHS & HAVE INCIDENT RESPONSE PLAN (D2=1-9 & D1=11)

Still thinking about the cyber security breaches or attacks experienced in the last 12 months, did any of these trigger your scheme's incident response plan?

Please select one answer only

1. Yes
2. No
3. Don't know

D6. ANSWER IF INCIDENT RESPONSE PLAN WAS TRIGGERED BY ANY CYBER SECURITY BREACHES OR ATTACKS IN THE LAST 12 MONTHS (D5=1)

How would you rate the effectiveness of the incident response plan?

Please select one answer only

1. Very effective
2. Fairly effective
3. Neither effective nor ineffective
4. Not very effective
5. Not at all effective
6. Don't know

Have these experiences of implementing the incident response plan led you to make any changes to it?

Please select one answer only

1. Yes
2. No
3. Don't know

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SECTION E – ANNUAL BENEFIT STATEMENTS

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The next set of questions is about members' annual benefit statements.

In 2020, in which of the following ways were your active members sent their annual benefit statements?

Please select all the options that apply

1. Via a digital online portal, with notification by email
2. Via a digital online portal, with notification by letter
3. Via a digital online portal, with no notification
4. By post
5. Other way(s) (please specify): Text Message (SMS)..
6. Don't know

In 2020, what proportion of your active members were sent their annual benefit statements in each of these ways?

Please write in the percentage (from 0% to 100%) for each of a-e below. If you do not know exactly, please give approximate percentages

a) **Via a digital online portal, with notification by email** ....79.... %

b) **Via a digital online portal, with notification by letter** ....17.... %

c) **Via a digital online portal, with no notification** .... %

d) **By post** ....1.... %

e) **Other way(s) (please specify):** ....3... %

In 2020, what proportion of active members received their annual benefit statements by the statutory deadline?

Please write in the percentage below. If you do not know exactly, please give an approximate percentage

....................70........ %

E3. ANSWER IF DEADLINE WAS MISSED FOR ANY MEMBERS (E2=0-99%)

Was the missed deadline for issuing active member statements reported to TPR?

Please select one answer only

1. Yes - and Breach of Law report made
2. Yes - but decided not to make a Breach of Law report
3. No - not reported
4. Don't know

E4. ANSWER IF MISSED DEADLINE WAS NOT REPORTED TO TPR (E3=3)

What was the <u>main</u> reason for not reporting the breach?

Please select one answer only

1. Not material - few statements affected
2. Not material - very short delay
3. Other reason (please specify): ....
4. Don't know

E5. EVERYONE TO ANSWER

What proportion of all the annual benefit statements the scheme sent out in 2020 contained <u>all</u> the data required by regulations?

Please write in the percentage below. If you do not know exactly, please give an approximate percentage

....................100........... %

SECTION F – RESOLVING ISSUES

The next set of questions is about resolving issues or complaints the scheme has received.

F1. EVERYONE TO ANSWER

Does the scheme have a working definition of what constitutes a complaint?

Please select one answer only

1. Yes
2. No
3. Don't know

F2. EVERYONE TO ANSWER

Focusing on the complaints you have received from members or beneficiaries in relation to their benefits and/or the running of the scheme, please tell us the following information.

Please write in a number for each of a-c below

a) **<u>Total</u> number of complaints received in the last 12 months** .21...............

b) **Number of complaints that have entered the Internal Dispute Resolution (IDR) process in the last 12 months** ..12.................

c) **Number of complaints that were upheld by the IDR process in the last 12 months** ..1...............

In the last 12 months, to what did the top <u>three</u> types of complaints entering the IDR process relate?

Please select up to three options below

1. Slow or ineffective communication
2. Inaccuracies or disputes around pension value or definitions
3. Delays to benefit payments
4. Disputes or queries about the amount of benefit paid
5. Delay or refusal of pension transfer
6. Inaccurate data held and/or statement issued
7. Pension overpayment and recovery
8. Eligibility for ill health benefit
9. Other (please specify): ....
10. Don't know

SECTION G – REPORTING BREACHES

The next set of questions is about the scheme's approach to dealing with any breaches of the law.

Do you maintain documented records of any breaches of the law identified?

Please select one answer only

1. Yes
2. No
3. Don't know

Do these records include the decision taken on whether or not to report the breach of the law to TPR?

Please select one answer only

1. Yes
2. No
3. Don't know

Does the pension board receive reports on any breaches of the law identified?

Please select one answer only

1. Always
2. Sometimes
3. Never
4. Don't know

In the last 12 months, have you identified any breaches of the law that were <u>not</u> related to annual benefit statements?

Please select one answer only

1. Yes
2. No
3. Don't know

What were the root causes of the breaches identified?

Please select all the options that apply

1. Systems or process failure
2. Failure to maintain records or rectify errors
3. Management of transactions (e.g. errors or delays in payments of benefits)
4. Failure of the employer(s) to provide timely, accurate or complete data
5. Late or non-payment of contributions by the employer(s)
6. Other employer-related issues (please specify): ....
7. Something else (please specify): ....
8. Don't know

In the last 12 months, have you reported any breaches to TPR as you thought they were materially significant? Please do <u>not</u> include any breaches that related to annual benefit statements.

Please select one answer only

1. Yes
2. No
3. Don't know

SECTION H – GOVERNANCE AND ADMINISTRATION

The next set of questions is about your progress in addressing governance and administration issues.

What do you believe are the top <u>three</u> factors behind any improvements made to the scheme's governance and administration in the last 12 months?

Please select up to three options below

1. Improved understanding of underlying legislation and standards expected by TPR
2. Improved engagement by TPR
3. Improved understanding of the risks facing the scheme
4. Resources increased or redeployed to address risks
5. Administrator action (please specify): ....
6. Scheme manager action (please specify): ....
7. Pension board action (please specify): More detailed reporting provided on specific topics at the request of the Pension Board ....
8. Other (please specify): ....
9. No improvements made to governance/administration in the last 12 months
10. Don't know

What are the main <u>three</u> barriers to improving the governance and administration of your scheme over the next 12 months?

Please select up to three options below

1. Lack of resources or time
2. Complexity of the scheme
3. The volume of changes that are required to comply with legislation
4. Recruitment, training and retention of staff and knowledge
5. Lack of knowledge, effectiveness or leadership among key personnel
6. Poor communications between key personnel (board, scheme manager, administrator, etc.)
7. Employer compliance
8. Issues with systems (IT, payroll, administration systems, etc.)
9. The remediation process (also referred to as 'McCloud' or 'Sergeant')
10. Other (please specify): ....
11. There are no barriers
12. Don't know

SECTION I – COVID-19 PANDEMIC

The next set of questions is about the COVID-19 pandemic.

Since the COVID-19 lockdown started in March 2020, how would you rate the following?

Please select one answer per row	Not at all effective	Not very effective	Neither effective nor ineffective	Fairly effective	Very effective	Don't know
a) **Communication between the scheme manager and the administrator**	○	○	○	○	○	○
b) **Performance of the administrator**	○	○	○	○	○	○
c) **Relationship between the scheme manager and the pension board**	○	○	○	○	○	○

Prior to the COVID-19 lockdown did your scheme have a business continuity plan (BCP) in place?

Please select one answer only

1. Yes – its own BCP
2. Yes – the local authority's BCP
3. No
4. Don't know

I3. ANSWER IF HAD BCP IN PLACE (I2=1-2)

How would you rate the effectiveness of the BCP in helping your scheme respond to the COVID-19 pandemic?

Please select one answer only

1. Very effective
2. Fairly effective
3. Neither effective nor ineffective
4. Not very effective
5. Not at all effective
6. Don't know

I4. ANSWER IF HAD BCP IN PLACE (I2=1-2)

What barriers, if any, did you face in implementing the BCP?

Please select up to three options below

1. Key person risks
2. Staff shortages
3. Issues with administration processes
4. Issues with employer(s)
5. Suitability of IT infrastructure
6. Suitability of IT hardware (i.e. equipment)
7. Suitability of IT software
8. Ability of staff to work from home
9. Lack of leadership
10. Other (please specify): ....
11. There were no barriers
12. Don't know

SECTION J – PENSIONS DASHBOARDS

The government has made a commitment to facilitate the pensions industry in the creation of a digital interface that will present all of a person's pensions together in one place. It is most often referred to in the industry as the 'pensions dashboards' project.

J1. EVERYONE TO ANSWER

Before this survey, had you heard about pensions dashboards?

Please select one answer only

1. Yes
2. No
3. Don't know

J2. ANSWER IF AWARE OF PENSIONS DASHBOARDS (J1=1)

The Pension Schemes Bill currently going through Parliament contains provisions to require trustees and scheme managers to provide data to savers through pensions dashboards. Before today, were you aware of this proposed change to pensions law?

Please select one answer only

1. Yes
2. No
3. Don't know

J3. EVERYONE TO ANSWER

To what extent do you agree or disagree with the following statements?

Please select one answer per row	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Don't know
a) The introduction of pensions dashboards is, in principle, a good idea for savers	○	○	○	○	○	○
b) ANSWER IF AWARE OF PENSIONS DASHBOARDS (J1=1): The scheme will be able to deal with any administrative demands involved in delivering the pensions dashboards	○	○	○	○	○	○
c) ANSWER IF AWARE OF PENSIONS DASHBOARDS (J1=1): It will be easy for the scheme to implement	○	○	○	○	○	○
d) ANSWER IF AWARE OF PENSIONS DASHBOARDS (J1=1): The scheme will leave it as late as possible before preparing for the pensions dashboards	○	○	○	○	○	○

J4. ANSWER IF AWARE OF PENSIONS DASHBOARDS (J1=1)

What, if any, challenges is the scheme likely to face in terms of preparing for the pensions dashboards?

Please select up to three options below

1. Knowing what is required
2. Availability of data
3. Accuracy of data
4. Participating employer reticence
5. Cost
6. Software compatibility
7. Capacity constraints
8. Other (please specify): ....
9. None – do not expect to face challenges
10. Don't know

J5. EVERYONE TO ANSWER

From where do you expect to learn about the requirements for the pensions dashboards?

Please select all the options that apply

1. The Pensions Dashboards Programme (PDP) (led by the Money and Pensions Service)
2. TPR
3. The Financial Conduct Authority (FCA)
4. The Department for Work and Pensions (DWP)
5. Your scheme advisory board
6. Industry bodies e.g. PASA, PLSA
7. Somewhere else (please specify): ....
8. Don't know

SECTION K – CLIMATE CHANGE (FOR LOCAL GOVERNMENT SCHEMES ONLY)

The next set of questions is about climate change.

K1. ANSWER IF LOCAL GOVERNMENT SCHEME

Firstly, has your scheme allocated time or resources to assessing any financial risks and opportunities associated with climate change?

Please select one answer only

1. Yes
2. No
3. Don't know

K2. ANSWER IF ALLOCATED TIME/RESOURCES TO CLIMATE CHANGE (K1=1)

Has your scheme done any of the following…?

Please answer yes if these have been done by advisers acting on your behalf.

Please select one answer per row	Yes	No	Don't know
a) **Assessed the risks and opportunities for your scheme from particular climate-related scenarios**	O	o	o
b) **Assessed your scheme portfolio's potential contribution to global warming (this is also referred to as the 'implied temperature rise' of the portfolio)**	o	O	o
c) **Tracked the carbon intensity of your scheme's portfolio**	O	o	o

K3. ANSWER IF ALLOCATED TIME/RESOURCES TO CLIMATE CHANGE (K1=1)

Which of the following processes do you use to manage climate-related risks and opportunities?

Please select one answer per row	Yes	No	Don't know
a) Include climate-related issues as a regular agenda item at pension board meetings	**O**	O	O
b) Assign responsibility for climate-related issues to a specified individual or sub-committee	**O**	O	O
c) Include, monitor and review targets in the scheme's climate policy	O	**O**	O
d) Add climate-related risks to your risk register	**O**	O	O

K4. ANSWER IF LOCAL GOVERNMENT SCHEME

Thinking about your scheme's investment and funding strategy, to what extent do you consider the following? Please answer on a scale of 1 to 5, where 1 means 'you do not consider this at all' and 5 means 'it is a very significant consideration for your scheme'.

Please select one answer per row	1 – Do not consider this at all	2	3	4	5 – Very significant consideration	Don't know
a) Physical risks such as weather events, sea level exposure, heat wave exposure and drought risk	O	O	**O**	O	O	O
b) Transition risks such as increased pricing of greenhouse gas emissions and moves towards low-carbon policies and technologies	O	O	O	O	**O**	O
c) Climate-related opportunities such as improved creditworthiness of the low-carbon sector or investments in new technologies	O	O	O	O	**O**	O
d) The participating employer's/employers' exposure to climate-related factors	O	**O**	O	O	O	O

K5. ANSWER IF ALLOCATED TIME/RESOURCES TO CLIMATE CHANGE (K1=1)

Have you taken any of the following actions on stewardship in order to help with your management of climate risks?

By stewardship we mean the responsible allocation, management and oversight of capital to create long-term value for pension scheme members.

Please select one answer per row	Yes	No	Don't know
a) Talked to advisers and asset managers about how climate-related risks and opportunities are built into their engagement and voting policies	O	○	○
b) When appointing new asset managers, asked the prospective manager how they include climate factors in engagement and voting behaviour	O	○	○
c) When outsourcing activities, set out in legal documents your expectations on climate stewardship and approaches (e.g. in the Investment Management Agreement or in side letters to pooled fund documentation)	O	○	○
d) Joined collaborative engagement efforts on climate change	O	○	○
e) Signed the UK Stewardship Code	O	○	○

K6. ANSWER IF LOCAL GOVERNMENT SCHEME

Are you aware of the work of the Taskforce on Climate-related Financial Disclosures (TCFD)?

The Taskforce has made recommendations that help investors to understand financial exposure to climate risk and disclose this information in a clear and consistent way.

Please select one answer only
1. Yes
2. No
3. Don't know

K7. ANSWER IF AWARE OF TCFD (K6=1)

Does your scheme make disclosures as recommended by the TCFD?

Please select one answer only
1. Yes
2. No
3. Don't know

SECTION L – PERCEPTIONS OF TPR

The final set of questions is about your views of TPR.

L1. EVERYONE TO ANSWER

Thinking about your overall perception of TPR, to what extent do you agree or disagree with the following words as ways to describe TPR?

Please select one answer per row

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Don't know
a) Tough	○	○	○	**○**	○	○
b) Efficient	○	○	○	**○**	○	○
c) Visible	○	○	○	**○**	○	○
d) Fair	○	○	○	**○**	○	○
e) Respected	○	○	○	**○**	○	○
f) Evidence-based	○	○	○	**○**	○	○
g) Decisive	○	○	○	**○**	○	○
h) Clear	○	○	○	**○**	○	○
i) Approachable	○	○	**○**	○	○	○

L2. EVERYONE TO ANSWER

Thinking now about how TPR operates, how effective do you think it is at improving standards in scheme governance and administration in public service pension schemes?

Please select one answer only

1. Very effective
2. **Fairly effective**
3. Neither effective nor ineffective
4. Not very effective
5. Not at all effective
6. Don't know

L3. EVERYONE TO ANSWER

To what extent do you agree or disagree with the following statements?

Please select one answer per row	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Don't know
a) TPR is effective at bringing about the right changes in behaviour among its regulated audiences	○	○	○	**○**	○	○
b) TPR is proactive at reducing serious risks to member benefits	○	○	○	**○**	○	○
c) TPR clearly explains its expectations in respect of administration	○	○	**○**	○	○	○

SECTION M – ATTRIBUTION

Thank you for completing this survey. Your responses will help TPR understand how schemes are progressing and any issues they may face, which will inform further policy and product developments. Before you submit your answers, there are just a few more questions about your survey responses.

M1. EVERYONE TO ANSWER
Which of the following best describes your role within the pension scheme?
Please select one answer only

1. Scheme manager*
2. Representative of the scheme manager
3. Pension board chair
4. Pension board member
5. Administrator
6. Other (please specify): ....

*In this survey 'scheme manager' refers to the definition within the Public Service Pensions Act, e.g. the Local Authority, Fire and Rescue Authority, Police Pensions Authority, Secretary of State/Minister or Ministerial department.

M2. EVERYONE TO ANSWER
What other parties did you consult with to complete this survey?
Please select all the options that apply

1. Scheme manager
2. Representative of the scheme manager
3. Pension board chair
4. Pension board member
5. Administrator
6. Other
7. Did not consult with any other parties

M3. EVERYONE TO ANSWER
To inform TPR's engagement going forward, they would like to build an individual profile of your scheme by linking your scheme name to your survey answers. This will only be used for internal purposes by TPR and your scheme name would not be revealed in any published report.

Are you happy for your responses to be linked to your scheme name and supplied to TPR for this purpose?
Please select one answer only

1. Yes, I am happy for my responses to be linked to my scheme name and supplied to TPR for this purpose
2. No, I would like my responses to remain anonymous

M4. EVERYONE TO ANSWER
And would you be happy for the responses you have given to be linked to your scheme name and shared with the relevant scheme advisory board? This is to help inform the advisory boards of areas for improvement and to further their engagement with pension boards.
Please select one answer only

1. Yes, I am happy for my responses to be linked to my scheme name and shared with the relevant advisory board
2. No, I would like my responses to remain anonymous

M5. EVERYONE TO ANSWER

TPR may conduct some follow up research on this topic to improve their advice and engagement with schemes such as yours. Would you be willing for us to pass on your name, contact details and relevant survey responses to them so that they, or a different research agency on their behalf, could invite you to take part?

You may not be contacted and, if you are, there is no obligation to take part. Your contact details will be stored for a maximum duration of 12 months, before being securely destroyed.

Please select one answer only

1. Yes, I am happy to be contacted for follow-up research
2. No, I would prefer not to be contacted for follow-up research

M6. EVERYONE TO ANSWER

Please record your name below. This is just for quality control purposes and will not be passed on to TPR (unless you have agreed that they can contact you for follow-up research).

Please write in below

...........Jason Bailey...

M7. EVERYONE TO ANSWER

Finally, please use the space below if you have any other comments or would like to clarify/ explain any of the answers you have given.

Please write in below if applicable

In relation to B4, the Board looks at specific risks at every meeting rather than necessarily reviewing the full Risk Register each time. They also carry out an annual review which reflects on the overall effectiveness of risk management arrangements which in our context supports the work of the Audit Committee and the Authority itself

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Thank you. Please now submit your responses through the <u>online survey link</u> contained in your invitation email. If you have any queries or technical issues please contact James Murray (Director, OMB Research) at james.murray@ombresearch.co.uk

Public service governance and administration survey 2020-21

Research report

Prepared for The Pensions Regulator by OMB Research
June 2021

Contents

1.   Executive summary

1.1   Introduction

This report summarises results from The Pensions Regulator's (TPR's) Public Service Pension Scheme (PSPS) Governance and Administration Survey 2020-21. The survey was undertaken by OMB Research, an independent market research agency, on behalf of TPR.

The primary objective of the survey was to track governance and administration practices among public service pension schemes. In addition, the 2020-21 survey also included new questions on schemes' response to the COVID-19 pandemic, awareness and perceptions of the pensions dashboards, and the actions taken by Local Government schemes in relation to climate-related risks and opportunities.

The survey was conducted online between January and March 2021, and was completed by representatives of 193 public service pension schemes out of the existing entirety of 206.

1.2   Key processes

There was little change since 2019 for the key processes that The Pensions Regulator (TPR) monitors as indicators of public service scheme performance. However, the proportion of schemes with all six processes in place increased to 70% from 64% in 2019.

Between 85% and 95% of schemes reported that they had each of these processes in place. Results were generally similar to the 2019 survey. However, there was an increase in the proportion with processes to monitor the accuracy and completeness of records (from 92% to 95%) and a decrease in the proportion with the knowledge, understanding and skills needed to properly run the scheme (from 97% to 95%).

Over two-thirds (70%) of schemes had all six of these processes in place, together representing 68% of all memberships. This was an increase from 2019, when 64% of schemes had all six.

Three-quarters of Local Government (75%) and Firefighters' (74%) schemes had all six processes in place. This proportion was lower for 'Other'[1] (64%) and Police (55%) schemes.

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[1] Centrally administered unfunded schemes, i.e. excluding relevant Local Government, Firefighters' and Police schemes.

Figure 1.2.1 Schemes' performance on key processes

92% have a documented policy to manage board members' conflicts of interest (0% from 2019)

95% have procedures to identify, assess & report breaches of the law (+2% from 2019)

95% have access to the knowledge, understanding & skills needed to properly run the scheme (-2% from 2019)

92% have a process for resolving contribution payment issues (0% from 2019)

85% have their own documented procedures for assessing & managing risks (+3% from 2019)

95% have processes to monitor records for accuracy/completeness (+3% from 2019)

92% 97% 93% 82% 92% 92%

— 2020/21 survey
— 2019 survey

(+x%) = Statistically significant increase
(+x%) = Statistically significant decrease

1.3 The pension board

Approaching half of schemes held four or more pension board meetings in the previous 12 months[2], a fall from 2019. The mean number of current board members at the time they completed the survey was 7.1.

Schemes held an average of 3.4 board meetings in the previous 12 months, with 45% reporting that they held four or more (-12 percentage points from 2019) and 22% that they met twice or less. 'Other' and Police schemes were most likely to have held at least four board meetings in the previous 12 months (82% and 74% respectively), with Firefighters' and Local Government schemes least likely (32% and 33% respectively).

On average 93% of board meetings were attended by the scheme manager or their representative, similar to in 2019.

Almost three-quarters (72%) of schemes had more than five current board members at the time they completed the survey, and the mean number was 7.1. Around a third (31%) of schemes had one or more vacant position on the board. Six schemes (3%) reported that they had fewer current board members

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[2] TPR sets an expectation that the governing boards of pension schemes should meet often enough to maintain effective oversight and control, which in most cases will be at least quarterly.

at the time they completed the survey than specified by their respective regulations[3].

Over half (58%) of schemes had a succession plan for members of the pension board, rising to 76% of Police schemes. This was consistent with the 2019 survey results.

The majority of schemes (94%) felt that, over the previous 12 months, their pension board had access to all the information about the operation of the scheme that it needed to fulfil its functions. A similar proportion believed the board was able to obtain sufficient specialist advice on cyber security (92%). Both of these were higher than in the 2019 survey (5 percentage points higher in both cases).

Overall, 85% of schemes evaluated the board's knowledge, understanding and skills at least annually, an increase from 76% in 2019. This increase was driven by Police schemes, 88% of which evaluated the board at least annually (+28 percentage points from 2019). On average, pension board members received ten hours of training per year in relation to their role on the board.

1.4   Managing risk

Risk exposure was reviewed at the majority of board meetings, but there was a fall in the proportion of schemes with their own risk register.

On average, schemes' exposure to new and existing risks had been reviewed at 84% of the pension board meetings held in the previous 12 months, an increase from 77% in 2019. Just over a third (35%) of schemes reported that risk exposure had been reviewed at four or more board meetings over this period, consistent with the 2019 survey.

The proportion of schemes with their own risk register fell from 93% in 2019 to 89% in the 2020-21 survey. This decline was primarily caused by 'Other' and Police schemes (-18 and -7 percentage points respectively).

Approaching two-thirds (61%) of schemes identified remediation (the McCloud judgment) as one of the top three risks they faced. A smaller proportion of Local Government schemes cited this (37%).

1.5   Administration and record-keeping

As in the 2019 survey findings, administration was included on the agenda at the majority of board meetings and three-quarters of schemes had an administration strategy.

On average, administration was included on the agenda at 92% of the board meetings held in the previous 12 months (similar to 2019). Most schemes

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[3] Five of these six schemes reported that they had vacant positions on their board at the time they completed the survey. If these vacant positions were filled then, four of these five schemes would have met the minimum requirement for the number of pension board members for their type of scheme (the other scheme would still have been below the minimum threshold). The remaining scheme did not report any vacant positions.

(73%) had an administration strategy in place, although this was less widespread among Firefighters' schemes (47%).

Every scheme (100%) saw implementing legislative change and addressing issues that impaired their ability to run the scheme effectively as important administration objectives (with 97% and 94% respectively describing these as 'very important'). In contrast, schemes were least likely to see reducing costs (53%) or moving to a new administrator/administration system (26%) as important.

Four in ten schemes stated that all their employers had always provided data on time in the last 12 months (40%) and had always provided accurate and complete data (39%), consistent with the 2019 results.

These proportions were lower for multi-employer schemes than single employer schemes. Approximately one in ten (9%) multi-employer schemes said all their employers had always provided the data required each month on time over the previous 12 months, compared with 85% of single employer schemes. Similarly, 9% of multi-employer schemes said all their employers always provided accurate and complete data, compared with 83% of single employer schemes.

A higher proportion of schemes (64%) reported that all their employers had submitted all data electronically in the last 12 months.

There was little difference between multi-employer and single employer schemes in this respect, with 61% of the former and 69% of the latter reporting that all their employers had submitted all data electronically.

On average, 4% of employers had not provided any data electronically in the last 12 months.

1.6   Cyber security

Nine in ten schemes (90%) had at least half of the recommended cyber risk controls in place, an improvement since 2019. The proportion who reported experiencing any cyber breaches or attacks in the last 12 months was lower than in 2019.

Schemes were asked about 14 specific cyber controls and 90% had at least half of these in place, an increase from 82% in 2019.

For 11 of the 14 cyber controls, the overall proportion of schemes with these in place was higher than in 2019. The greatest increases were seen for the scheme manager assuring themselves of third party providers' controls (+12 percentage points), assessment of the likelihood of different types of breaches occurring (+12 percentage points) and the scheme manager receiving regular updates on cyber risks, incidents and controls (+10 percentage points).

A third (34%) of schemes reported that they had experienced some kind of cyber breach or attack in the previous 12 months (a decrease from 42% in

2019). These incidents typically involved staff receiving fraudulent emails or being directed to fraudulent websites (29%).

Most schemes that experienced any cyber breaches or attacks in the previous 12 months said that these had no impact, but 5% reported a negative impact (equating to 2% of all public service schemes). This is a fall from 15% in the 2019 survey.

A fifth (20%) of schemes that experienced cyber security breaches or attacks in the last 12 months had reported these to other parties (typically to their pension board and/or members), and 11% of those with an incident response plan indicated that this had been triggered by the cyber breach/attack.

1.7   Annual benefit statements

Over nine in ten active members received their annual benefit statement by the statutory deadline in 2020, unchanged from 2019. More schemes achieved this for all their active members than in 2019.

On average, 94% of active members received their statement by the deadline, consistent with the 95% seen in 2019. The proportion of schemes meeting the deadline for all their active members increased from 53% to 59%. This proportion was highest for Firefighters' and Police schemes (83% and 60% respectively) but lower for 'Other' (45%) and Local Government (48%) schemes (both of which are primarily multi-employer schemes and typically have a greater number of members than Firefighters' and Police schemes).

Fewer schemes who missed the annual benefit statement (ABS) deadline for any active members reported this to TPR than in 2019 (29% vs. 42%). A fifth (18%) made a breach of the law report. Those schemes which did not report the missed deadline typically said this was because it was not seen as material as few statements were affected or it was a very short delay.

As in 2019, the vast majority of schemes (92%) reported that every statement they sent out contained all the data required by regulations.

1.8   Resolving issues

Around 10,000 complaints were estimated to have been made to public service schemes in the last year. This equated to 0.6 complaints per 1,000 members, a similar ratio to in 2019.

On average, half (50%) of all complaints entered the Internal Dispute Resolution (IDR) process and 22% of these were upheld.

The types of complaints entering the IDR process varied by scheme type, but overall the most common related to eligibility for ill health benefit (46%) and disputes or queries about the amount of benefit paid (39%).

1.9   Reporting breaches

The vast majority of schemes maintained documented records of breaches of the law identified (98%), included the decision on whether to report to TPR in these records (95%), and provided the pension board with reports on any breaches (95%).

Over a third of schemes (37%) identified breaches of the law in the previous 12 months (excluding those relating to annual benefit statements), and 5% had reported any breaches to TPR (a decrease from 8% in 2019).

Local Government schemes were most likely to have identified breaches of the law (55%) and Police schemes least likely (14%).

1.10 Addressing governance and administration issues

The remediation (McCloud) process, scheme complexity and the volume of changes required to comply with legislation were seen as the top barriers to improving scheme governance and administration in the next 12 months.

Two-thirds (65%) of schemes identified the remediation process as one of the top three barriers they faced to improving governance and administration, an increase from 42% in the 2019 survey. Similar proportions also cited the complexity of the scheme (62%) and the volume of changes required to comply with legislation (61%) as major barriers (with the latter increasing from 49% in 2019).

The remediation process was the most commonly identified barrier for 'Other' (91%), Firefighters' (79%) and Police schemes (81%), but fewer Local Government schemes selected it as one of the major challenges they faced (47%).

Improved governance and administration was primarily attributed to a better understanding of the risks facing the scheme.

Most schemes (68%) felt that the improvements they made to scheme governance and administration over the previous 12 months were down to an improved understanding of the risks facing the scheme. This was followed by better understanding of the underlying legislation and standards expected by TPR (46%) and resources being increased or redeployed to address risks (42%).

1.11 COVID-19 pandemic

Almost all schemes had a business continuity plan in place prior to the COVID-19 pandemic, and these were widely felt to have been effective.

The vast majority (95%) of schemes had a business continuity plan (BCP) in place before the first COVID-19 lockdown started in March 2020, with 59% having their own BCP and 36% using their local authority's BCP.

Most of these (87%) judged their BCP to have been effective in helping the scheme respond to the pandemic, with 60% describing it as 'very effective'. The main barriers to implementing the BCP were felt to have been the suitability of IT hardware (31%), ability of staff to work from home (29%) and suitability of IT infrastructure (22%). However, a third (35%) did not experience any barriers.

Over nine in ten schemes felt that communications between the scheme manager and administrator (97%), the performance of the administrator (94%), and the relationship between the scheme manager and the pension board (93%) had been effective since the start of the pandemic.

1.12 Pensions dashboards

While awareness of the dashboards was near universal and most schemes believed they were a good idea, there were some concerns about schemes' ability to implement them.

The majority of respondents had heard of the pensions dashboards (96%) and most also knew that the Pensions Bill 2020 requires trustees and scheme managers to provide data to savers through the dashboards (88%).

There was broad consensus that the dashboards were a good idea for savers (89% agreed), but fewer schemes agreed that they would be able to deal with any administrative demands involved (40%) and that the dashboards would be easy for their scheme to implement (9%). A minority (10%) expected to leave preparations as late as possible.

The main challenges schemes expected to face when preparing for the dashboards were software compatibility (75%) and knowing what is required (58%). Most expected to learn more about the requirements from their scheme advisory board (69%), the Pensions Dashboards Programme (63%) or TPR (61%).

1.13 Climate change

Nine in ten Local Government schemes had allocated time or resources to assessing any financial risks and opportunities arising from climate change, and most were aware of the Taskforce on Climate-related Financial Disclosures (TCFD).

The survey questions on climate change were asked only of Local Government schemes (as these are the only funded PS schemes). Overall, 91% had allocated time or resources to assessing climate change risks/opportunities, but fewer had assessed particular climate-related scenarios (66%), tracked their portfolio's carbon intensity (60%) or assessed their portfolio's potential contribution to global warming (29%).

Two-thirds (68%) had added climate-related risks to their risk register, and around two-fifths had regularly covered these issues at board meetings (42%), assigned responsibility to a specified individual or sub-committee (37%) and incorporated targets into their climate policy (37%).

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Approaching three-fifths of schemes gave significant consideration to the risk of transitioning to a low carbon economy (58%) and climate-related opportunities (57%) in their investment and funding strategy, but fewer considered physical risks (34%) or the participating employer's exposure (16%).

The majority of schemes (83%) were aware of the work of the TCFD, and 22% made disclosures as recommended by the TCFD.

1.14 Perceptions of TPR

More schemes agreed that TPR was fair, clear, approachable and evidence-based than in 2019.

The proportion of schemes that agreed TPR was fair increased from 66% in 2019 to 77% in the 2020-21 survey. There was also increased agreement that TPR was clear (from 70% to 77%), approachable (from 76% to 81%) and evidence-based (from 71% to 76%).

As in 2019, of the various descriptors of TPR that were asked about, schemes were most likely to agree that TPR was visible (84%), respected (84%) and approachable (81%), and least likely to see the organisation as decisive (63%) and tough (52%).

TPR was widely felt to be effective at improving standards of governance and administration. It was also perceived to be clear about its administration expectations, effective at changing behaviour among its regulated audiences, and proactive at reducing risks to member benefits.

Overall, 87% of schemes judged TPR to be very or fairly effective at improving standards of governance and administration in public service pension schemes (unchanged from 2019). Every 'Other' scheme (100%) felt that TPR was effective in this regard.

The majority of schemes also agreed that TPR clearly explains its expectations in respect of administration (84%), is effective at bringing about the right changes in behaviour among its regulated audiences (79%) and is proactive at reducing serious risks to members' benefits (75%). Again, 'Other' schemes were typically most positive about these areas.

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2.   Introduction

2.1   Background

The Public Service Pensions Act 2013 and the Public Service Pensions Act (Northern Ireland) 2014 (together, the Public Service Acts) introduced new requirements for the governance and administration of public service pension schemes. Scheme managers must run their schemes according to these legal requirements, which generally came into force on 1 April 2015.

The Public Service Acts also gave TPR an expanded role to regulate the governance and administration of these schemes from 1 April 2015. TPR's code of practice for the governance and administration of public service pension schemes (the PSPS code) sets out the standards of conduct and practice it expects of those responsible, as well as practical guidance about how to comply with the legal requirements.

As part of its role, TPR is responsible for 205 public service schemes in respect of eight public service workforces, covering around 18.4 million memberships.

A survey was first undertaken in 2015 to assess how schemes were meeting the new requirements, and the standards to which they were being run. Further surveys have been run annually to provide a regular assessment of performance, understand barriers to improvement, and delve deeper into the top risks facing public service schemes.

2.2   Objectives

The specific objectives of the 2020-21 survey were to continue to track:

- Public service pension schemes' governance and administration practices, including their approach to risk management, complaints and breaches of the law and any barriers they faced;

- The cyber security controls that schemes had in place and any breaches/attacks experienced;

- Perceptions of TPR and its effectiveness at improving scheme governance and administration standards.

In addition, the 2020-21 survey also sought to understand:

- Schemes' response to the COVID-19 pandemic, with a particular focus on business continuity planning;

- Awareness and perceptions of the pensions dashboards, and any challenges anticipated;

- The extent to which Local Government schemes assessed, managed and prioritised climate-relates risks and opportunities.

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2.3   Communications activities

TPR continues to engage with those acting in the public service pension scheme landscape. In 2020 this activity included:

- presenting at conferences, workshops and training events, and;

- engagement with schemes and scheme advisory boards.

The engagement is tailored to the audience and situation. It ranges from overviews and summaries of scheme manager and pension board roles and responsibilities to focused presentations on key issues of importance such as cyber security, data improvement and governance. TPR also maintains supervisory relationships with certain large schemes in the public service scheme landscape to better understand the practical operational challenges facing schemes.

3.   Methodology

As with the previous TPR public service pension scheme surveys, an online self-completion approach was adopted for the following reasons:

- The large amount of data to collect would have made a telephone interview very long and burdensome for respondents.

- It was anticipated that many individuals would need to do some checking/verification in order to answer the questions accurately.

- The range of information requested meant that it was important to allow more than one person at the scheme to contribute.

Owing to the nature and the amount of information required, a carefully structured research approach was necessary, giving respondents early warning of the kinds of information that we were seeking to collect and allowing them to devote an appropriate amount of time and effort to providing accurate and reliable information, liaising with colleagues if needed. Therefore, a multi-stage approach was adopted:

- **Stage 1:** Pre-notification emails were sent by TPR to the pension board chairs and scheme managers to explain the nature of the research, introduce OMB Research (OMB), alert schemes that their participation would be requested and ask them to let OMB know whether the scheme manager or their representative would be completing the survey and, if necessary, provide their contact details.

- **Stage 2:** OMB sent a tailored invitation email to each scheme manager or their chosen representative. This contained a unique survey URL and a link to a 'hard copy' of the questionnaire (for reference when compiling information prior to completion).

  - In the case of referrals, sample details were updated so that the most appropriate person was contacted going forward.

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- **Stage 3:** OMB sent a further two tailored reminder emails to schemes that had either not started the survey or had only partially completed it.

- **Stage 4:** OMB executives undertook a phase of telephone chasing with non-responders. These calls ensured that the invitation email had been received, confirmed the identity of the most appropriate individual to complete the survey and encouraged schemes to take part.

3.1 Sampling

The sample for this research was extracted from TPR's scheme registry database. The target audience was scheme managers of open public service schemes or their representatives. For the purpose of the survey, each locally-administered section of relevant Firefighters', Police and Local Government schemes was treated as a separate scheme, forming a total universe of 205 schemes at the time the 2020-21 survey was conducted.

Scheme managers or their representatives were asked to work with the pension board chair to complete the survey and, where necessary, seek input from others with specialist knowledge (e.g. the scheme administrator).

3.2 Fieldwork

All surveys were completed between 20 January and 8 March 2021. In total, 293 of the 205 public service pension schemes completed the survey. This equates to a 94% response rate, covering 99% of all memberships.

Table 3.2.1 Interview numbers and universe

Scheme type	Interviews	Schemes		Memberships	
		Universe	Survey coverage	Universe	Survey coverage
Other	11	11	100%	11,058,653	100%
Firefighters	47	50	94%	123,431	95%
Local Government	93	98	95%	6,791,973	98%
Police	42	46	91%	386,775	96%
Total	**193**	**205**	**94%**	**18,360,832**	**99**%

The majority (86%) of the completed surveys were submitted in response to the initial email and reminders, with the remainder submitted during (or shortly after) the telephone chasing phase.

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3.3 Respondent profile

Scheme managers or their representatives contributed to 85% of submitted surveys, and directly completed it in 74% of cases. Over half (54%) of the surveys were completed with input from the pension board chair, with other board members involved in 17%. Approaching two-thirds (61%) involved consultation with the scheme administrator.

Table 3.3.1 Respondent role

Respondent role	Completed	Consulted	Total
Scheme manager	27%	16%	43%
Representative of the scheme manager[4]	47%	29%	63%
Pension board chair	5%	49%	54%
Pension board member[4]	3%	15%	17%
Administrator	13%	47%	61%
Other role	6%	12%	12%
Net: Scheme manager/representative	**74%**	**40%**	**85%**
Net: Pension board chair/member	**7%**	**59%**	**65%**

3.4 Analysis and reporting conventions

Throughout this report, results are reported at an aggregate level for all respondents and by cohort: Local Government, Firefighters', Police and 'Other'[5] schemes. The cohorts are grouped in this way to reflect the different governance structures, funding methods and employer profiles.

To ensure that results are representative of all public service pension schemes, the data throughout this report is shown weighted. **Scheme** data has been weighted based on the number of public service schemes of each type. **Membership** data has been weighted based on the total number of memberships in each scheme type. It should be noted that the membership-weighted results are heavily influenced by the 'Other' schemes, which accounted for 60% of all memberships at the time the 2020-21 survey was undertaken. The narrative commentary in this report therefore typically focuses on the scheme-weighted findings.

Where available and comparable, the results from the previous two PSPS governance and administration surveys (2018 and 2019) have been included.

When interpreting the data presented in this report, please note that results may not sum to 100% due to rounding and/or due to respondents being able to select more than one answer to a question.

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[4] For 'representative of the scheme manager', 'pension board member' and 'other role', the *total* percentage is lower than the sum of the *completed by* and *consulted with* percentages. This is because there can be more than one person at the scheme in these roles, and in some cases one completed the survey and another consulted on it, so they appear in both these columns (but only count once in the total column).
[5] Centrally administered unfunded schemes, i.e. excluding relevant Local Government, Firefighters' and Police schemes.

Data presented in this report are from a sample of public service schemes rather than the total population. This means the results are subject to sampling error. Differences between cohorts and different years of the research have been tested for statistical significance, using finite population correction (i.e. reflecting that 98% of the total public service scheme universe completed the survey). Differences are commented on in the text only if they are statistically significant at the 95% confidence level. This means there is no more than a 5% chance that any reported differences are not real but a consequence of sampling error.

4. Research findings

4.1 Scheme governance

On average, schemes had scheduled 4.0 pension board meetings in the previous 12 months, with 78% of schemes scheduling four or more board meetings over that period.

However, not all the scheduled meetings went ahead; schemes reported that they held an average of 3.4 board meetings in the previous 12 months, with approaching half (45%) holding four or more. Almost a quarter (22%) reported that their pension board had met twice or less in the previous 12 months.

On average the scheme manager or their representative had attended 3.1 meetings in the previous 12 months, and 36% of schemes indicated that they had attended at least four board meetings during that period.

Figure 4.1.1 Number of pension board meetings in last 12 months
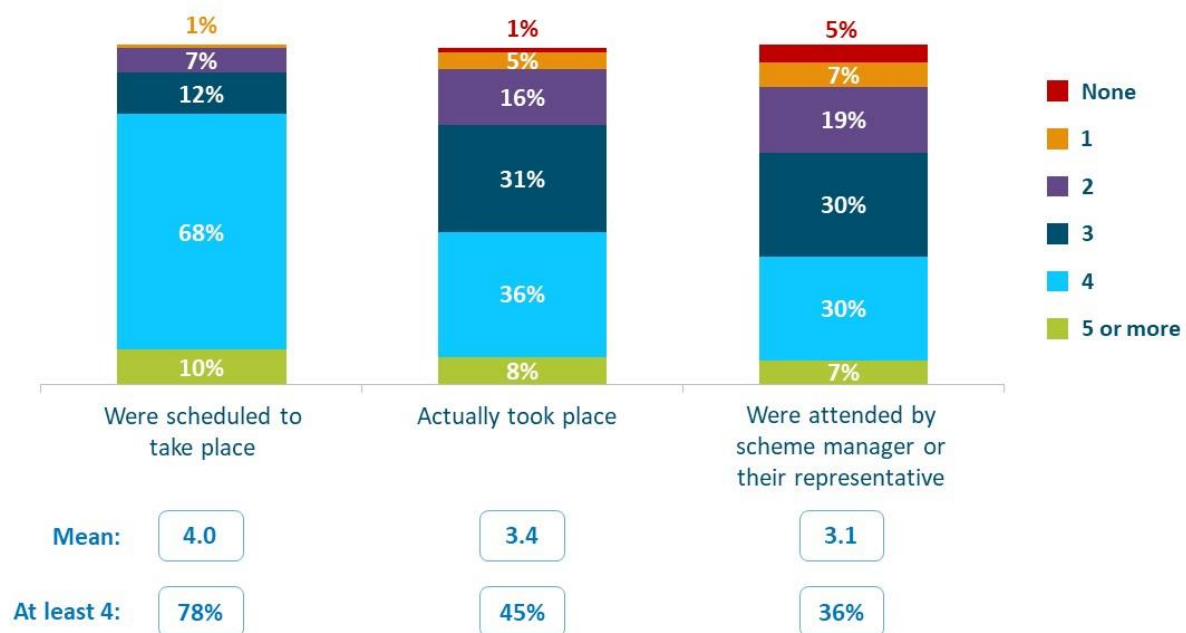
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 1-2%, 2%)

The mean proportion of scheduled pension board meetings that actually took place was 84%. On average, 93% of the meetings that took place were attended by the scheme manager or their representative.

Table 4.1.1 Proportion of pension board meetings that went ahead and were attended by scheme manager/representative

	Total schemes
Base: All respondents	*202*
% of scheduled meetings that took place (mean)	84%
% of meetings attended by scheme manager/representative (mean)	93%

'Other' and Police schemes were most likely to have held at least four meetings in the last 12 months (82% and 74% respectively, compared with 32% of Firefighters' and 33% of Local Government schemes).

Table 4.1.2 Number of pension board meetings in last 12 months - by scheme type

		Scheme Type			
		Other	Firefighters	Local Govt	Police
Base: All respondents		*11*	*47*	*93*	*42*
Scheduled to take place	Mean	5.0	3.7	4.1	3.9
	At least 4	91%	72%	77%	83%
Actually took place	Mean	4.7	2.9	3.3	3.8
	At least 4	82%	32%	33%	74%
Attended by scheme manager/representative	Mean	4.7	2.7	3.1	3.1
	At least 4	82%	26%	31%	48%
% of scheduled meetings that took place (mean)		94%	80%	78%	97%
% of meetings attended by scheme manager/representative (mean)		100%	92%	96%	82%

The proportion of schemes that scheduled at least four board meetings increased since 2019 (from 73% to 78%), but there was a fall in the proportion that held at least four (from 57% to 45%). There was a corresponding decline in the percentage of meetings that actually took place (from 94% to 85%)

Table 4.1.3 Number of pension board meetings in last 12 months – Time series

	Survey	Total schemes	Scheme Type			
			Other	Fire-fighters	Local Govt	Police
At least 4 meetings scheduled	**2020-21**	78%	91%	72%	77%	83%
	2019	73%	100%	49%	74%	89%
At least 4 meetings actually took place	**2020-21**	45%	82%	32%	33%	74%
	2019	57%	82%	31%	67%	58%
At least 4 meetings attended by scheme manager/representative	**2020-21**	36%	82%	26%	31%	48%
	2019	52%	82%	24%	65%	47%
% of scheduled meetings that took place (mean)	**2020-21**	84%	94%	80%	78%	97%
	2019	94%	93%	91%	97%	90%
% of meetings attended by scheme manager/representative (mean)	**2020-21**	93%	100%	92%	96%	82%
	2019	95%	100%	93%	98%	92%

The overall fall in the proportion that held at least four board meetings was driven by Local Government schemes (from 67% in 2019 to 33% in the 2020-21 survey). However, there was an increase in this regard for Police schemes (from 58% to 74%).

Consistent with the above time series analysis, 39% of schemes indicated that they had held less board meetings than in the previous 12 month period. Most of the remainder said it was the same (43%) but a fifth (19%) held more meetings than in the previous 12 months.

Over half (55%) of Local Government schemes reported a fall in the number of board meetings held.

Figure 4.1.2 Change in number of pension board meetings that took place compared with previous 12 month period
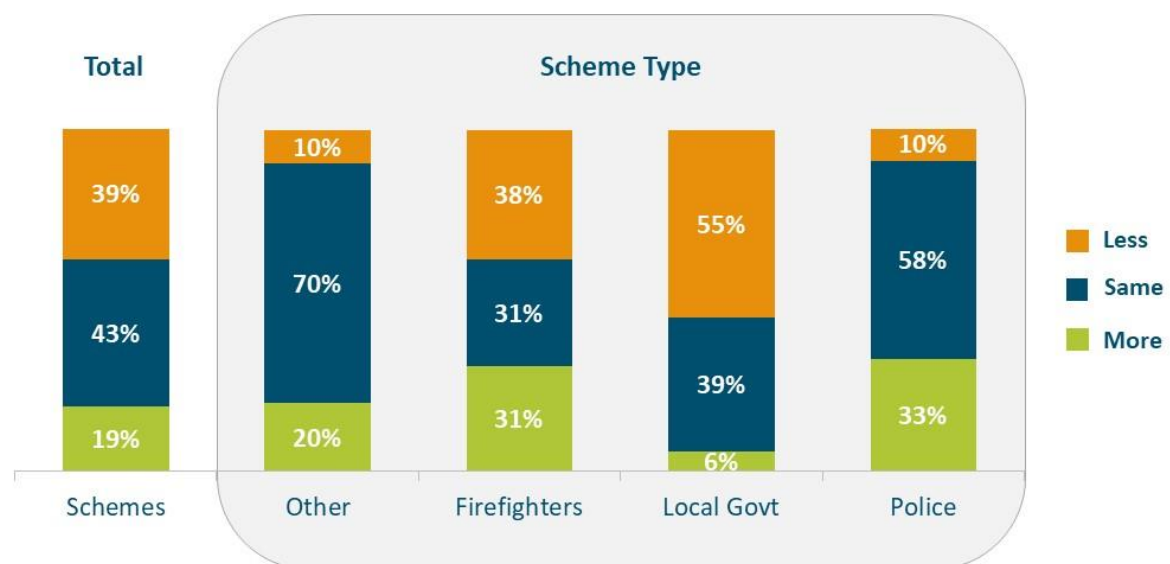
All that knew number of board meetings held in last 12 months (Base, Don't know, Did not answer question) - Schemes (188, 0%, 0%), Other (10, 0%, 0%), Firefighters (45, 0%, 0%), Local Govt (93, 0%, 0%), Police (40, 0%, 0%)

Schemes were asked whether the scheme manager and pension board had sufficient time and resources to run the scheme properly, and whether they had access to all the necessary knowledge, understanding and skills.

Figure 4.1.3 shows that 95% believed the scheme manager and pension board had access to all the necessary knowledge and skills. Schemes were comparatively less likely to report that they had sufficient time and resources, but 87% still agreed this was the case.

Overall, 89% of all memberships were in a scheme where the scheme manager and pension board had sufficient time and resources, and 92% were in a scheme where they had access to all the necessary knowledge and skills.

Figure 4.1.3 Scheme manager and pension board resources and knowledge
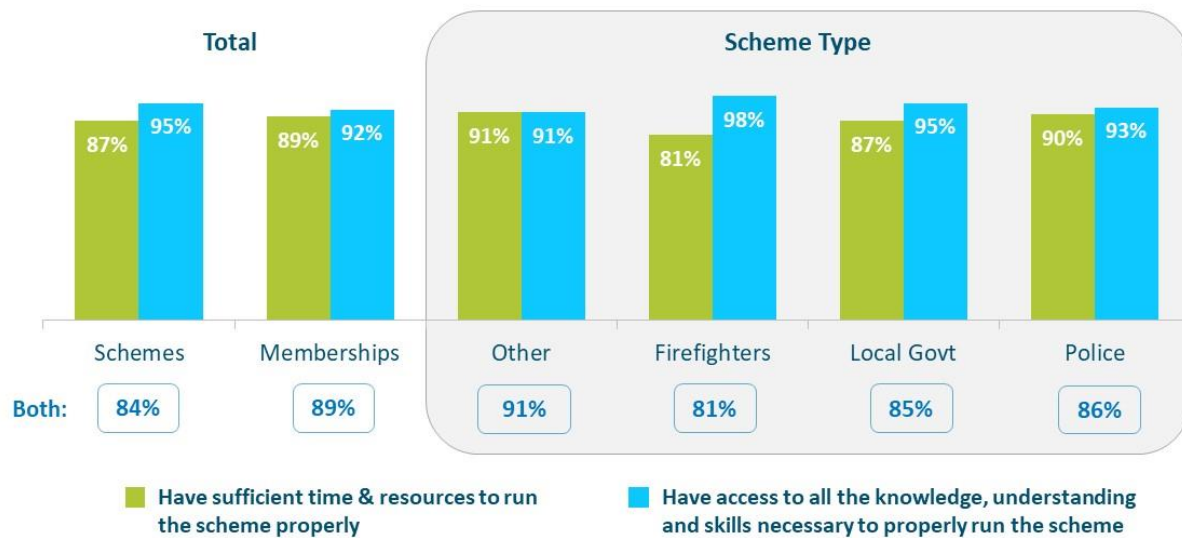
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 2-3%, 3%), Memberships (193, 1%, 6%), Other (11, 0%, 9%), Firefighters (47, 0-2%, 2%), Local Govt (93, 3%, 1-2%), Police (42, 0-5%, 5%)

Small schemes with fewer than 2,000 memberships were least likely to feel they had sufficient time and resources (71%). However, there were no differences by scheme size when it came to having access to the necessary knowledge, understanding and skills.

Table 4.1.4 shows that the proportion of schemes reporting that their scheme manager and pension board had sufficient time and resources fell since 2019 (from 90% to 87%) and there was a similar decrease for access to all the necessary knowledge, understanding and skills (from 97% to 95%). The former decline was evident for all scheme types aside from Local Government, whereas the latter applied only to 'Other' and Police schemes.

Table 4.1.4 Scheme manager and pension board resources and knowledge – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
Sufficient time and resources to run the scheme properly					
PSPS Survey 2020-21	**87%**	**91%**	**81%**	**87%**	**90%**
PSPS Survey 2019	90%	100%	88%	87%	98%
PSPS Survey 2018	91%	100%	87%	89%	95%
Access to all the knowledge, understanding and skills necessary to properly run the scheme					
PSPS Survey 2020-21	**95%**	**91%**	**98%**	**95%**	**93%**
PSPS Survey 2019	97%	100%	98%	95%	98%
PSPS Survey 2018	96%	100%	98%	96%	93%

In the majority of cases (85%) the scheme manager or pension board carried out an evaluation of the board's knowledge, understanding and skills at least annually.

Figure 4.1.4 Frequency of scheme manager or pension board carrying out an evaluation of the knowledge, understanding and skills of the board in relation to running the scheme
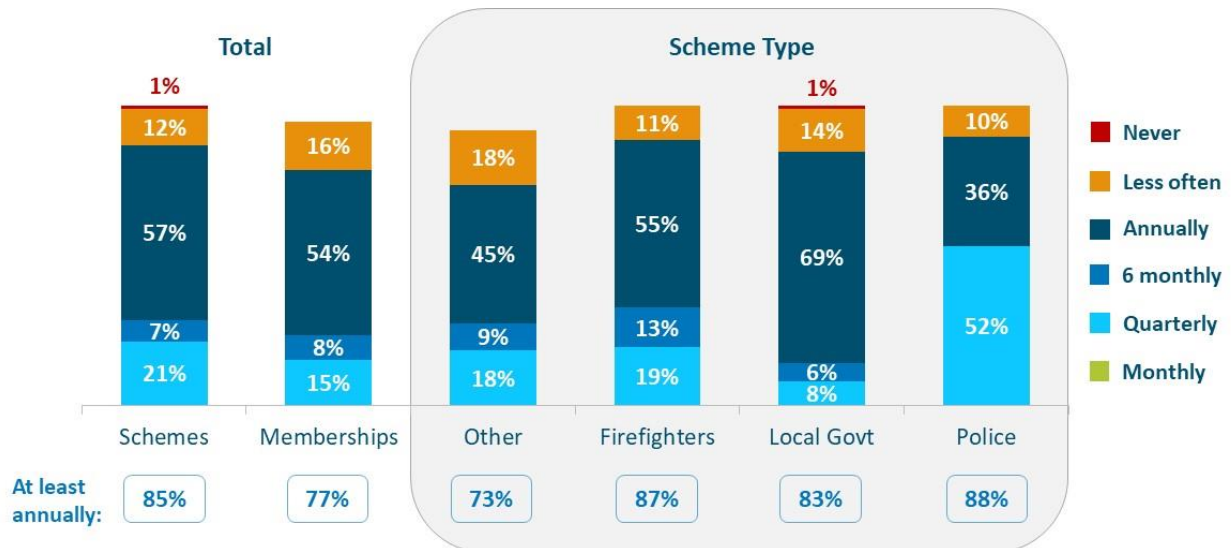
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 1%, 2%), Memberships (193, 1%, 6%), Other (11, 0%, 9%), Firefighters (47, 0%, 2%), Local Govt (93, 2%, 0%), Police (42, 0%, 2%)

There was an increase since 2019 in the proportion of schemes that evaluated their board at least annually, from 76% to 85%. This was primarily driven by Police schemes (+28 percentage points), but also increased among Local Government schemes (+5 percentage points). In comparison, there was a fall for 'Other' schemes (-9 percentage points).

Table 4.1.5 Proportion of schemes that carried out an evaluation of the knowledge, understanding and skills of the board at least annually – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2020-21	**85%**	**73%**	**87%**	**83%**	**88%**
PSPS Survey 2019	76%	82%	86%	78%	60%
PSPS Survey 2018	82%	64%	76%	86%	82%

As shown in Figure 4.1.5, pension board members received an average of 10 hours training per year in relation to their role on the board, rising to 13 hours for Local Government schemes. This was consistent with the 2019 survey results.

Figure 4.1.5 Hours of training per year for each pension board member in relation to their role on the board

All respondents (Base) - Schemes (193), Memberships (193), Other (11), Firefighters (47), Local Govt (93), Police (42)

Most schemes (94%) believed that their pension board had access to all the information about the operation of the scheme it had needed to fulfil its functions in the previous 12 months. This rose to 100% of Police schemes.

Figure 4.1.6 Proportion of schemes where pension board had access to all the information about the operation of the scheme it needed to fulfil its functions in last 12 months
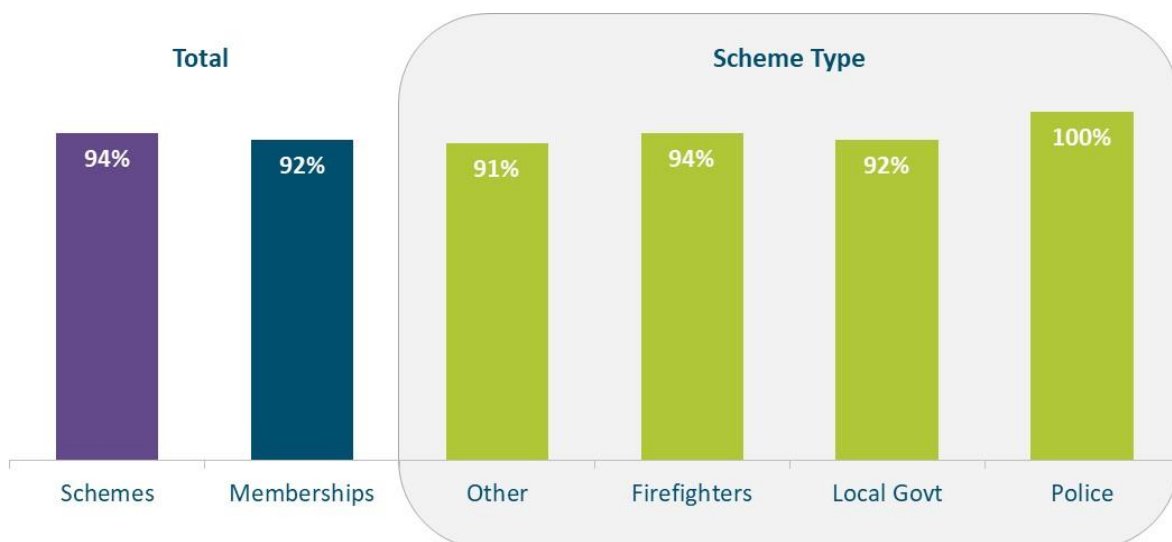
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 3%, 2%), Memberships (193, 2%, 6%), Other (11, 0%, 9%), Firefighters (47, 0%, 4%), Local Govt (93, 5%, 0%), Police (42, 0%, 0%)
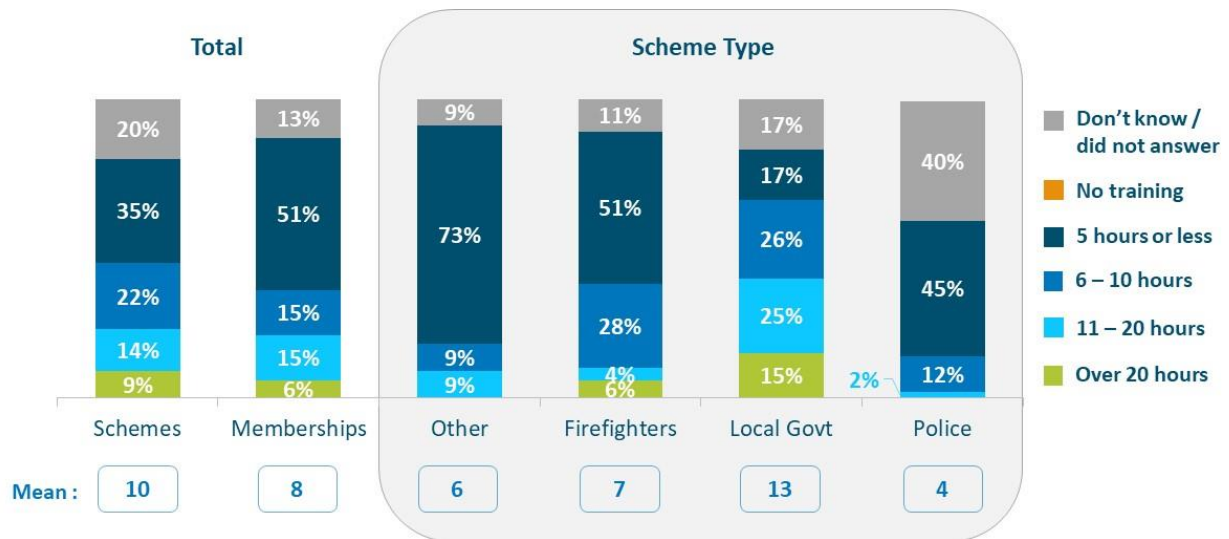
More schemes felt the board had access to the information it needed to fulfil its functions than in 2019 (94% vs. 89%). This increase was evident for Local Government and Police schemes, but there was a decrease for 'Other' and Firefighters' schemes.

Table 4.1.6 Proportion of schemes where pension board had access to all the information about the operation of the scheme it needed to fulfil its functions in last 12 months – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2020-21	**94%**	**91%**	**94%**	**92%**	**100%**
PSPS Survey 2019	89%	100%	98%	81%	93%

Overall, 92% of schemes felt that their pension board was able to obtain sufficient specialist advice on cyber security when needed. This was broadly consistent by scheme type (88% to 96%).

Figure 4.1.7 Proportion of schemes where pension board was able to obtain sufficient specialist advice on cyber security when needed
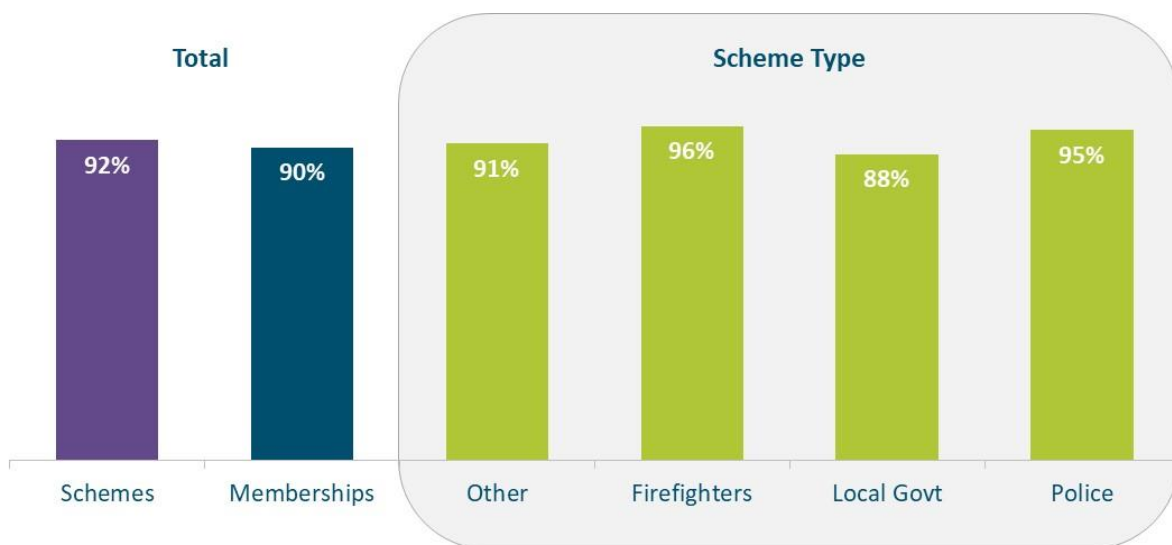
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 6%, 2%), Memberships (193, 3%, 6%), Other (11, 0%, 9%), Firefighters (47, 2%, 2%), Local Govt (93, 9%, 1%), Police (42, 5%, 0%)

This proportion was higher than in 2019 (92% vs. 87%), with the greatest increase seen among Police schemes (+13 percentage points).

Table 4.1.7 Proportion of schemes where pension board had access to all the information about the operation of the scheme it needed to fulfil its functions in last 12 months – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2020-21	**92%**	**91%**	**96%**	**88%**	**95%**
PSPS Survey 2019	87%	100%	90%	86%	82%

As shown in Table 4.1.8, almost three-quarters (72%) of schemes had more than five current members on their pension board at the time they completed

the survey. The mean number of current board members was 7.1 (compared with 6.9 in the 2019 survey).

Table 4.1.8 Number of current pension board members

	Total schemes
Base: All respondents	*193*
2-3 current board members	3%
4-5 current board members	23%
6-7 current board members	36%
8-9 current board members	18%
10+ current board members	17%
Mean number of current board members	**7.1**
Don't know	1%
Did not answer question	2%

Six schemes (3%) had fewer current board members at the time they completed the survey than specified by their respective regulations. Of these, four were Local Government and two were Police schemes. This compares with eight schemes in 2019 (four Local Government and four Police).

Schemes were also asked to provide details of the number of vacant positions on their board, the number of board members that had left in the previous 12 months and the number of members appointed in this period.

Around two-thirds (64%) reported that one or more board members had left in the previous 12 months, and the same proportion (64%) indicated that they had made any new appointments. Approaching a third (31%) of schemes said they had at least one vacant position on the board at the time they completed the survey.

Table 4.1.9 Turnover of pension board members

	Vacant positions	Members that left in last 12 months	Members appointed in last 12 months
Base: All respondents	*193*	*193*	*193*
0	67%	35%	34%
1	24%	37%	36%
2	4%	23%	21%
3	1%	3%	4%
4+	2%	1%	3%
Net: 1+	**31%**	**64%**	**64%**
Mean	**0.5**	**1.0**	**1.1**
Don't know	1%	0%	0%
Did not answer question	2%	2%	2%

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Further analysis was conducted to assess the total number of board positions in each scheme. The number of 'total positions' on the board was calculated by combining the number of current board members and number of vacant positions.

As shown in Table 4.1.10, the mean number of total positions was 7.6. On average, schemes reported that 14% of the total positions on their board had left in the previous 12 months and 15% had been appointed in the previous 12 months. The mean proportion of total board positions that were vacant at the time the schemes completed the survey was 6%.

Table 4.1.10 Number of total pension board positions (current members plus vacant positions)

	Total schemes
Base: All respondents	*193*
Mean number of total positions on board (current + vacant)	7.6
Mean % of total positions that are vacant	6%
Mean % of total positions that left in last 12 months	14%
Mean % of total positions appointed in last 12 months	15%

'Other' schemes tended to have the greatest number of current board members (a mean of 12.0), whereas Firefighters' and Local Government schemes had the fewest (5.9 and 6.6 respectively). Firefighters' schemes had the fewest vacant board positions (a mean of 0.2, equating to 2% of total positions).

Table 4.1.11 Number and turnover of pension board members – by scheme type

	Scheme Type			
	Other	Fire-fighters	Local Govt	Police
Base: All respondents	*11*	*47*	*93*	*42*
Mean no. of current board members	12.0	5.9	6.6	8.3
Mean no. of vacant positions	1.6	0.2	0.5	0.4
Mean no. of board members that left in last 12 months	1.4	1.0	0.8	1.3
Mean no. of board members appointed in last 12 months	1.5	1.2	0.9	1.3
Mean % of total positions that are vacant	**8%**	**2%**	**7%**	**5%**
Mean % of total positions that left in last 12 months	**10%**	**17%**	**11%**	**16%**
Mean % of total positions appointed in last 12 months	**11%**	**20%**	**12%**	**16%**

As mentioned previously, six schemes had fewer current board members at the time they completed the survey than specified by their respective regulations. The four Local Government schemes all indicated that they had

vacant positions on their board. If these vacant positions were filled then they would all have met the minimum requirement for the number of pension board members for Local Government schemes.

Of the two Police schemes that had fewer current board members than required by their regulations, one did not report any vacant positions. The other indicated declared that they had one vacancy, but if this was filled they would still be below the minimum requirement for Police schemes.

Figure 4.1.8 shows that 58% of schemes had a succession plan in place for members of the pension board. This was most likely to be the case among Police schemes (76%).

Figure 4.1.8 Proportion of schemes with a succession plan in place for pension board members
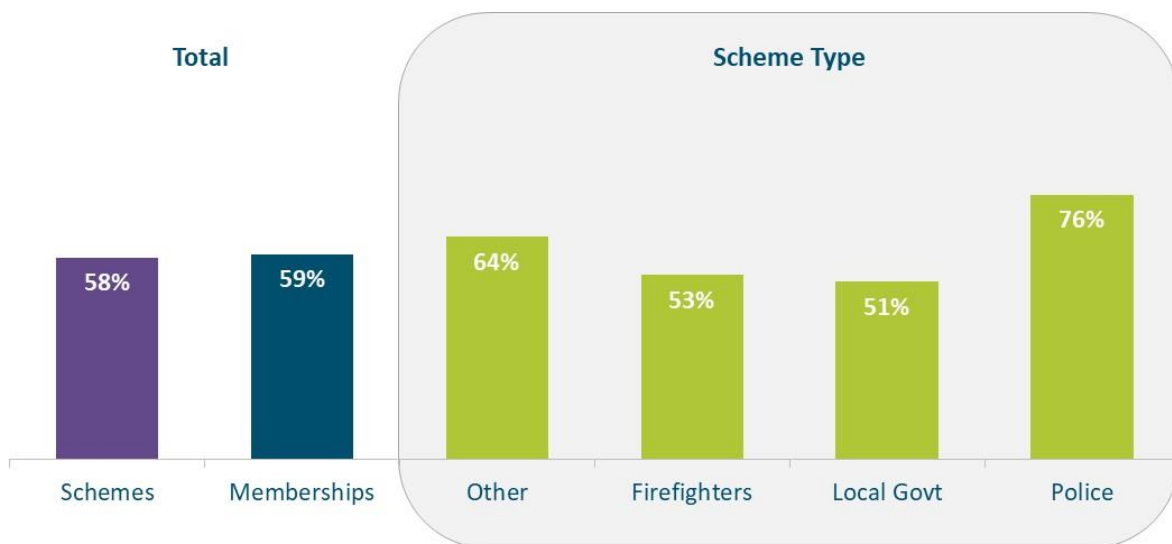
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 5%, 2%), Memberships (193, 8%, 6%), Other (11, 9%, 9%), Firefighters (47, 0%, 2%), Local Govt (93, 5%, 0%), Police (42, 10%, 2%)

Results were broadly consistent with the 2019 survey, although Local Government schemes were less likely to have a succession plan in place (51% vs. 59%).

Table 4.1.12 Proportion of schemes with a succession plan in place for pension board members – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2020-21	**58%**	**64%**	**53%**	**51%**	**76%**
PSPS Survey 2019	54%	64%	57%	59%	72%

4.2   Managing risk

Figure 4.2.1 shows the proportion of schemes that had various risk management processes and procedures in place, along with comparative data from the 2019 survey.

Table 4.2.1 Proportion of schemes with risk managements processes and procedures - Time series

	Survey	Total		Scheme Type			
		Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
Base: All respondents		*193*	*193*	*11*	*47*	*93*	*42*
Its own documented procedures for assessing and managing risk	**2020-21**	**85%**	**83%**	**82%**	**83%**	**84%**	**90%**
	2019	82%	92%	100%	76%	80%	87%
	2018	92%	98%	100%	80%	96%	93%
A documented policy to manage the pension board members' conflicts of interest	**2020-21**	**92%**	**92%**	**91%**	**94%**	**94%**	**88%**
	2019	92%	81%	73%	94%	92%	93%
	2018	90%	86%	82%	85%	93%	91%
Processes to monitor records for all membership types on an ongoing basis to ensure they are accurate/complete	**2020-21**	**95%**	**93%**	**91%**	**94%**	**97%**	**95%**
	2019	92%	97%	100%	94%	94%	82%
	2018	91%	92%	91%	85%	95%	89%
A process for monitoring the payment of contributions	**2020-21**	**89%**	**88%**	**82%**	**96%**	**99%**	**64%**
	2019	96%	100%	100%	90%	100%	93%
	2018	98%	100%	100%	96%	100%	95%
A process for resolving contribution payment issues	**2020-21**	**92%**	**88%**	**82%**	**96%**	**98%**	**76%**
	2019	92%	99%	100%	82%	98%	89%
	2018	94%	99%	100%	85%	98%	95%
Procedures to identify breaches of the law	**2020-21**	**95%**	**87%**	**82%**	**98%**	**94%**	**100%**
	2019	94%	96%	100%	98%	90%	98%
	2018	94%	95%	100%	89%	96%	93%
Procedures to assess breaches of the law and report these to TPR if required	**2020-21**	**97%**	**93%**	**91%**	**98%**	**96%**	**100%**
	2019	96%	98%	100%	98%	96%	93%
	2018	95%	99%	100%	89%	98%	95%

Over nine in ten schemes had a policy to manage board members' conflicts of interest (92%), processes to monitor records for accuracy and completeness (95%), a process for resolving contribution payment issues (92%), procedures to identify breaches of the law (95%) and procedures to assess and report breaches (97%).

Slightly fewer had a process for monitoring the payment of contributions (89%) and their own documented procedures for assessing and managing risk (85%).

Results were generally consistent with the 2019 survey, with the only changes at the total sample level being an increase in the proportion of schemes with a process to monitor records for accuracy and completeness (+3 percentage points) and a decrease in the proportion with a process for monitoring the payment of contributions (-7 percentage points).

However, there were some changes at a scheme type level. In particular, 'Other' schemes were less likely than in 2019 to have these processes and procedures in place (with the exception of procedures to identify and report breaches of the law). The proportion of Police schemes with a process for monitoring contribution payments and resolving contribution payment issues also fell (by -29 and -13 percentage points respectively).

As summarised in Figure 4.2.1, where schemes had these processes and procedures they had typically reviewed them within the last 12 months. However, this was least likely to be the case for conflicts of interest policies (51%), and procedures to identify (61%) and report (62%) breaches of the law.

Most of the remainder had reviewed these in the last three years, with few schemes last reviewing them more than three years ago (1-4%) or never reviewing them (0-2%).

Figure 4.2.1 When risk management processes and procedures were last reviewed
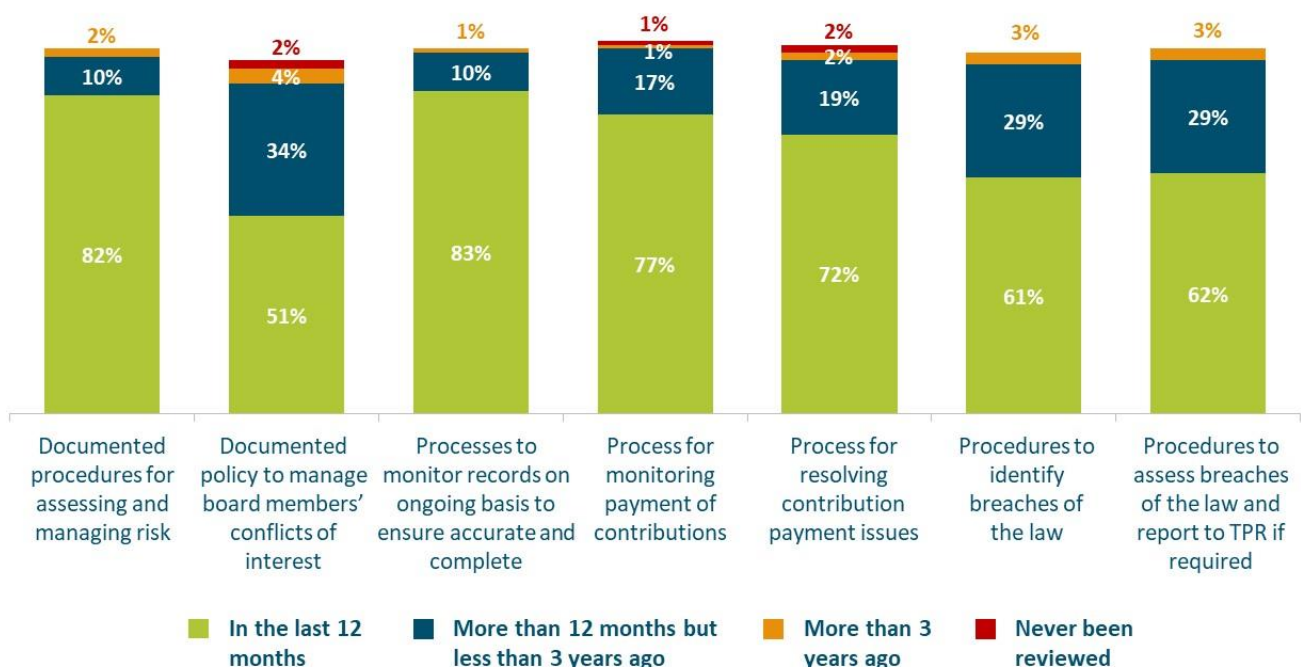
All with each process/procedure in place (Base, Don't know, Did not answer question) - Assessing & managing risk (164, 5%, 1%), Manage conflicts of interest (178, 7%, 2%), Monitor records to ensure accurate & complete (184, 6%, 1%), Monitoring payment of contributions (173, 3%, 1%), Resolving contribution payment issues (177, 5%, 1%), Identify breaches (184, 6%, 1%), Assess & report breaches (187, 7%, 1%)

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While this varied across the different processes and procedures, 'Other' schemes were generally most likely to have reviewed these in the last 12 months. Firefighters' schemes typically reviewed these less frequently, with this particularly true of the processes relating to contribution payments and breaches of the law.

Table 4.2.2 Proportion reviewing each risk management process and procedure in the last 12 months – by scheme type

	Scheme Type			
	Other	Fire-fighters	Local Govt	Police
Base: All with each process or procedure	*9-10*	*39-46*	*78-92*	*27-42*
Own documented procedures for assessing and managing risk	78%	85%	86%	74%
Documented policy to manage the pension board members' conflicts of interest	80%	45%	49%	54%
Processes to monitor records for all membership types on an ongoing basis to ensure they are accurate and complete	100%	86%	81%	78%
Process for monitoring the payment of contributions	100%	62%	78%	93%
Process for resolving contribution payment issues	89%	60%	70%	88%
Procedures to identify breaches of the law	67%	54%	63%	64%
Procedures to assess breaches of the law and report these to TPR if required	60%	54%	63%	67%

The vast majority (89%) of schemes had a risk register, with this most likely to be the case for Local Government schemes (95%).

Figure 4.2.2 Proportion of schemes with their own risk register
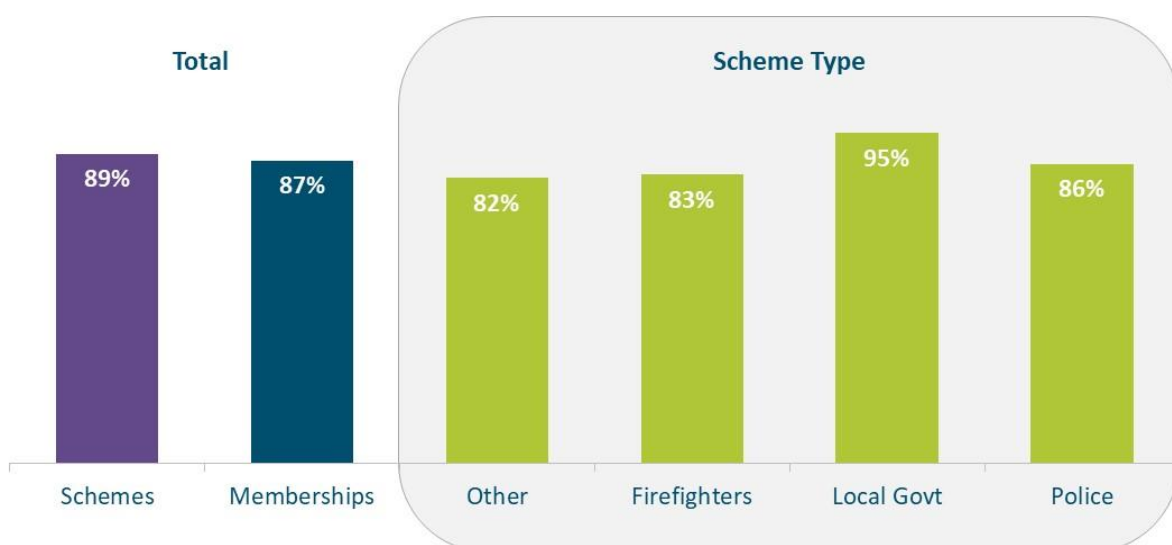
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 1%, 2%), Memberships (193, 0%, 1%), Other (11, 0%, 0%), Firefighters (47, 2%, 2%), Local Govt (93, 0%, 2%), Police (42, 2%, 0%)

The proportion of schemes with a risk register fell slightly since 2019 (89% vs. 93%), with the greatest decline seen for 'Other' schemes (-18 percentage points) and Police schemes (-7 percentage points)[6].

Table 4.2.3 Proportion of schemes with a risk register – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2020-21	**89%**	**82%**	**83%**	**95%**	**86%**
PSPS Survey 2019	93%	100%	86%	96%	93%
PSPS Survey 2018	94%	100%	87%	98%	93%

Schemes were asked to identify the top three governance and administration risks on their register (or facing the scheme if they did not have a risk register).

Table 4.2.4 Top governance and administration risks

Top Mentions (5%+)	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
Base: All respondents	*193*	*193*	11	*47*	*93*	*42*
Remediation (McCloud judgement)	61%	60%	73%	74%	37%	95%
Record-keeping (i.e. receipt and management of correct data)	36%	35%	36%	43%	32%	38%
Securing compliance with changes in scheme regulations	30%	28%	27%	45%	30%	17%
Funding or investment	28%	20%	0%	6%	54%	5%
Cyber risk	26%	15%	9%	26%	23%	36%
Recruitment and retention of staff or knowledge	22%	25%	27%	30%	22%	14%
Lack of resources/time	17%	14%	9%	15%	22%	12%
Systems failures (IT, payroll, administration systems, etc)	15%	23%	27%	15%	16%	12%
Administrator issues (expense, performance, etc)	14%	20%	27%	23%	10%	10%
Guaranteed Minimum Pension (GMP) reconciliation	10%	13%	18%	2%	3%	31%
Production of annual benefit statements	8%	19%	27%	6%	6%	7%

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[6] It appears unusual for a scheme to have a risk register one year and not have one the following year. It is not possible for us to know why this is the case. We can only speculate that it may be that a different person each year completes the survey and they have different views or interpret the question differently each year; or it could genuinely be that a scheme had a register previously but no longer have one.

Lack of knowledge, effectiveness or leadership among key personnel	6%	3%	0%	6%	6%	5%
Receiving contributions from the employer(s)	5%	3%	0%	2%	9%	2%
Don't know	1%	0%	0%	0%	1%	0%
Did not answer question	0%	0%	0%	0%	0%	0%

A wide range of risks were reported by schemes but the most prevalent was remediation (61%). This was mentioned by 95% of Police schemes and was also the top risk for 'Other' (73%) and Firefighters' (74%) schemes.

The next most widely identified risks were record-keeping (36%), regulatory compliance (30%), funding or investment (28%) and cyber risk (26%). Funding or investment was the top risk for Local Government schemes (54%) but was rarely mentioned by other scheme types (0-6%).

Irrespective of whether it was identified as one of the top risks they faced, schemes were asked what actions they had taken in relation to the remediation proposals. Table 4.2.5 shows that most had taken a range of different actions, with the most common being assessing the possible administration impacts (88%) and assessing the data requirements (79%).

Table 4.2.5 Actions taken in relation to the remediation proposals

Top Mentions (5%+)	Total		Scheme Type			
	Schemes	Member -ships	Other	Fire- fighters	Local Govt	Police
Base: All respondents	*193*	*193*	11	*47*	*93*	*42*
Assessed the possible administration impacts	88%	90%	91%	79%	89%	95%
Assessed the data requirements	79%	83%	82%	66%	87%	74%
Assessed any additional resources likely to be required	68%	79%	91%	64%	60%	86%
Discussed system requirements with IT suppliers	60%	80%	82%	32%	80%	43%
Commenced a specific data cleansing or data gathering exercise	48%	59%	64%	32%	54%	48%
Provided specific information to members	32%	56%	82%	26%	14%	67%
Other	23%	41%	55%	15%	20%	31%
None of these	2%	1%	0%	4%	2%	0%
Don't know	0%	0%	0%	0%	0%	0%
Did not answer question	0%	0%	0%	0%	0%	0%

Firefighters' scheme had generally taken fewer actions in relation to the remediation proposals than other public service schemes, with this particularly

apparent for discussing system requirements with IT suppliers (32%), commencing a data cleansing or data gathering exercise (32%) and assessing the data requirements (66%).

While Local Government schemes were less likely to identify remediation as one of the top risks facing the scheme, the proportions taking each action were broadly consistent with other scheme types. The one exception is that they were less likely to have provided specific information to members (14%).

As detailed in Table 4.2.6, around a third of schemes (35%) had reviewed their exposure to new and existing risks in at least 4 board meetings over the previous 12 months. Most of the remainder had reviewed their risk exposure in 2-3 meetings (42%) but 14% had done so on one occasion and 5% had not reviewed their risk exposure at any board meetings over this period.

On average, schemes reviewed their risk exposure at 2.8 board meetings in the last 12 months. This equated to 84% of all the board meetings held.

'Other' and Police schemes were most likely to have reviewed their risk exposure on a regular basis; 73% and 69% respectively had done so in at least four board meetings in the previous 12 months. In comparison, 28% of Firefighters' and 19% of Local Government schemes had reviewed their risk exposure in four or more board meetings over this period. This is due in part to the lower number of board meetings held by these scheme types in the last 12 months (as detailed in Section 4.1 of this report).

Table 4.2.6 Number of pension board meetings held in last 12 months that reviewed the scheme's risk exposure

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
Base: All respondents	*193*	*11*	*47*	*93*	*42*
None	5%	0%	6%	6%	0%
1	14%	9%	11%	23%	2%
2	20%	9%	26%	24%	7%
3	22%	9%	26%	25%	17%
4	32%	64%	26%	15%	69%
5+	3%	9%	2%	4%	0%
Net: 4 or more	**35%**	**73%**	**28%**	**19%**	**69%**
Mean number of board meetings that reviewed risk exposure	**2.8**	**3.7**	**2.6**	**2.4**	**3.6**
Mean % of board meetings that reviewed risk exposure	**84%**	**82%**	**87%**	**76%**	**96%**

Table 4.2.7 shows that there was no change since 2019 in the overall proportion of schemes that had reviewed risk exposure in at least four board meetings in the previous 12 months. However, there were increases for Police (+22 percentage points) and Firefighters' (+8 percentage points) schemes but a decrease for Local Government schemes (-13 percentage points).

Table 4.2.7 Number of pension board meetings held in last 12 months that reviewed the scheme's risk exposure – Time series

	Survey	Total schemes	Scheme Type			
			Other	Fire-fighters	Local Govt	Police
Reviewed risk exposure in 4 or more board meetings	**2020**	**35%**	**73%**	**28%**	**19%**	**69%**
	2019	35%	73%	20%	32%	47%
Mean % of board meetings that reviewed risk exposure	**2020**	**84%**	**82%**	**87%**	**76%**	**96%**
	2019	77%	98%	78%	68%	92%

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4.3   Administration and record-keeping

Around half of schemes (53%) used an external administrator. This included 32% where the administration was undertaken by another public body under a shared service agreement or outsource contract and 21% where the administration was outsourced to a commercial third party.

Most of the remainder (45%) were administered in-house, with 2% using some other form of administration arrangement.

Figure 4.3.1 Scheme administration arrangements
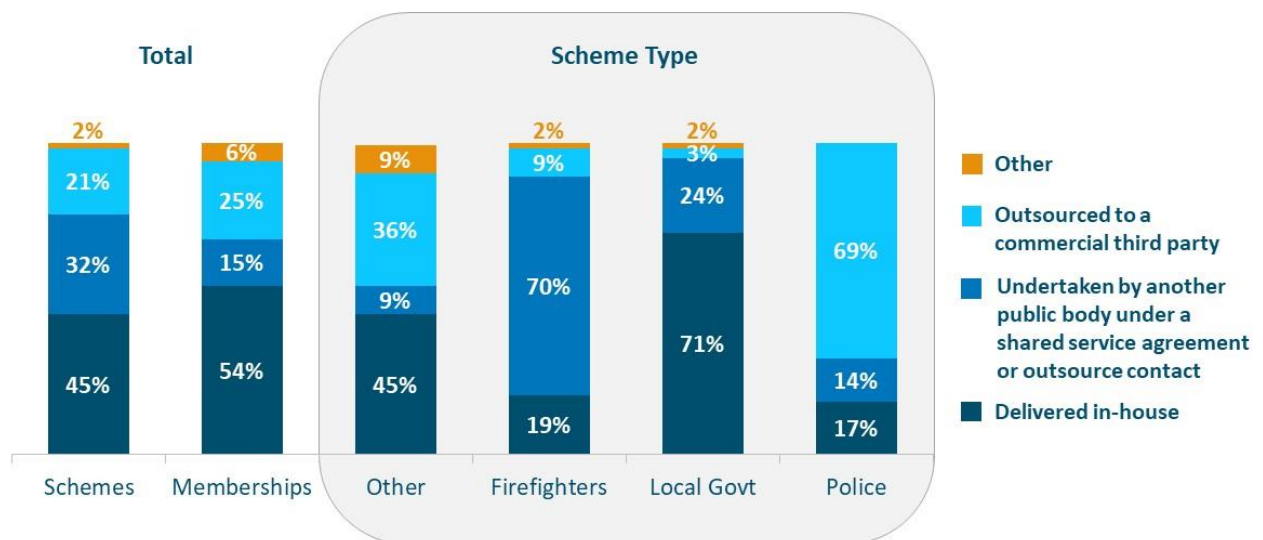
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 0%, 0%), Memberships (193, 0%, 0%), Other (11, 0%, 0%), Firefighters (47, 0%, 0%), Local Govt (93, 0%, 0%), Police (42, 0%, 0%)

There was some variation by scheme type in terms of the administration arrangements. Approaching three-quarters (71%) of Local Government schemes undertook scheme administration in-house, whereas Firefighters' and Police schemes were more likely to outsource it (79% and 83% respectively). Of the latter groups, Firefighters' schemes tended to outsource administration to another public body whereas Police schemes were more likely to use a commercial third party.

Schemes that used an in-house administrator were asked whether they were likely to outsource any aspect of scheme administration in the next three years. Overall, 7% of this group indicated they expected to do so, with 2% planning to outsource to another public body and 2% to a commercial third party (with the remainder unsure as to who they would outsource administration to).

As shown in Figure 4.3.2, almost three-quarters (73%) of schemes had an administration strategy. This was highest among 'Other' (91%) and Local Government (89%) schemes. Overall, 89% of all memberships were in a scheme which had an administration strategy.

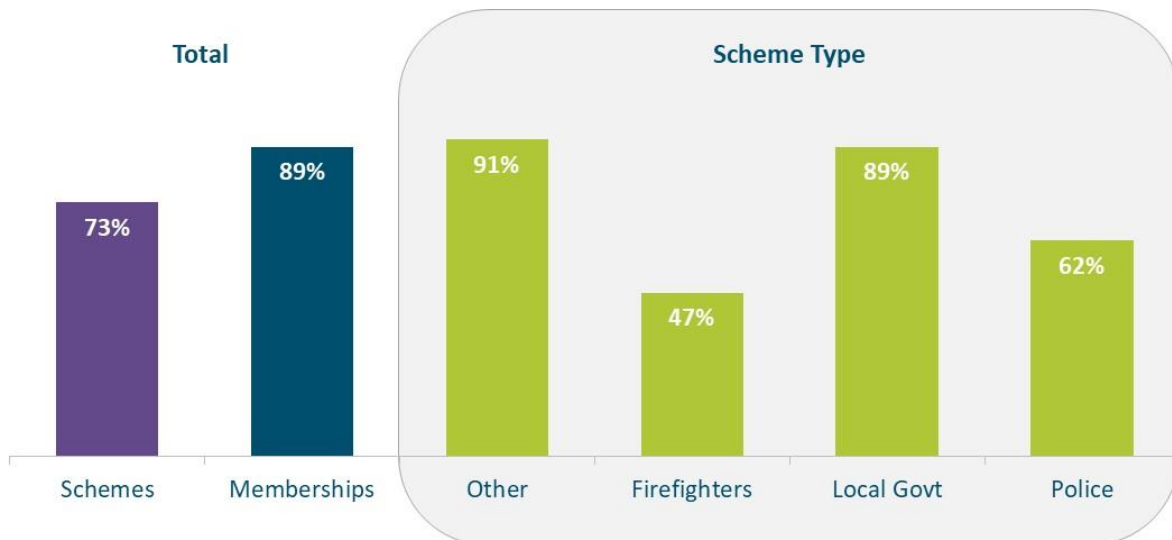**Figure 4.3.2 Proportion of schemes with an administration strategy**

All respondents (Base, Don't know, Did not answer question) - Schemes (193, 6%, 0%), Memberships (193, 1%, 0%), Other (11, 0%, 0%), Firefighters (47, 2%, 0%), Local Govt (93, 0%, 0%), Police (42, 24%, 0%)

The proportion of Firefighters' and Police schemes with an administration strategy was lower than in 2019 (-10 and -14 percentage points respectively), whereas there was an increase among Local Government schemes (+5 percentage points).

Table 4.3.1 Proportion of schemes with an administration strategy – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2020-21	**73%**	**91%**	**47%**	**89%**	**62%**
PSPS Survey 2019	76%	91%	57%	84%	76%

Schemes were asked about the importance of a number of administration objectives, as summarised in Figure 4.3.3. Addressing issues which impaired their ability to run the scheme, implementing legislative change, meeting TPR's expectations, improving members' experience and increasing automation or administrator efficiency were all seen as very or fairly important objectives by the vast majority of schemes (97-100%).

In comparison, schemes were typically less focussed on reducing costs (53% very/fairly important) or moving to a new administration system or a new administrator (26% very/fairly important).

Figure 4.3.3 Administration objectives
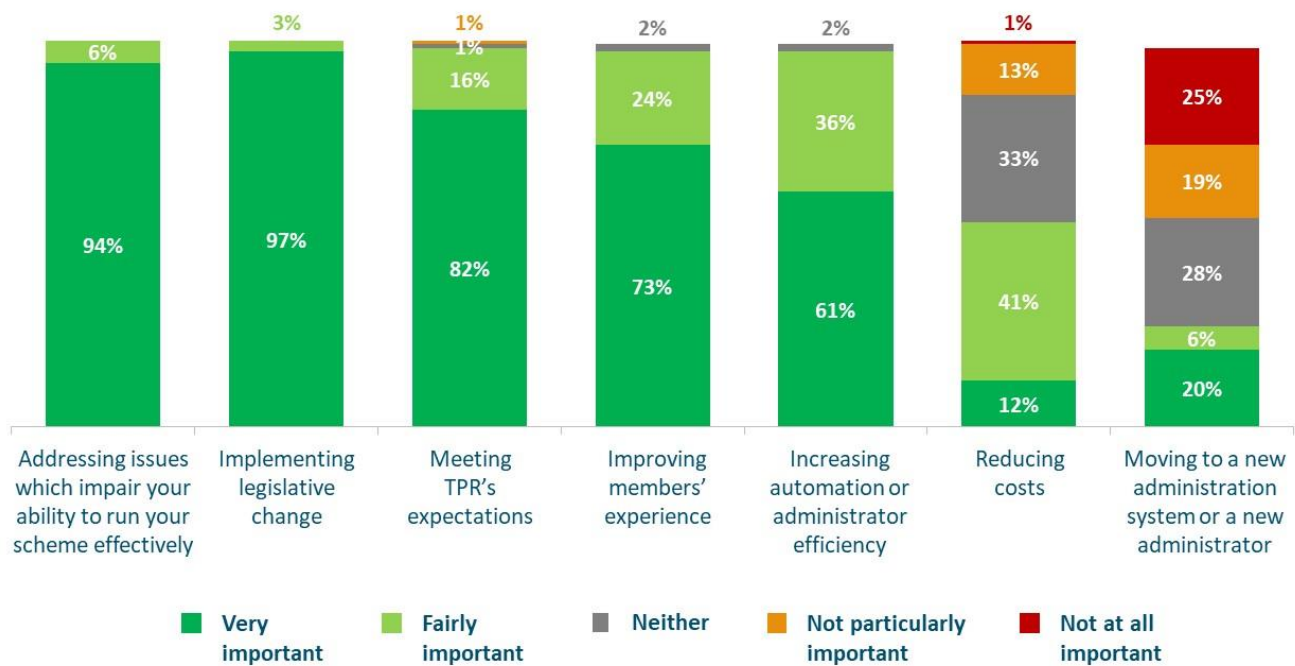
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 0-2%, 0-1%)

Results were similar across the various types of scheme, although 'Other' schemes were comparatively more likely to view reducing costs (82%) and moving to a new administrator or administration system (45%) as important.

Table 4.3.2 Proportion rating each administration objective as very/fairly important – by scheme type

	Scheme Type			
	Other	Fire-fighters	Local Govt	Police
Base: All respondents	*11*	*47*	*93*	*42*
Addressing issues which impair your ability to run your scheme effectively	100%	100%	100%	100%
Implementing legislative change	100%	98%	100%	100%
Meeting TPR's expectations	91%	98%	99%	100%
Improving members' experience	100%	98%	98%	95%
Increasing automation or administrator efficiency	100%	91%	99%	100%
Reducing costs	82%	57%	49%	48%
Moving to a new administration system or a new administrator	45%	30%	18%	36%

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Most schemes (85%) included administration as a dedicated item on the agenda at every pension board meeting held in the previous 12 months. A further 6% covered it in at least half of their board meetings, 4% did so at fewer than half of their meetings and 4% never included it on the agenda.

Figure 4.3.4 Proportion of pension board meetings held in last 12 months that had administration as a dedicated item on the agenda

Base: All that held any board meetings in the last 12 months (Base, Don't know, Did not answer question) - Schemes (191, 0%, 2%), Memberships (191, 0%, 6%), Other (11, 0%, 9%), Firefighters (46, 0%, 4%), Local Govt (92, 0%, 0%), Police (42, 0%, 2%)

Coverage of administration at board meetings has increased over the last two years, with 76% doing this at every board meeting in the 2018 survey, 81% in the 2019 survey and 85% in the 2020-21 survey. This increase was driven by Local Government and Police schemes (+12 and +18 percentage points respectively since 2018).

Table 4.3.3 Proportion of schemes that had administration on the agenda at every board meeting in last 12 months - Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2020-21	**85%**	**91%**	**80%**	**83%**	**93%**
PSPS Survey 2019	81%	100%	84%	76%	84%
PSPS Survey 2018	76%	100%	80%	71%	75%

Schemes were asked the extent to which, in the last 12 months, the employer(s) had submitted the data required each month on time and had provided accurate and complete data. Single employer schemes were asked whether their participating employer always did this, whereas multi-employer schemes were asked to give the proportion of their employers that always did this. The analysis in Figure 4.3.5 combines the results from both questions.

Overall, 40% of schemes reported that all their employers had always provided the required monthly data on time, and a similar proportion (39%) reported that all their employers had always provided accurate and complete data. However, this differed by scheme type and was lower among 'Other' (27% and 18%) and Local Government (9% and 9%) schemes, which are typically multi-employer.

Figure 4.3.5 Proportion of schemes where all employers had always submitted the data required each month on time and had always provided accurate and complete data in the last 12 months
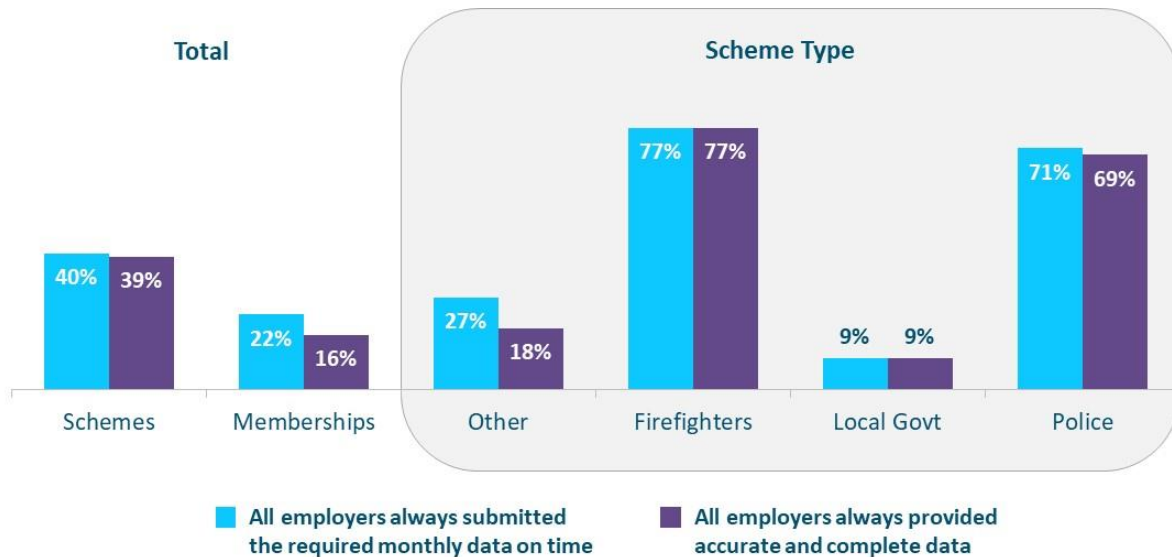
All respondents (Base, Don't know on time, Did not answer on time, Don't know accurate/complete, Did not answer accurate/complete) - Schemes (193, 9%, 1%, 9%, 2%), Memberships (193, 4%, 0%, 4%, 1%), Other (11, 0%, 0%, 0%, 0%), Firefighters (47, 6%, 2%, 6%, 2%), Local Govt (93, 9%, 1%, 9%, 2%), Police (42, 14%, 0%, 14%, 0%)

Although 'Other' and Local Government schemes were less likely to report that all their employers had submitted data on time and had provided accurate and complete data, the average proportion of employers doing so was broadly similar across the different scheme types (Table 4.3.4). Overall, an average of 87% of scheme employers always provided the required data on time and 85% always provided accurate and complete data in the last 12 months.

Table 4.3.4 Mean proportion of employers that always submitted the data required each month on time and always provided accurate and complete data in the last 12 months

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
Base: All respondents	*193*	*193*	*11*	*47*	*93*	*42*
Mean % of employers that always submitted required monthly data on time	87%	88%	89%	84%	86%	91%
Mean % of employers that always provided accurate and complete data	85%	84%	84%	84%	85%	89%

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Table 4.3.5 shows that there was no change since 2019 in the overall proportion of schemes reporting that all their employers always submitted the required data on time and always provided accurate and complete data. The mean proportions of employers doing this were also consistent with 2019.

However, there were some changes at a scheme type level; 'Other' and Local Government schemes were more likely to report that all employers had submitted data on time (+9 and +4 percentage points respectively), whereas Firefighters' schemes were less likely to report this than in 2019 (-9 percentage points). The proportion of Local Government schemes reporting that all employers provided accurate and complete data also increased (+7 percentage points).

Table 4.3.5 Provision of on time, accurate and complete data by employers – Time series

	Survey	Total		Scheme Type			
		Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
All employers (100%) always submitted the required monthly data on time	**2020-21**	**40%**	**22%**	**27%**	**77%**	**9%**	**71%**
	2019	40%	15%	18%	86%	5%	71%
	2018	42%	16%	18%	80%	6%	82%
Mean % of employers that always submitted the required monthly data on time	**2020-21**	**87%**	**88%**	**89%**	**84%**	**86%**	**91%**
	2019	88%	86%	87%	87%	85%	96%
	2018	87%	85%	86%	95%	81%	92%
All employers (100%) always provided accurate and complete data	**2020-21**	**39%**	**16%**	**18%**	**77%**	**9%**	**69%**
	2019	37%	13%	18%	80%	2%	69%
	2018	39%	15%	18%	72%	4%	82%
Mean % of employers that always provided accurate and complete data	**2020-21**	**85%**	**84%**	**84%**	**84%**	**85%**	**89%**
	2019	84%	82%	83%	82%	80%	96%
	2018	84%	82%	84%	89%	79%	90%

As detailed in Table 4.3.6, the proportions of employers that always provided on time, accurate and complete data were much lower for multi-employer schemes than single employer ones. Among multi-employer schemes, 9% said that all their employers always submitted data on time and the same proportion said that all their employers always provided accurate and complete data (compared with 85% and 83% respectively for single employer schemes).

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Table 4.3.6 Provision of on time, accurate and complete data by employers – by single and multi-employer schemes

	Single employer schemes	Multi-employer schemes
Base: All respondents	*78*	*115*
All employers (100%) always submitted the required monthly data on time	85%	9%
All employers (100%) always provided accurate and complete data	83%	9%

Schemes were also asked the extent to which the employer(s) had submitted data electronically in the last 12 months. Single employer schemes were asked whether their participating employer had submitted all, some or no data electronically, and multi-employer schemes were asked to give the proportion of their employers that had provided all, some and no data electronically. The results for both groups have been combined in the analysis below.

Approaching two-thirds (64%) of schemes reported that all their employers had submitted all data electronically in the last 12 months. This applied to around three-quarters of Firefighters' (77%) and 'Other' (73%) schemes but was lower for Local Government (61%) and Police (55%) schemes.

Figure 4.3.6 Proportion of schemes where all employers had submitted all data electronically in the last 12 months
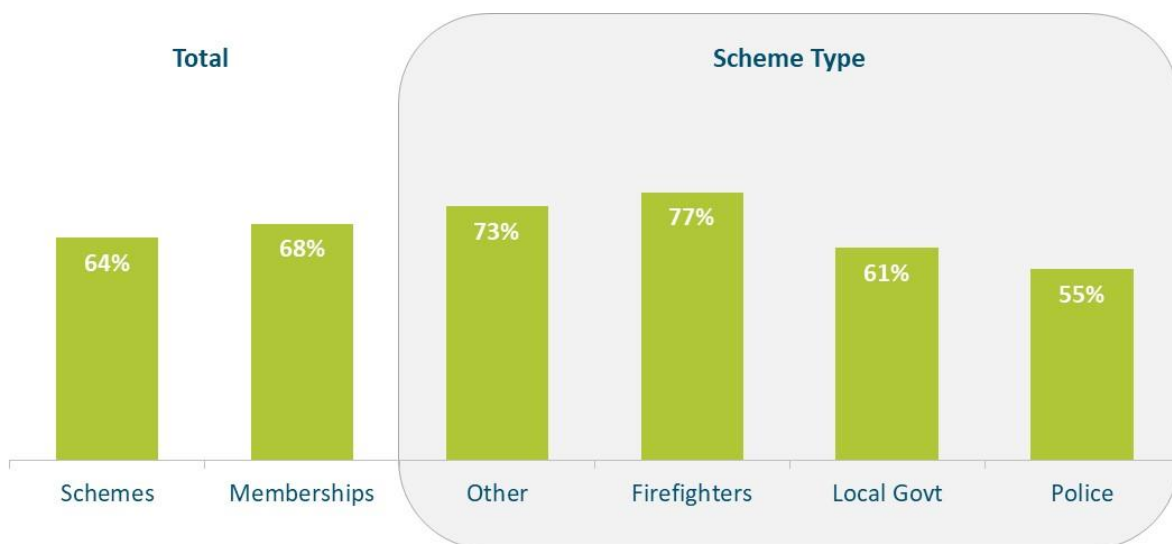
All respondents (Base, Don't know, Did not answer) - Schemes (193, 6%, 1%), Memberships (193, 3%, 0%), Other (11, 0%, 0%), Firefighters (47, 2%, 2%), Local Govt (93, 6%, 0%), Police (42, 10%, 0%)

Table 4.3.7 shows that, on average, 80% of scheme employers submitted all data electronically in the last 12 months, 17% submitted some data electronically and 4% did not submit any data electronically. The mean proportion of employers submitting all data electronically was lowest for Police schemes (61%).

Table 4.3.7 Mean proportion of employers that submitted data electronically in the last 12 months

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
Base: All respondents	*193*	*193*	*11*	*47*	*93*	*42*
Mean % of employers that submitted **all data** electronically	80%	89%	91%	80%	87%	61%
Mean % of employers that submitted **some data** electronically	17%	9%	8%	16%	8%	39%
Mean % of employers that submit **no data** electronically	4%	3%	1%	4%	6%	0%

As detailed in Table 4.3.6, there was little difference in the proportions of single and multi-employer schemes who reported that all employers submitted all data electronically.

Table 4.3.8 Proportion of schemes where all employers had submitted all data electronically in the last 12 months – by single and multi-employer schemes

	Single employer schemes	Multi-employer schemes
Base: All respondents	*78*	*115*
All employers (100%) submitted **all data** electronically	69%	61%

No comparative data is available from previous years due to changes in the way that this data was captured in the 2020-21 survey.

4.4   Cyber security

Schemes were asked whether they had 14 specific controls in place to protect their data and assets from cyber risk. Overall, 90% had at least half of these controls in place, an increase from 82% in 2019.

Table 4.4.1 Proportion of schemes with controls to protect their data and assets from 'cyber risk' – Time series

	Survey	
	2020-21	**2019**
Base: All respondents	*193*	*202*
System controls (e.g. firewalls, anti-virus/malware, software updates)	**95%**	90%
Controls restricting access to systems and data	**93%**	89%
Critical systems and data regularly backed up	**93%**	88%
Policies on the acceptable use of devices, passwords/other authentication and on home/mobile working	**91%**	87%
Policies on data access, protection, use and transmission in line with data protection legislation and guidance	**90%**	87%
Cyber risk is on the risk register and regularly reviewed	**86%**	84%
Scheme manager assured themselves of third party providers' controls	**83%**	71%
Access to specialist skills and expertise to understand and manage risk	**74%**	68%
Incident response plan to deal with any incidents which occur	**71%**	71%
Roles and responsibilities on cyber resilience clearly defined and documented	**69%**	65%
Assessment of vulnerability to a cyber incident of key functions, systems, assets and parties involved in running the scheme	**68%**	63%
Assessment of likelihood of different types of breaches occurring	**65%**	53%
Scheme manager receives regular updates on cyber risks, incidents and controls	**62%**	52%
Pension board receives regular updates on cyber risks, incidents and controls	**56%**	49%
None of these	**0%**	0%
Net: At least half of these cyber controls in place (7+)	**90%**	**82%**
Mean number of cyber controls in place	**11**	**10**
Don't know	**1%**	4%
Did not answer question	**0%**	1%

The most common types of cyber protection were system controls such as firewalls, anti-virus products and regular software updates (95%), controls restricting access to systems and data (93%), regular back-ups of critical systems and data (93%), policies on acceptable use of devices, passwords, other authentication and home and mobile working (91%) and policies on data access, protection, use and transmission in line with data protection legislation and guidance (90%).

Schemes were least likely to say that the pension board or scheme received regular updates on cyber risks, incidents and controls (56% and 62% respectively).

For 11 of the 14 cyber controls, the proportion of schemes with these in place was higher than in 2019[7]. The greatest increases were seen for the scheme manager assuring themselves of third party providers' controls (+12 percentage points), assessment of the likelihood of different types of breaches occurring (+12 percentage points) and the scheme manager receiving regular updates (+10 percentage points). The only controls where there was not an increase since 2019 were cyber risk being included on the risk register and regularly reviewed, schemes having an incident response plan, and roles and responsibilities on cyber resilience being clearly defined and documented.

Table 4.4.2 shows 34% of schemes had experienced some kind of cyber breach or attack in the previous 12 months, a decrease from 42% in 2019. These incidents typically involved staff receiving fraudulent emails or being directed to fraudulent websites (29%).

Table 4.4.2 Proportion of schemes experiencing any cyber security breaches or attacks in last 12 months (including at their administration provider) – Time series

	Survey	
	2020-21	2019
Base: All respondents	*193*	*202*
Staff receiving fraudulent emails or being directed to fraudulent websites	**29%**	33%
People impersonating scheme in emails or online	**7%**	8%
Computers becoming infected with other viruses, spyware or malware	**2%**	1%
Attacks that try to take down website or online services	**2%**	10%
Unauthorised use of computers, networks or servers by staff, even if accidental	**2%**	1%
Unauthorised use or hacking of computers, networks or servers by people outside scheme	**1%**	3%
Computers becoming infected with ransomware	**1%**	0%
Hacking or attempted hacking of online bank accounts	**0%**	0%
Any other types of cyber security breaches or attacks	**7%**	4%
None of these	**60%**	49%
Net: Any cyber incidents reported in last 12 months	**34%**	42%
Don't know	**5%**	8%
Did not answer question	**2%**	1%

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[7] The increases shown in Table 4.4.1 were statistically significant for all controls except 'Cyber risk is on risk register & regularly reviewed', 'Incident response plan to deal with any incidents which occur', and 'Roles and responsibilities on cyber resilience clearly defined and documented'.

Those schemes that had experienced any cyber breaches or attacks in the previous 12 months were asked what, if anything, had happened as a result. Most (92%) said that there had been no impact but 5% reported a negative impact. This equates to 2% of all public service schemes (i.e. including those that did not experience any cyber incidents or breaches), a decrease from the 6% seen in the 2019 survey.

The negative impacts reported were money being stolen (3%), permanent loss of files (2%), temporary loss of access to files or networks (2%), the scheme's website or online services being taken down or made slower (2%) and personal data being altered, destroyed or taken (1%).

Table 4.4.3 Impact of cyber security breaches or attacks experienced in last 12 months

	Survey	
	2020-21	**2019**
Base: All experiencing cyber security breaches or attacks	*65*	*84*
Money stolen	**3%**	1%
Permanent loss of files (other than personal data)	**2%**	0%
Temporary loss of access to files or networks	**2%**	2%
Website or online services taken down or made slower	**2%**	5%
Personal data altered, destroyed or taken	**1%**	1%
Software or systems corrupted or damaged	**0%**	0%
Lost or stolen assets, trade secrets or intellectual property	**0%**	0%
Lost access to any third-party services relied on	**0%**	10%
None of these	**92%**	81%
Net: Any impact reported in last 12 months	**5%**	**15%**
Don't know	2%	1%
Did not answer question	2%	2%

Table 4.4.4 provides a summary based on memberships. Overall, 96% of memberships were in a scheme that had at least half of the cyber controls in place, an increase from 92% in 2019.

Almost half (47%) of memberships were in a scheme that had experienced any cyber breaches or attacks in the previous 12 months (an increase from 40% in 2019). However, there was a fall in the proportion of memberships that were in a scheme which reported a negative impact of any cyber incidents (12% of those in a scheme that had experienced breaches or attacks, compared with 21% in 2019).

Table 4.4.4 Summary of cyber controls and breaches/attacks by memberships – Time series

	Survey	Total memberships
Proportion with at least half of the cyber risk controls in place (i.e. 7 or more) *(All schemes)*	**2020-21**	**96%**
	2019	92**%**
Proportion experiencing any cyber breaches/ attacks in last 12 months *(All schemes)*	**2020-21**	**47%**
	2019	40%
Proportion reporting any impact of cyber breaches/attacks in last 12 months *(All experiencing breaches/attacks)*	**2020-21**	**12%**
	2019	21**%**

Schemes that had experienced any cyber security breaches or attacks in the last 12 months were also asked if they had reported these to various organisations or people. A fifth (20%) had reported the breaches or attacks to any of these parties, and this was typically to the pension board (14%) and/or scheme members (8%).

All three of the schemes that experienced a negative impact from a cyber breach/attack reported this to their pension board, two reported it to the ICO, one to TPR and one to members.

Table 4.4.5 Proportion of schemes reporting cyber breaches or attacks

	Total schemes
Base: All who experienced any cyber security breaches/attacks	*65*
The pension board	14%
Members of your scheme	8%
Information Commissioners Office	3%
TPR	1%
None of these	71%
Net: Reported to any of these	**20%**
Don't know	5%
Did not answer question	5%

Schemes who had experienced any cyber breaches or attacks in the last 12 months and had an incidence response plan (IRP) were asked if any of the breaches/attacks had triggered the IRP. Of the 52 schemes that this applied to, 11% stated that their IRP had been triggered.

The six schemes that had triggered their IRP all judged this to have been very or fairly effective, and four of them had subsequently made changes to their IRP as a result of this experience.

4.5   Annual benefit statements

In 2020, three-quarters (74%) of schemes sent active members their annual benefit statements by post. The next most common method was via a digital online portal with notification by email (49%). Almost half of schemes (44%) sent out statements by more than one method.

Table 4.5.1 Methods used to send active members their annual benefit statements in 2020

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
Base: All respondents	*193*	*193*	*11*	*47*	*93*	*42*
By post	74%	83%	82%	72%	87%	45%
Via a digital online portal, with notification by email	49%	37%	27%	34%	52%	64%
Via a digital online portal, with no notification	15%	28%	36%	9%	16%	14%
Via a digital online portal, with notification by letter	11%	5%	0%	9%	14%	10%
Other ways	9%	19%	27%	6%	5%	17%
Used more than one method	**44**%	**53**%	**55**%	**28**%	**51**%	**45**%

On average, 46% of each scheme's active members were sent their statements by post and 36% via an online portal with email notification. Most of the remainder also received their statements via an online portal, either with no notification (9%) or with notification by letter (5%).

Table 4.5.2 Mean proportion of active members sent their annual benefit statements via each method in 2020

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
Base: All respondents	*193*	*193*	*11*	*47*	*93*	*42*
By post	46%	51%	55%	63%	47%	21%
Via a digital online portal, with notification by email	36%	20%	10%	28%	36%	53%
Via a digital online portal, with no notification	9%	20%	27%	5%	9%	10%
Via a digital online portal, with notification by letter	5%	3%	0%	5%	7%	3%
Other ways	6%	6%	7%	6%	3%	12%

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Over half of schemes (59%) reported that all of their active members had received their annual benefit statement (ABS) by the statutory deadline in 2020.

The mean proportion of each scheme's active members that received their statement by the deadline was 94%. When the data is weighted to reflect the number of memberships in each scheme, this shows that 85% of all active members received their ABS by the deadline.

Figure 4.5.1 Proportion of active members receiving annual benefit statement by statutory deadline in 2020
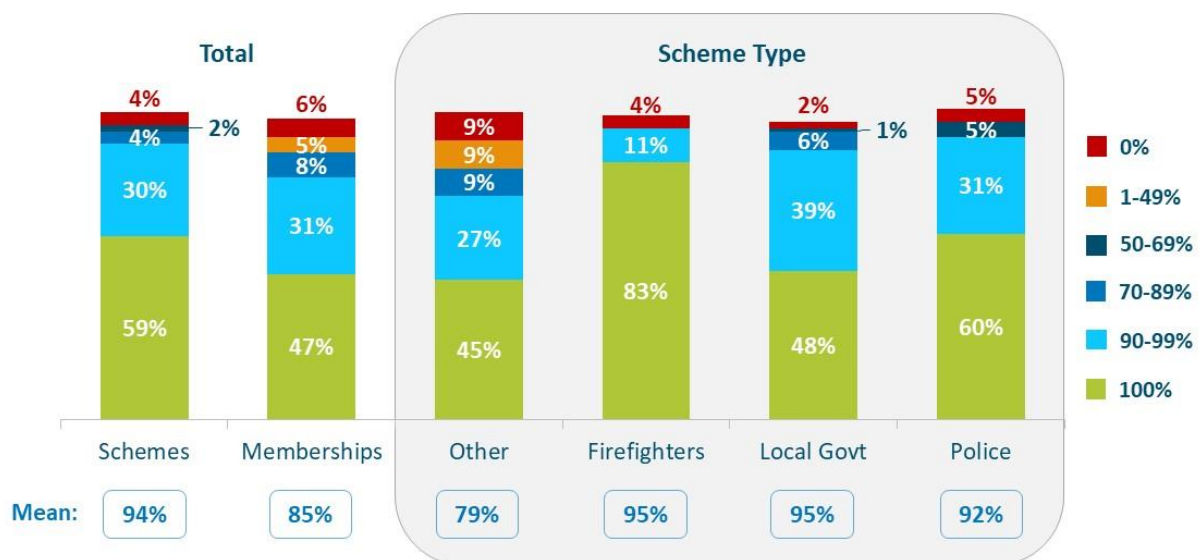
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 2%, 0%), Memberships (193, 1%, 0%), Other (11, 0%, 0%), Firefighters (47, 2%, 0%), Local Govt (93, 3%, 0%), Police (42, 0%, 0%)

Firefighters' schemes were most likely to have met the ABS deadline for all their active members in 2020 (83%), followed by Police schemes (60%). This proportion was lower for 'Other' (45%) and Local Government (48%) schemes, both of which are primarily multi-employer schemes and typically have a greater number of memberships.

The mean proportion of active members receiving their statement by the deadline was also lower for 'Other' schemes (79% vs. 92-95% for other scheme types).

As shown in Table 4.5.3, the mean percentage of active members who received their ABS by the deadline was similar in each of the last three years (94-95%). However, the proportion of schemes that met the deadline for all their active members increased since 2019 (from 53% to 59%), although this was still lower than in 2018 (66%). This change from 2019 was driven by an increase among Firefighters' scheme (+16 percentage points).

Table 4.5.3 Proportion of active members receiving annual benefit statement by statutory deadline – Time series

	Survey	Total schemes	Scheme Type			
			Other	Firefighters	Local Govt	Police
Mean	**2020-21**	**94%**	**79%**	**95%**	**95%**	**92%**
	2019	95%	80%	98%	96%	90%
	2018	95%	96%	97%	93%	95%
100% received by deadline	**2020-21**	**59%**	**45%**	**83%**	**48%**	**60%**
	2019	53%	45%	67%	44%	60%
	2018	66%	55%	78%	56%	75%

The schemes that missed the ABS deadline for any of their active members were asked whether they reported this to TPR. Overall, 29% of this group had done so, with 18% making a breach of the law report.

Figure 4.5.2 Proportion of schemes reporting to TPR that they missed the deadline for issuing active member statements
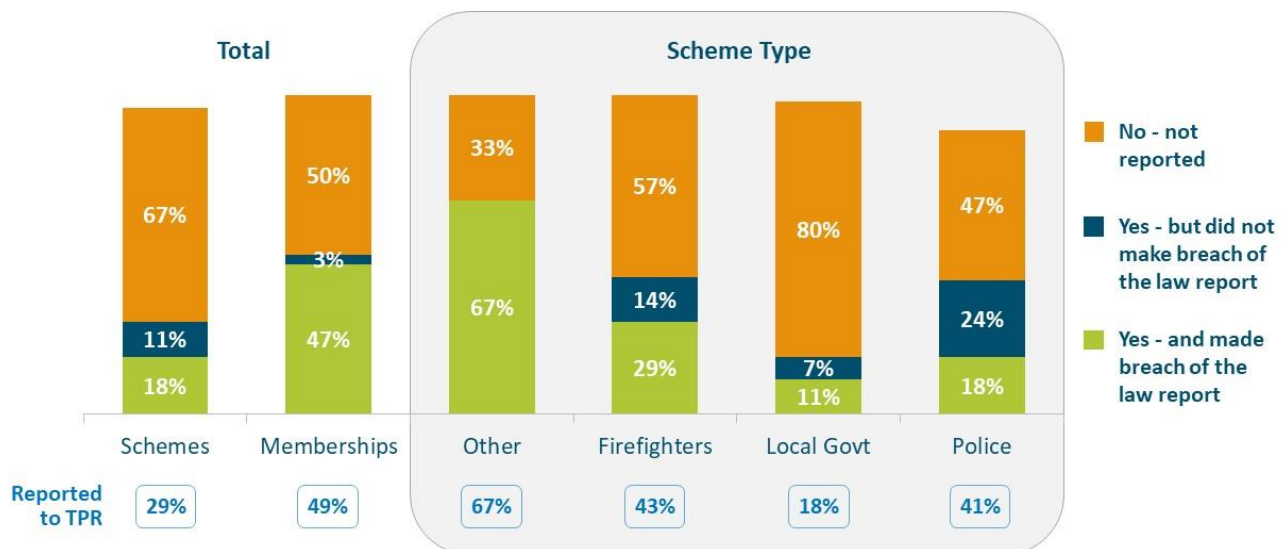
All where deadline was missed for any active members (Base, Don't know, Did not answer question) - Schemes (75, 3%, 1%), Memberships (75, 0%, 1%), Other (6, 0%, 0%), Firefighters (7, 0%, 0%), Local Govt (45, 0%, 2%), Police (17, 12%, 0%) – Caution: Low base sizes for individual scheme types

Two-thirds (67%) of 'Other' schemes that missed the deadline reported this to TPR, with all of these making a breach of the law report. This fell to 43% of Firefighters', 41% of Police and 18% of Local Government schemes. However, this analysis is based only on a small number of interviews due to the low number of schemes that missed the ABS deadline for any of their active members.

As detailed in Table 4.5.4, fewer schemes who missed the ABS deadline reported this to TPR than in 2019 (29%, compared with 42% in 2019).

Table 4.5.4 Proportion of schemes reporting to TPR that they missed the deadline for issuing active member statements – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2020-21	**29%**	**67%**	**43%**	**18%**	**41%**
PSPS Survey 2019	42%	83%	75%	30%	33%
PSPS Survey 2018	34%	80%	11%	33%	40%

The majority (62%) of the schemes that did not report the missed deadline to TPR indicated that this was because it was not considered material as few statements were affected. A further 28% stated that it was not material as there was a very short delay, 4% indicated it was due to the COVID-19 situation and 4% did not report it because it was due to delays or queries by the employer.

As detailed in Figure 4.5.3, 92% of schemes reported that all the annual benefit statements they sent out to members in 2020 contained all the data required by regulations. The mean was 99%. Both of these were unchanged from 2019.

Figure 4.5.3 Proportion of annual benefit statements sent out in 2020 that contained all data required by regulations
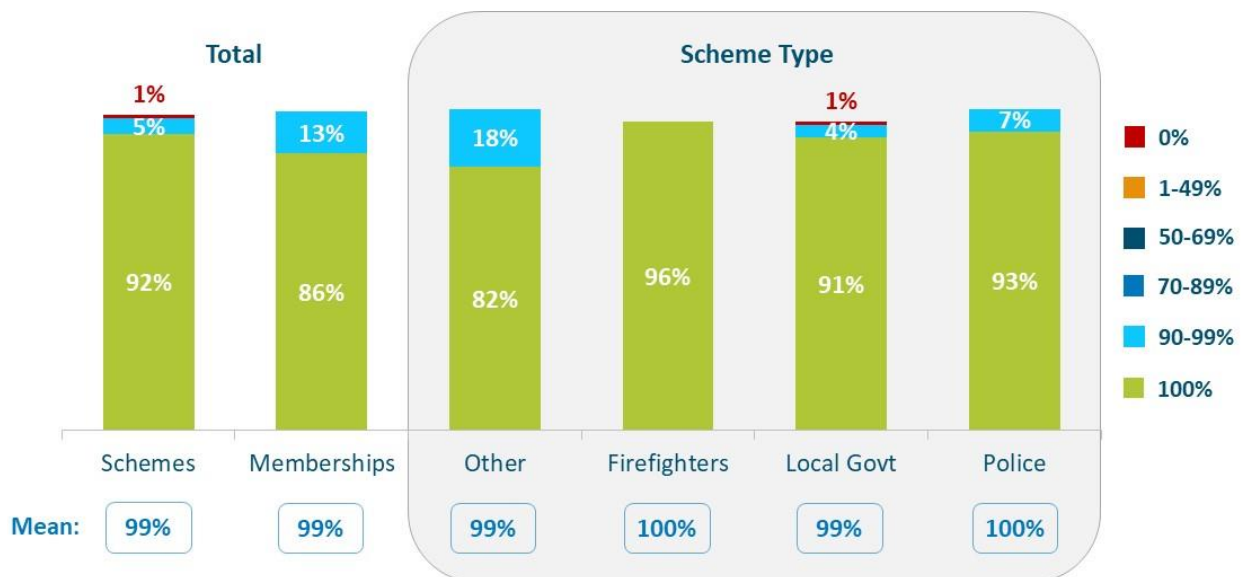
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 2%, 1%), Memberships (193, 1%, 0%), Other (11, 0%, 0%), Firefighters (47, 2%, 2%), Local Govt (93, 3%, 0%), Police (42, 0%, 0%)

4.6   Resolving issues

The majority (92%) of schemes had a working definition of what constitutes a complaint, and this was the case for every 'Other' scheme (100%).

Figure 4.6.1 Proportion of schemes with working definition of a complaint
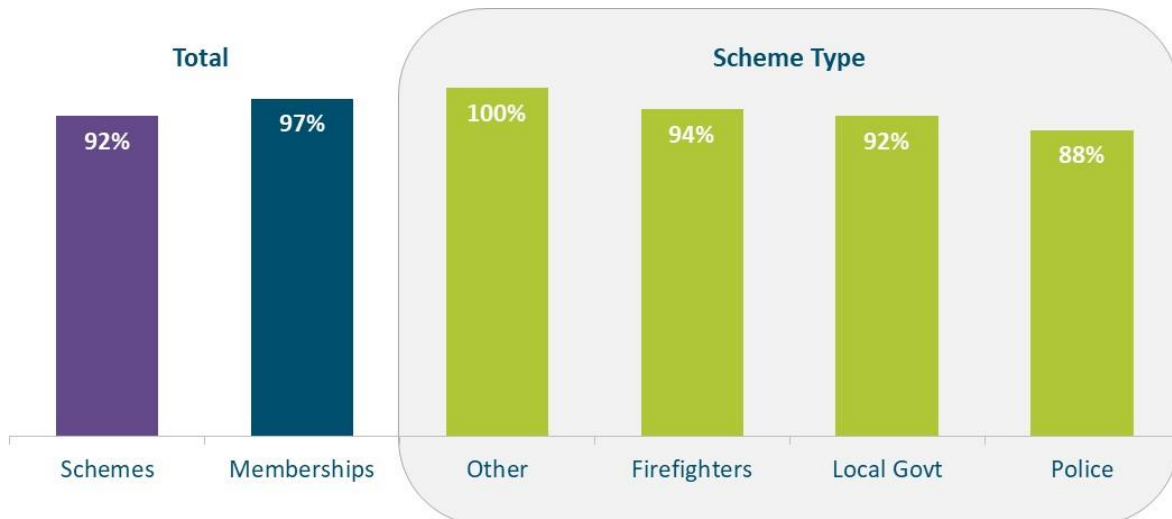
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 2%, 1%), Memberships (193, 1%, 0%), Other (11, 0%, 0%), Firefighters (47, 0%, 2%), Local Govt (93, 1%, 0%), Police (42, 7%, 0%)

The proportion with a working definition of a complaint increased from 85% in 2019 to 92% in the 2020-21 survey. This was driven by increases for both Firefighters' and Local Government schemes (+12 and +10 percentage points respectively).

Table 4.6.1 Proportion of schemes with working definition of a complaint – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2020-21	**92%**	**100%**	**94%**	**92%**	**88%**
PSPS Survey 2019	85%	100%	82%	82%	91%
PSPS Survey 2018	86%	91%	83%	85%	91%

Schemes were asked to provide details of the number of complaints they had received in the previous 12 months. This data has been used to estimate the total number of complaints received by public service schemes and show the number of complaints per 1,000 members, as set out in Table 4.6.2.

Overall, an estimated 10,466 complaints were made to public service schemes in the previous 12 months, equating to 0.6 complaints per 1,000 members. This was a similar ratio to that seen in the 2019 survey (0.7).

Firefighters' and 'Other' schemes were proportionally most likely to generate complaints, receiving 1.0 and 0.7 complaints per 1,000 members respectively.

In comparison, Police schemes received 0.4 and Local Government schemes received 0.3 complaints per 1,000 members.

Table 4.6.2 Estimated total complaints received in last 12 months

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
Total memberships	18,360,832	11,058,653	123,431	6,791,973	386,775
Mean number of complaints	52	744	2	21	3
Total complaints (grossed up)	10,466	8,185	124	2,020	138
Share of all memberships	100%	60%	1%	37%	2%
Share of all complaints	100%	78%	1%	19%	1%
Complaints per 1,000 members	**0.6**	**0.7**	**1.0**	**0.3**	**0.4**

Schemes were also asked to provide details of the number of complaints entering and upheld by their Internal Dispute Resolution (IDR) process in the previous 12 months. Table 4.6.3 shows this data, presented as the proportion of all complaints received in the last 12 months. On average, 50% of all complaints entered the IDR process and 22% of these were subsequently upheld.

Table 4.6.3 Proportion of complaints that entered the IDR process and proportion upheld in the last 12 months

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
Proportion of complaints that entered the IDR process (mean)	50%	50%	77%	39%	54%
Proportion of those complaints entering the IDR process that were upheld (mean)	22%	34%	25%	22%	14%

Complaints made to Firefighters' schemes were most likely to enter the IDR process (77% respectively), whereas this was least likely to happen in Local Government schemes (39%). The proportion of complaints that were upheld by the IDR process was highest for 'Other' schemes (34%) and lowest for Police schemes (14%).

As detailed in Table 4.6.4, the most common types of complaints that entered the IDR process related to eligibility for ill health benefit (46%), followed by disputes or queries about the amount of benefit paid (39%), inaccuracies or disputes around pension value or definitions (23%) and delay or refusal of pension transfer (18%).

Eligibility for ill health benefit was the most common type of complaint that entered the IDR process for Local Government schemes (68%), whereas this was mentioned by comparatively few Police schemes (5%). For 'Other'

schemes the most common complaint was inaccurate data held or statements issued (50%), for Firefighters' schemes it was disputes or queries about the amount of benefit paid (45%), and this was also the top complaint among Police schemes (24%) along with inaccuracies or disputes around pension value or definitions (24%).

Table 4.6.4 Most common types of complaints entering IDR process in the last 12 months

Top Mentions (5%+ at total level)	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
Base: All with complaints entering the IDR process in last 12 months	*136*	*10*	*29*	*76*	*21*
Eligibility for ill health benefit	46%	40%	21%	68%	5%
Disputes or queries about the amount of benefit paid	39%	40%	45%	41%	24%
Inaccuracies or disputes around pension value or definitions	23%	20%	24%	22%	24%
Delay or refusal of pension transfer	18%	10%	7%	24%	19%
Delays to benefit payments	14%	20%	14%	14%	10%
Slow or ineffective communication	12%	10%	0%	18%	10%
Inaccurate data held and/or statement issued	12%	50%	0%	11%	14%
Pension overpayment and recovery	12%	40%	17%	4%	19%
Don't know	5%	10%	3%	3%	14%
Did not answer question	0%	0%	0%	0%	0%

4.7   Reporting breaches

The vast majority of schemes maintained documented records of any breaches of the law identified (98%) and indicated that that the pension board received reports on any such breaches (95%). In both cases this applied to 100% of 'Other' schemes.

Figure 4.7.1 Proportion of schemes maintaining documented records of any breaches of the law and providing the pension board with reports on any breaches of the law identified
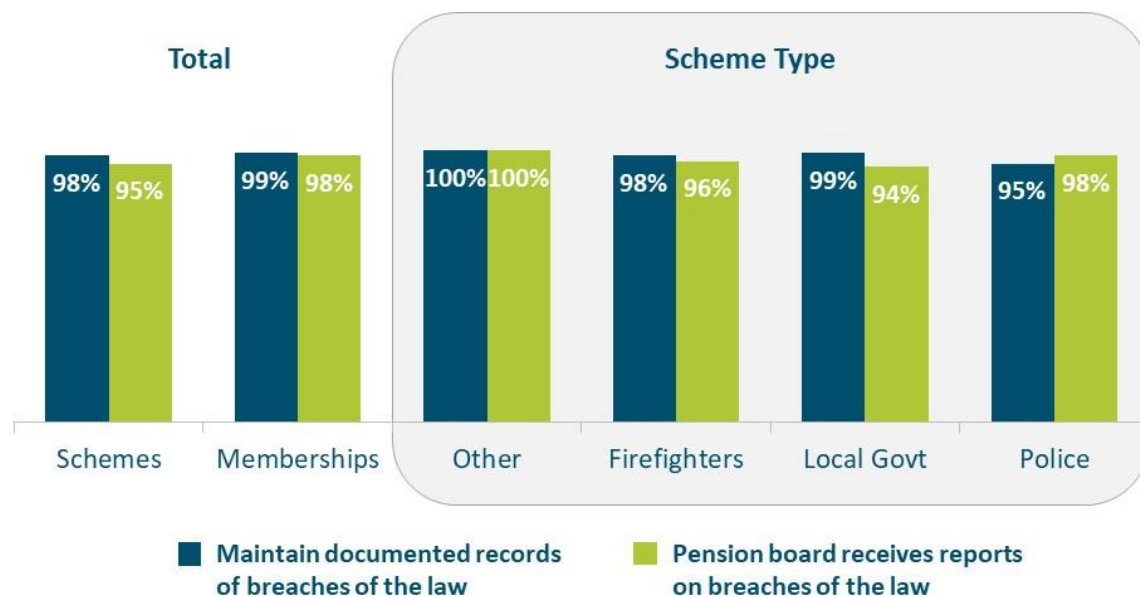
All respondents (Base, Don't know if maintain documented records, Did not answer if maintain documented records, Don't know if pension board receives reports, Did not answer if pension board receives reports) - Schemes (193, 2%, 0%, 02, 0%), Memberships (193, 0%, 0%, 1%, 0%), Other (11, 0%, 0%, 0%, 0%), Firefighters (47, 2%, 0%, 2%, 0%), Local Govt (93, 0%, 0%, 2%, 0%), Police (42, 5%, 0%, 2%, 0%)

Of those that maintained documented records of breaches of the law, 95% indicated that these included the decision taken on whether to report the breach to TPR. Again, this applied to all 'Other' schemes (100%).

Table 4.7.1 Proportion of schemes where the documented records on breaches of the law include the decision taken on whether to report it to TPR

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
Base: All maintaining records of breaches of the law	*189*	*189*	*11*	*46*	*92*	*40*
Records include decision on whether to report the breach to TPR	95%	97%	100%	98%	91%	98%

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The survey also captured data on the proportion of schemes that had identified any breaches of the law and had reported any breaches to TPR in the previous 12 months, as summarised in Figure 4.7.2. For these questions, schemes were asked to exclude any breaches of the law relating to annual benefit statements.

Over a third of schemes (37%) had identified non-annual benefit statement breaches of the law in the previous 12 months, and 5% had reported breaches to TPR in this period as they thought they were materially significant. This means that 14% of those schemes that identified breaches in the last 12 months had reported them to TPR.

The proportion identifying breaches in the previous 12 months was highest for Local Government schemes (55%) and lowest for Police schemes (14%). 'Other' schemes were proportionally most likely to have reported any breaches of the law to TPR; 27% had identified any breaches and a third of these (9% overall) had reported them. In contrast, no Police schemes had reported any breaches of the law to TPR in the last 12 months.

Figure 4.7.2 Proportion of schemes that identified breaches of the law and reported any breaches to TPR in last 12 months (excluding those relating to annual benefit statements)
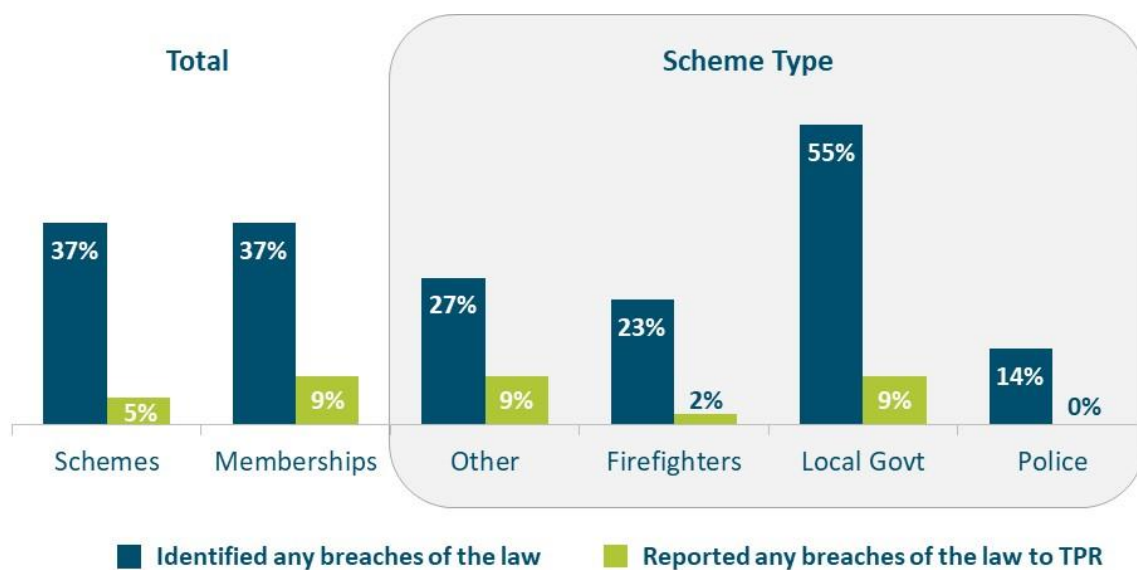
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 1%, 0%), Memberships (193, 0%, 0%), Other (11, 0%, 0%), Firefighters (47, 0%, 0%), Local Govt (93, 1%, 0%), Police (42, 0%, 0%)

Larger schemes were more likely to have identified non-ABS breaches than smaller schemes; 56% of those with over 30,000 memberships had done so in the previous 12 months, compared with 37% of those with 5,001-30,000 memberships and 15% of those with 5,000 or fewer memberships. The proportion reporting breaches to TPR followed a broadly similar pattern with 10% of those with over 30,000 memberships reporting a breach, compared with 3% of those with 5,001-30,000 memberships and 2% of those with 5,000 or fewer memberships.

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Where breaches of the law were identified, they were most commonly attributed to the scheme's employers. A third (31%) of those identifying breaches stated that these were caused by late or non-payment of contributions by the employer(s), 28% cited failure of the employer(s) to provide timely, accurate or complete data and a further 11% mentioned other employer-related issues.

Aside from employer-related issues, the most common causes of breaches of the law were systems or process failure (28%), management of transactions (28%) and failure to maintain records or rectify errors (21%).

Table 4.7.2 Causes of breaches of the law identified (excluding those relating to annual benefit statements)

	Total	
	Schemes	Memberships
Base: All identifying breaches of the law (not related to ABS)	*71*	*71*
Late or non-payment of contributions by the employer(s)	31%	37%
Failure of the employer(s) to provide timely, accurate or complete data	28%	34%
Systems or process failure	28%	30%
Management of transactions (e.g. errors or delays in payment of benefits)	28%	29%
Failure to maintain records or rectify errors	21%	10%
Other employer-related issues[8]	11%	8%
Other[9]	28%	32%
Don't know	0%	0%
Did not answer question	0%	0%

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[8] Schemes were asked to provide details or any 'other employer-related issues' and the most common were employer failure to meet the required timescales (4%) and employer data protection breaches (4%).

[9] The most widely mentioned 'other' reasons were Failure to meet required timescales (13%), Data protection breaches (6%)

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4.8   Addressing governance and administration issues

All schemes were asked to identify the top three barriers to improving their governance and administration over the next 12 months.

The most widely mentioned were the remediation process (65%), the complexity of their scheme (62%) and the volume of changes required to comply with legislation (61%). In addition, 35% identified lack of resources or time as one of the top barriers, and 28% mentioned retention of staff and knowledge.

Table 4.8.1 Barriers to improving governance and administration over next 12 months

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
Base: All respondents	*193*	*11*	*47*	*93*	*42*
The remediation process (also referred to as 'McCloud' or 'Sergeant')	65%	91%	79%	47%	81%
Complexity of the scheme	62%	27%	77%	60%	60%
The volume of changes that are required to comply with legislation	61%	45%	60%	63%	60%
Lack of resources or time	35%	18%	23%	44%	33%
Recruitment, training and retention of staff and knowledge	28%	55%	23%	29%	26%
Employer compliance	12%	0%	2%	25%	0%
Issues with systems (IT, payroll, administration systems, etc.)	12%	27%	13%	11%	12%
Lack of knowledge, effectiveness or leadership among key personnel	2%	0%	0%	2%	5%
Poor communications between key personnel	0%	0%	0%	0%	0%
Other barriers	7%	18%	9%	8%	0%
There are no barriers	1%	0%	2%	0%	0%
Don't know	1%	0%	0%	0%	2%
Did not answer question	0%	0%	0%	0%	0%

The remediation process was the most commonly identified barrier for 'Other' (91%), Firefighters' (79%) and Police schemes (81%), but fewer Local Government schemes selected it as one of the top three barriers they faced (47%).

Instead, the most commonly identified barriers by Local Government schemes were the volume of changes required to comply with legislation (63%) and the

complexity of the scheme (60%). Both of these were also widely mentioned by Firefighters' schemes (60% and 77% respectively) and Police schemes (60% in each case).

Schemes were also asked to what they would attribute any improvements made to their governance and administration in the last 12 months. A variety of improvement drivers were identified but the major one was better understanding of the risks facing the scheme (68%), followed by better understanding of the underlying legislation and standards expected by TPR (46%) and resources being increased or redeployed to address risks (42%).

Table 4.8.2 Drivers of improvements to governance and administration in last 12 months

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
Base: All respondents	*193*	*11*	*47*	*93*	*42*
Improved understanding of the risks facing the scheme	68%	64%	72%	63%	74%
Improved understanding of underlying legislation and standards expected by TPR	46%	18%	43%	43%	62%
Resources increased or redeployed to address risks	42%	82%	23%	51%	33%
Administrator action[10]	31%	27%	26%	39%	21%
Pension board action[11]	23%	45%	21%	17%	31%
Scheme manager action[12]	22%	36%	15%	29%	12%
Improved engagement by TPR	14%	9%	13%	11%	21%
Other[13]	8%	0%	6%	11%	5%
No improvements made in the last 12 months	6%	0%	17%	2%	5%
Don't know	0%	0%	0%	0%	0%
Did not answer question	0%	0%	0%	0%	0%

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[10] The most widely mentioned 'administrator actions' were improved administration processes/systems/strategy (7%), data review/improvement (7%), improved/increased use of technology/automation (6%), improved/more frequent reporting (4%), more engagement with employers (3%)

[11] The most widely mentioned 'pension board actions' were increased monitoring/scrutiny by board (8%), improved strategy/action plan/processes/policies (6%), more training/increased knowledge (3%), more collaboration/engagement (3%)

[12] The most widely mentioned 'scheme manager actions' were improved processes/systems/strategy (8%), more collaboration/engagement with stakeholders (5%), increased resources (4%)

[13] The most widely mentioned 'other actions' were improved scheme structure/systems (4%)

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4.9   The COVID-19 pandemic

Respondents were asked to rate the effectiveness of various aspects relating to the operation of the scheme since the first COVID-19 lockdown started in March 2020.

As set out in Figure 4.9.1, 97% rated the communication between the scheme manager and the administrator since the start of the pandemic as very or fairly effective. Similar proportions judged the performance of the administrator (94%) and the relationship between the scheme manager and the pension board (93%) to have been effective. In each case the majority described this as 'very' effective (68%-80%).

Figure 4.9.1 Performance during the COVID-19 pandemic
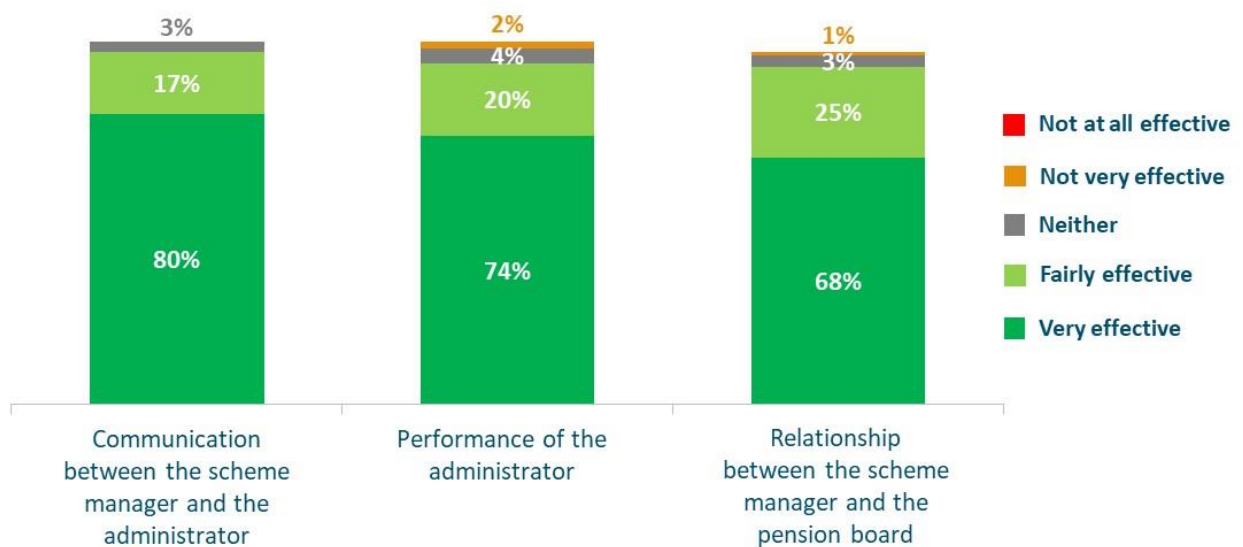
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 0-2%, 0-2%)

At least 90% of Firefighters', Local Government, and Police schemes rated each of these aspects as effective. However, a lower proportion of 'Other' schemes indicated that the performance of the administrator (64%) and communication between the communication between the scheme manager and administrator (82%) had been effective.

Table 4.9.1 Proportion rating each aspect as very/fairly effective during the COVID-19 pandemic – by scheme type

	Scheme Type			
	Other	Firefighters	Local Govt	Police
Base: All respondents	*11*	*47*	*93*	*42*
Communication between the scheme manager and the administrator	97%	82%	98%	98%
Performance of the administrator	94%	64%	96%	97%
Relationship between the scheme manager and the pension board	93%	100%	91%	95%

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The vast majority (95%) of schemes had a business continuity plan (BCP) in place prior to the COVID-19 pandemic; 59% had their own scheme-specific BCP and 36% were covered by their local authority's BCP. Every 'Other' scheme had its own BCP in place prior to COVID-19, whereas Firefighters' schemes were more likely to rely on that of their local authority (51%).

Figure 4.9.2 Proportion of schemes that had a business continuity plan before the first COVID-19 lockdown

All respondents (Base, Don't know, Did not answer question) - Schemes (193, 3%, 0%), Memberships (193, 0%, 0%), Other (11, 0%, 0%), Firefighters (47, 4%, 0%), Local Govt (93, 0%, 0%), Police (42, 7%, 0%)

As set put in Figure 4.9.3, 87% of those with a BCP in place felt this had been effective in helping the scheme respond to the COVID-19 pandemic (with 60% describing it as 'very' effective).

Figure 4.9.3 Effectiveness of business continuity plans in response to COVID-19 pandemic
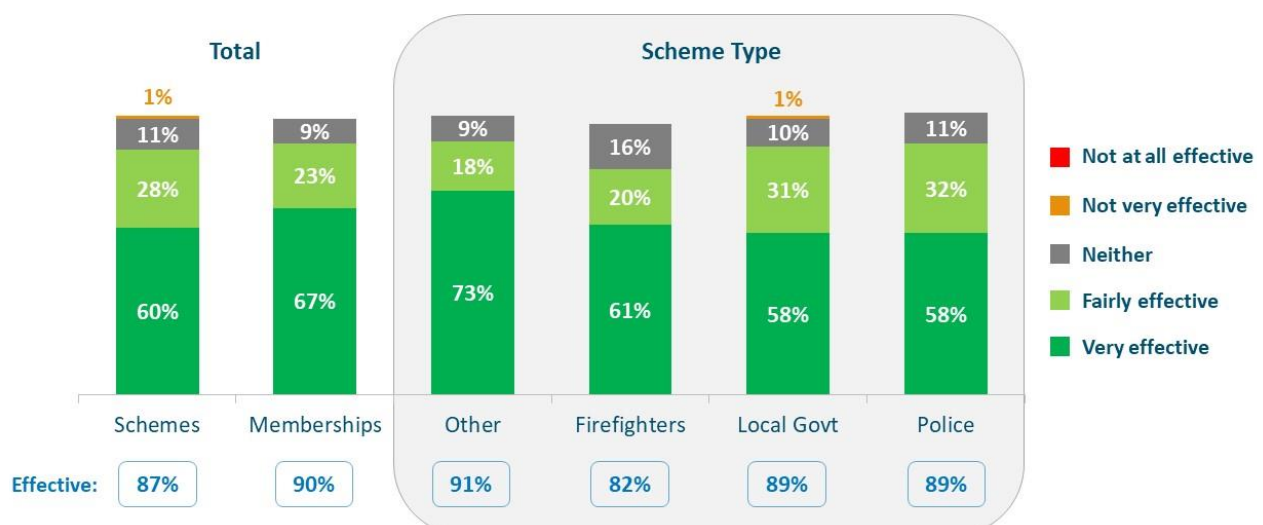
All with a BCP in place before COVID-19 (Base, Don't know, Did not answer) - Schemes (184, 1%, 0%), Memberships (184, 0%, 0%), Other (11, 0%, 0%), Firefighters (44, 2%, 0%), Local Govt (91, 0%, 0%), Police (38, 0%, 0%)

Firefighters' schemes were slightly less likely to view their BCP as effective (82% vs. 89-91% for other scheme types). There was little difference in effectiveness ratings by scheme type.

When asked what barriers they had faced in implementing the BCP, schemes were most likely to identify IT issues; 31% mentioned the suitability of their IT hardware, 22% the suitability of their IT infrastructure and 12% the suitability of their IT software. In addition, 29% identified the ability of staff to work from home as a barrier. However, around a third of schemes (35%) did not report any barriers to implementing the BCP.

This pattern was broadly consistent across the different scheme types, although Firefighters' schemes were more likely to indicate there had been no barriers (48%). 'Other' schemes were also comparatively more likely to identify issues with administration processes as a barrier (27%), which is consistent with the lower ratings for the administrator performance and communication between the scheme manager and administrator during the pandemic (as seen in Table 4.9.1).

Table 4.9.2 Barriers to implementing business continuity plans

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
Base: All with a BCP in place before Covid-19	*184*	*11*	*44*	*91*	*38*
Suitability of IT hardware (i.e. equipment)	31%	45%	20%	35%	32%
Ability of staff to work from home	29%	45%	18%	31%	32%
Suitability of IT infrastructure	22%	9%	20%	25%	18%
Issues with administration processes	15%	27%	11%	16%	13%
Key person risks	13%	18%	16%	9%	16%
Suitability of IT software	12%	18%	5%	13%	16%
Staff shortages	7%	9%	5%	7%	11%
Issues with employers	3%	9%	0%	4%	0%
Lack of leadership	0%	0%	0%	0%	0%
Other barriers	4%	0%	5%	5%	3%
There were no barriers	35%	27%	48%	30%	34%
Don't know	2%	0%	2%	0%	5%
Did not answer question	1%	0%	2%	0%	0%

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4.10 Pensions dashboards

Survey respondents provided with the following description of the pension dashboards project:

The government has made a commitment to facilitate the pensions industry in the creation of a digital interface that will present all of a person's pensions together in one place. It is most often referred to in the industry as the 'pensions dashboards' project.

They were then asked if, prior to the survey, they had heard of the pensions dashboards. If so, they were then informed that the Pensions Schemes Bill contains provisions to require trustees and scheme managers to provide data to savers through pensions dashboards, and asked whether they were aware of this proposed change to pensions law.

The vast majority of schemes had heard of the pensions dashboards (96%), and most also knew that trustees and scheme managers would be required to provide data to savers through the dashboards (88%).

Every 'Other' scheme was aware of the dashboards and the requirement to share data. Awareness was lowest among Police schemes, 12% of which had not heard of the pensions dashboards.

Figure 4.10.1 Awareness of the pensions dashboards and the requirement to provide data to savers
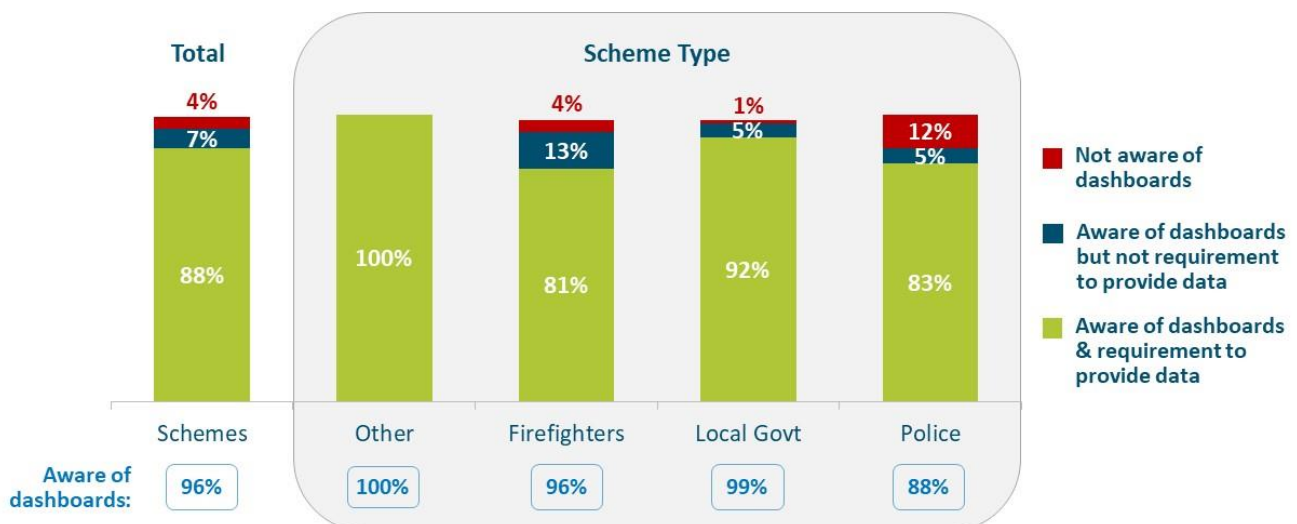
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 1%, 0%), Other (11, 0%, 0%), Firefighters (47, 2%, 0%), Local Govt (93, 1%, 0%), Police (42, 0%, 0%)

As shown in Figure 4.10.2, 89% of schemes agreed that the pensions dashboards were a good idea (with 36% strongly agreeing).

However, there was less consensus in schemes' views on their ability to implement the requirements. Two-fifths (40%) agreed that they would be able to deal with any administrative demands involved, although comparatively few (13%) disagreed with this (with the remaining 47% either unsure or neither

agreeing nor disagreeing with this). Around a third (35%) disagreed that the dashboards would be easy for their scheme to implement, compared with 9% who agreed.

Half of schemes (51%) disagreed that they would leave it as late as possible before preparing for the dashboards, whereas 10% agreed with this statement.

Figure 4.10.2 Perceptions of the pensions dashboards
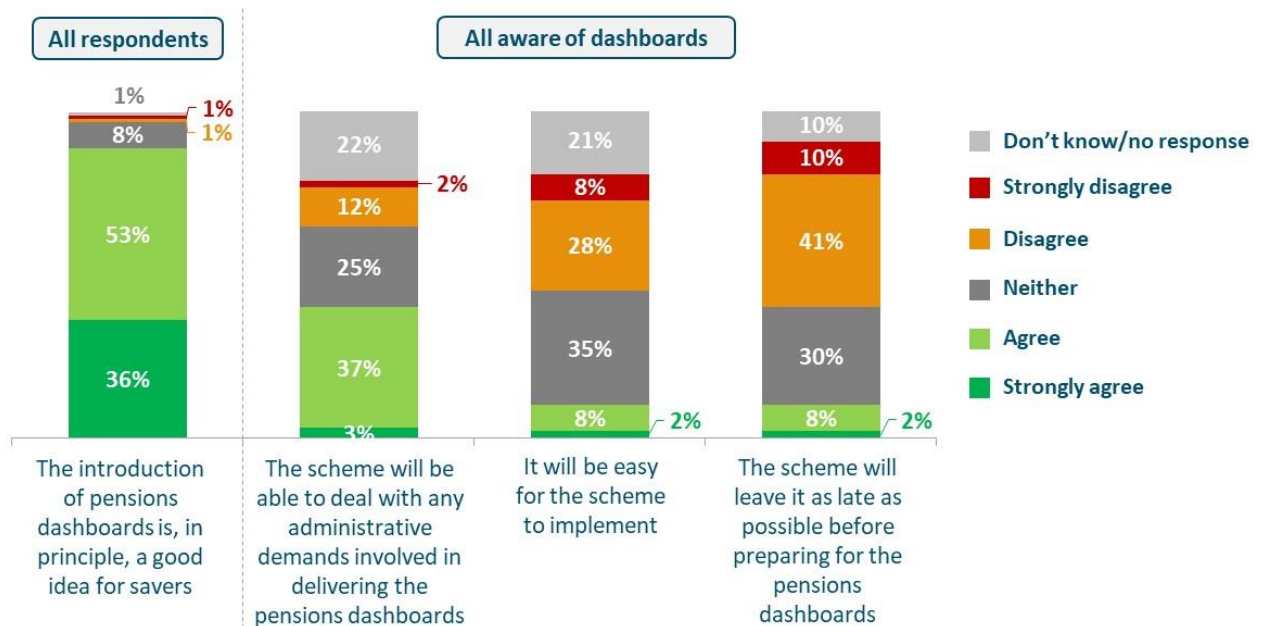
All respondents (193), All aware of dashboards (185)

Table 4.10.1 provides a summary by scheme type, showing the proportions agreeing and disagreeing with each statement.

Table 4.10.1 Perceptions of the pensions dashboards – by scheme type

		Scheme Type			
		Other	Fire-fighters	Local Govt	Police
Base: All respondents/All aware of dashboards		*11/11*	*47/45*	*93/92*	*42/37*
Introduction of dashboards is good idea for savers	Agree	100%	94%	85%	90%
	Disagree	0%	0%	2%	2%
Scheme will be able to deal with administrative demands	Agree	45%	42%	43%	27%
	Disagree	18%	4%	17%	14%
Will be easy for scheme to implement	Agree	9%	16%	8%	5%
	Disagree	45%	36%	32%	41%
Scheme will leave it as late as possible before preparing	Agree	0%	2%	11%	19%
	Disagree	82%	47%	55%	35%

Every 'Other' scheme agreed that the dashboards were a good idea, but Local Government schemes were least likely to agree with this (85%).

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Police schemes were least likely to agree that they would be able to deal with the administrative demands (27%, vs. 42-45% for other scheme types). Firefighters' schemes were most likely to agree that the dashboards would be easy to implement (16% vs. 5-9% of other scheme types).

Very few 'Other' and Firefighters' schemes (0% and 2% respectively) expected to leave dashboards preparations as late as possible, but this increased to 19% of Police and 11% of Local Government schemes.

Those respondents aware of the dashboards were asked what, if any, challenges the scheme was likely to face in terms of preparing for them (Table 4.10.2). Three-quarters (75%) identified software compatibility as a potential issue, and over half mentioned knowing what is required (58%). The next most widely anticipated challenges were capacity constraints (36%), cost (31%), availability of data (20%) and accuracy of data (19%).

This pattern was broadly consistent by scheme type, but Local Government and Police schemes were comparatively more likely to identify knowing what is required as a challenge (64% and 68% respectively). Police schemes were also more likely to mention cost (46%), and 'Other' schemes more likely to mention accuracy of data (36%).

Table 4.10.2 Anticipated challenges in preparing for the pensions dashboards

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
Base: All aware of dashboards	*185*	*11*	*45*	*92*	*37*
Software compatibility	75%	64%	71%	76%	81%
Knowing what is required	58%	27%	44%	64%	68%
Capacity constraints	36%	45%	38%	35%	35%
Cost	31%	27%	29%	27%	46%
Availability of data	20%	18%	27%	17%	19%
Accuracy of data	19%	36%	16%	20%	16%
Participating employer reticence	9%	18%	0%	14%	5%
Other	4%	18%	0%	4%	3
None – do not expect to face challenges	1%	0%	2%	1%	0%
Don't know	3%	0%	9%	1%	3%
Did not answer question	0%	0%	0%	0%	0%

As set out in Table 4.10.3, the main sources through which schemes expected to learn about the requirements for the pensions dashboards were their scheme advisory board (69%), the Pensions Dashboards Programme (63%) and TPR (61%). These were the primary sources identified by all scheme

types, with the exception of 'Other' schemes who were more likely to mention industry bodies (45%) than their scheme advisory board (27%).

Table 4.10.3 Expected sources of information about pensions dashboards requirements

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
Base: All respondents	*193*	*11*	*47*	*93*	*42*
Scheme advisory board	69%	27%	79%	75%	55%
Pensions Dashboards Programme (PDP)	63%	73%	60%	60%	71%
TPR	61%	55%	68%	53%	71%
Industry bodies (e.g. PASA, PLSA)	41%	45%	26%	53%	33%
Department for Work & Pensions (DWP)	26%	55%	19%	19%	40%
Financial Conduct Authority (FCA)	9%	18%	6%	9%	12%
Somewhere else	15%	36%	15%	16%	7%
Don't know	3%	0%	4%	3%	2%
Did not answer question	0%	0%	0%	0%	0%

4.11 Climate change

For this survey Local Government schemes were asked various questions about the actions they had taken in regard to climate change.

Table 4.11.1 shows that nine in ten Local Government schemes (91%) had allocated time or resources to assessing any financial risks or opportunities associated with climate change.

However, fewer had taken each of the three specific actions tested; 66% had assessed the risks and opportunities for their scheme from particular climate-related scenarios, 60% had tracked the carbon intensity of their portfolio, and 29% had assessed their portfolio's contribution to global warming.

Table 4.11.1 Actions taken on climate change

	Local Government schemes
Base: All Local Government schemes	*93*
Allocated time or resources to assessing any financial risks and opportunities associated with climate change	**91%**
– Assessed the risks and opportunities for your scheme from particular climate-related scenarios	66%
– Tracked the carbon intensity of your scheme's portfolio	60%
– Assessed you scheme portfolio's potential contribution to global warming	29%
– None of these (or don't know)	12%
Not allocated any time/resources to assessing any financial risks and opportunities associated with climate change	**4%**
Don't know	4%
Did not answer question	0%

Local Government schemes were then asked whether they used various processes to manage climate-related risks and opportunities. Please note that the 9% of schemes that had not allocated time or resources to assessing the financial risks/opportunities associated with climate change (or were unsure if they had done this) were not asked this question but have been included in the analysis base and shown separately in Table 4.11.2 overleaf.

Two-thirds (68%) of schemes had added climate-related risks to their risk register[14]. Lower proportions included climate-related issues as a regular agenda item at pension board meetings (42%), at trustee meetings, assigned responsibility for climate-related issues to a specified individual or sub-committee (37%) and included, monitored and reviewed targets in their climate policy (37%).

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[14] One scheme answered yes to this question even though they had earlier indicated that the scheme did not have a risk register. If this scheme is excluded, the proportion adopting this process falls to 66%.

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Table 4.11.2 Processes used to manage climate-related risks and opportunities

	Local Government schemes
Base: All Local Government schemes	*93*
Add climate-related risks to your risk register	68%
Include climate-related issues as a regular agenda item at pension board meetings	42%
Assign responsibility for climate-related issues to a specified individual or sub-committee	37%
Include, monitor and review targets in the scheme's climate policy	37%
None of these (or don't know)	11%
Not allocated any time/resources to climate change (or don't know if done this)	9%
Did not answer question	0%

Figure 4.11.1 shows the extent to which Local Government schemes considered climate change in their investment and funding strategies. Over half gave significant consideration (4-5) to transition risks (58%) and climate-related opportunities (57%), but fewer schemes considered physical risks (34%) or employer exposure to climate-related factors (16%).

Figure 4.11.1 Consideration of climate change in investment and funding strategy
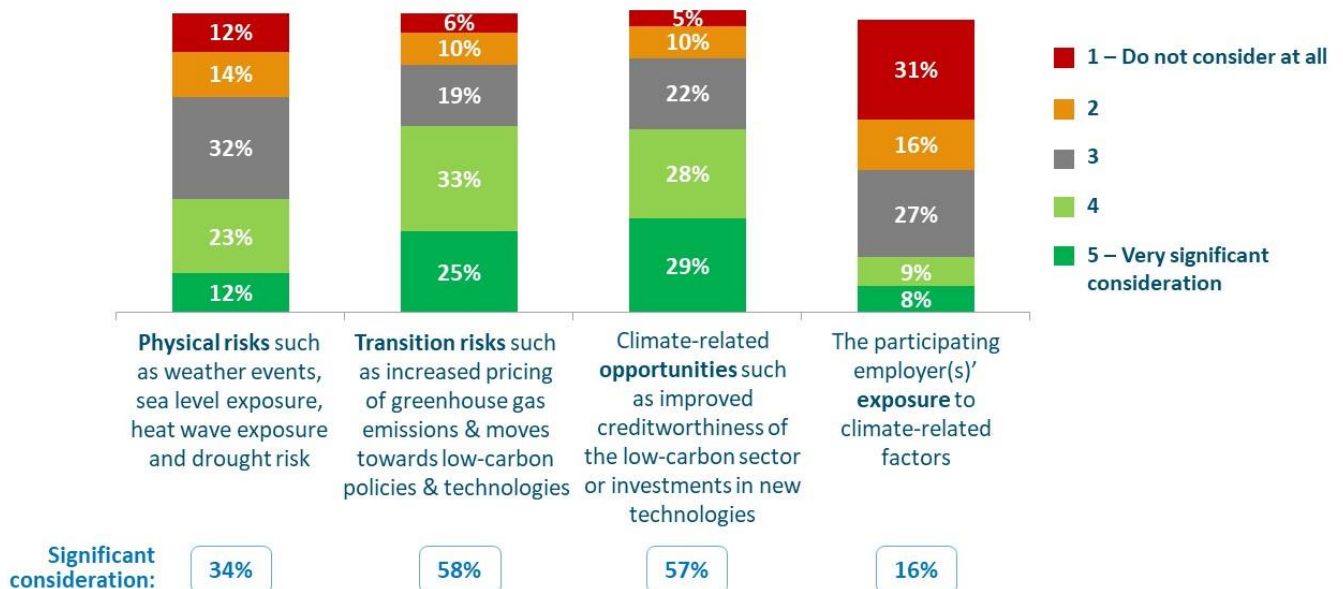
All Local Government schemes (Base, Don't know, Did not answer question) - Schemes (93, 6-9%, 0-1%)

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Schemes were asked whether they had taken various actions on stewardship to help with their management of climate risks, with results shown in Table 4.11.3. Again, those schemes that had not allocated time or resources to assessing the financial risks/opportunities associated with climate change were not asked this question but have been included in the analysis base.

Most of these stewardship actions had been widely adopted by Local Government schemes; 87% had talked to advisers and asset managers about how climate-related factors are built into their engagement and voting policies, 82% indicated that they would also do this when appointing new asset managers, 76% had joined collaborative engagement efforts on climate change, and 56% set out their expectations on climate stewardship and approaches in legal documents when outsourcing activities.

However, approximately two-fifths (42%) of Local Government schemes had signed the UK Stewardship Code.

Table 4.11.3 Stewardship actions taken to help manage climate risks

	Local Government schemes
Base: All Local Government schemes	*93*
Talked to advisers and asset managers about how climate-related risks and opportunities are built into their engagement and voting policies	87%
When appointing new asset managers, asked the prospective manager how they include climate factors in engagement and voting behaviour	82%
Joined collaborative engagement efforts on climate change	76%
When outsourcing activities, set out in legal documents your expectations on climate stewardship and approaches	56%
Signed the UK Stewardship Code	42%
None of these (or don't know)	3%
Not allocated any time/resources to climate change	9%
Did not answer question	0%

Table 4.11.4 shows that the majority (83%) of Local Government schemes were aware of the work of the Taskforce on Climate-related Financial Disclosures (TCFD). However, approximately a fifth of schemes (22%) made disclosures as recommended by the TCFD.

Table 4.11.4 Awareness of TCFD and uptake of recommended disclosures

	Local Government schemes
Base: All Local Government schemes	*93*
Aware of TCFD	**83%**
− Scheme makes disclosures as recommended by the TCFD	22%
− Scheme does not make disclosures as recommended by the TCFD	57%
− Don't know	4%
Not aware of TCFD	**17%**

4.12 Perceptions of TPR

When asked for their perceptions of TPR, schemes were most likely to agree that it was visible (84%), respected (84%) and approachable (81%). They were least likely to agree that it was tough (52%). Few schemes actively disagreed with each of the descriptors of TPR.

Figure 4.12.1 Perceptions of TPR
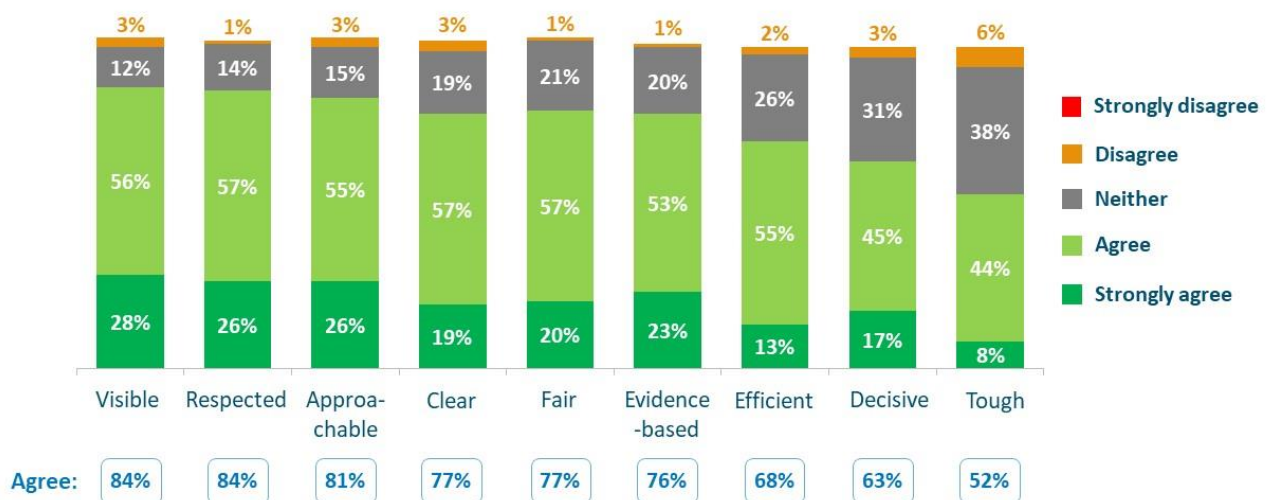
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 1-5%, 0-1%)

There was little difference in these results between Firefighters', Local Government and Police schemes, but 'Other' schemes had the most positive perception of TPR. All of these schemes (100%) agreed that TPR was respected, approachable, clear, fair, evidence-based, efficient and decisive and 91% agreed that it was visible. However, 'Other' schemes were less likely than other scheme types to see TPR as tough (36%).

There were increases since 2019 in the proportion seeing TPR as fair (+11 percentage points), clear (+7 percentage points), approachable (+5 percentage points) and evidence-based (+5 percentage points).

Table 4.12.1 Proportion of schemes agreeing with descriptors of TPR – Time series

	Visible	Respected	Approachable	Clear	Fair
PSPS Survey 2020-21	**84%**	**84%**	**81%**	**77%**	**77%**
PSPS Survey 2019	84%	84%	76%	70%	66%
PSPS Survey 2018	89%	78%	73%	70%	66%

	Evidence-based	Efficient	Decisive	Tough
PSPS Survey 2020-21	**76%**	**68%**	**63%**	**52%**
PSPS Survey 2019	71%	64%	61%	56%
PSPS Survey 2018	67%	60%	53%	55%

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Schemes were also asked how effective they believed TPR to be at improving standards of governance and administration in public service pension schemes. Overall, 87% judged TPR to be effective, with 32% describing it as very effective. Every 'Other' scheme rated TPR as either very or fairly effective in this regard.

Figure 4.12.2 Perceptions of TPR's effectiveness at improving standards of governance and administration in public service pension schemes
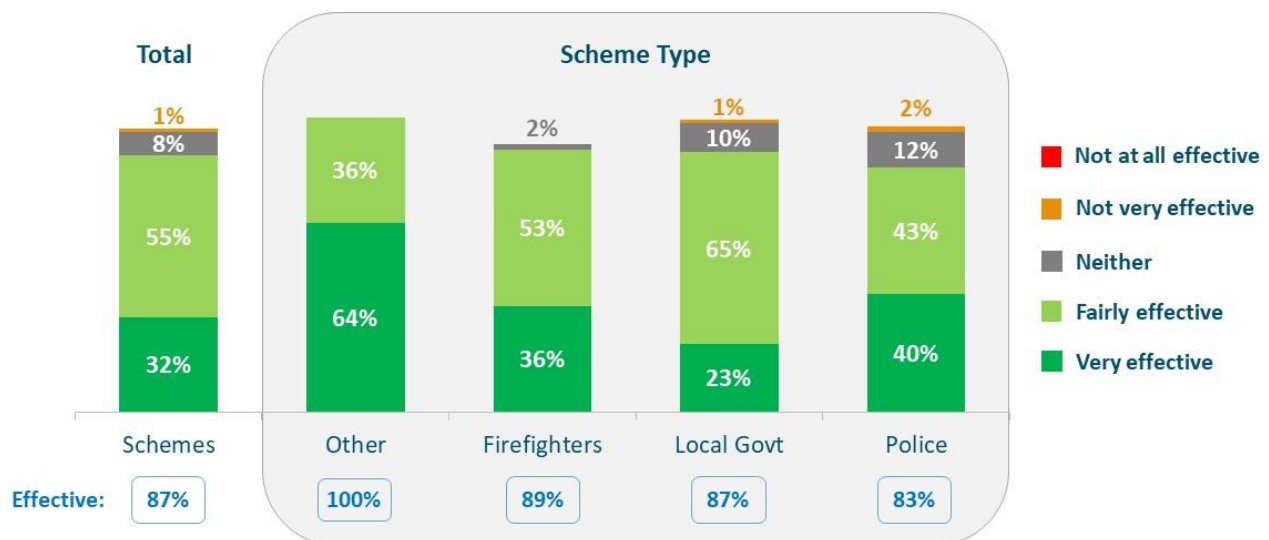
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 4%, 0%), Other (11, 0%, 0%), Firefighters (47, 9%, 0%), Local Govt (93, 2%, 0%), Police (42, 2%, 0%)

While the overall proportion rating TPR as effective was unchanged since 2019, there was an increase among Local Government schemes (+5 percentage points) and a decrease among Police schemes (-10 percentage points).

Table 4.12.2 Proportion of schemes rating TPR as very or fairly effective effectiveness at improving standards of governance and administration in public service pension schemes – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2020-21	**87%**	**100%**	**89%**	**87%**	**83%**
PSPS Survey 2019	87%	100%	88%	82%	93%
PSPS Survey 2018	88%	100%	83%	89%	89%

Schemes were also asked the extent to which they agreed with three statements about TPR. As summarised in Figure 4.12.3, 84% agreed that TPR clearly explains its expectations in respect of administration, 79% agreed that it is effective at bringing about the right changes in behaviour among its regulated audiences, and 75% agreed that it is proactive at reducing serious risks to member benefits.

Most of the remainder neither agreed nor disagreed, with few schemes actively disagreeing with these statements (1-3%).

Figure 4.12.3 Other perceptions of TPR
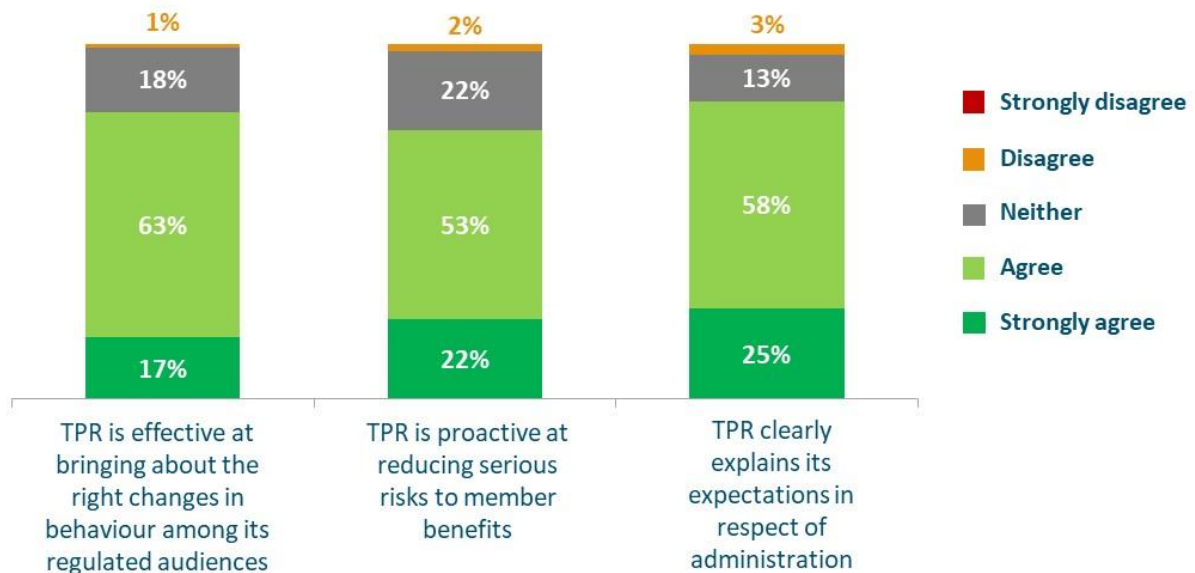
All respondents (Base, Don't know, Did not answer question) - Schemes (193, 0-3%, 0-1%)

Table 4.12.3 shows the proportion of each scheme type agreeing with these statements, along with comparisons to the 2019 survey results (where available).

Table 4.12.3 Proportion agreeing with other statements about TPR – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
TPR is effective at bringing about the right changes in behaviour among its regulated audiences					
PSPS Survey 2020-21	**79%**	**100%**	**70%**	**78%**	**86%**
PSPS Survey 2019	77%	91%	71%	72%	89%
TPR is proactive at reducing serious risks to member benefits					
PSPS Survey 2020-21	**75%**	**82%**	**68%**	**72%**	**86%**
PSPS Survey 2019	74%	91%	65%	68%	91%
TPR clearly explains its expectations in respect of administration					
PSPS Survey 2020-21	**84%**	**100%**	**85%**	**80%**	**88%**
PSPS Survey 2019	-	-	-	-	-

Every 'Other' scheme agreed that TPR was effective at bringing about the right changes in behaviour and clearly explained its administration expectations.

The overall results were similar to those seen in 2019, and the only changes at a scheme type level were an increase in the proportion of 'Other' and Local

Government schemes that felt TPR was effective at bringing about the right changes in behaviour (+9 and +6 percentage points respectively) and a decrease in the proportion of 'Other' schemes that believed TPR was proactive at reducing serious risks to member benefits (-9 percentage points).

SOUTH YORKSHIRE
PENSIONS AUTHORITY

Subject	Governance Review Update	Status	For Publication Not For Publication
Report to	Local Pension Board	Date	15th July 2021
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	George Graham Director	Phone	01226 772887
E Mail	ggraham@sypa.org.uk		

1 Purpose of the Report

1.1 To update the Board with progress on delivering the action plan arising from the Hymans Robertson Governance Review.

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2 Recommendations

2.1 Members are recommended to:

a. Note the progress made with the Governance Review action plan and agree that the Review should now be regarded as closed.

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3 Link to Corporate Objectives

3.1 This report links to the delivery of the following corporate objectives:
Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

Formally reporting progress and agreeing to close specific projects represents good governance practice.

4 Implications for the Corporate Risk Register

4.1 The actions outlined in this report address the various governance risks identified in the Corporate Risk Register.

5 Background and Options

5.1 In September 2019 the Pensions Authority approved the undertaking of a review of Governance in preparation for the implementation of the Scheme Advisory Board's "Good Governance Review". Hymans Robertson were commissioned to undertake the review through the National LGPS Procurement Framework for consultancy and the results of their work were reported to the Board in July 2020 and the Authority in September 2020, when an action plan to address the recommendations was approved.

5.2   Twelve months after the initial consideration of the review's findings by the Board it is appropriate to review progress in delivering the Action Plan. This is set out in Appendix A. The highlights are as follows:

- 4 of 5 recommendations have been completed.
- The remaining recommendation which includes three actions has been impacted by pressure on resources arising from the pandemic and other work but is now progressing as part of business as usual with the intention of completion by the end of the calendar year.

5.3   Given the progress made and the fact that the remaining tasks are being dealt with as business as usual it is proposed that the project to address the Hymans recommendations is closed.

5.4   The pandemic has delayed the implementation of the recommendations set out in the Good Governance review and it is not known when those that require regulatory change will be implemented. Nonetheless the Hymans review was beneficial in identifying areas for improvement and the process will stand the Authority in good stead moving forward to when the Good Governance review is fully implemented.

6   __Implications__

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

Financial	None directly, the implications of addressing specific recommendations within the Governance Review have been addressed in the relevant decision-making processes.
Human Resources	None
ICT	None
Legal	None
Procurement	None

George Graham

Director

Background Papers	
Document	**Place of Inspection**
Hymans Robertson Governance Review	Item 11b Auth Sept 20 - Governance Review- Appendix A.pdf (southyorks.gov.uk)

Governance Review Action Plan

Recommendation	Comment	Actions Proposed	Who is Responsible for the Actions	Status
The Authority should consider adopting a funding objective	It was previously considered that funding was adequately addressed through the Mission Statement which was delivered by achieving the various objectives. However, it is accepted that this would provide additional clarity for stakeholders.	A specific funding objective along the following lines will be incorporated in the next iteration of the Corporate Strategy. "To maintain a position of full funding (for the fund as a whole) on an ongoing basis"	Director	New objective included in the Corporate Strategy Update approved by the Authority in January 2021 as follows: *to maintain a position of full funding (for the fund as a whole) combined with stable and affordable employer contributions on an ongoing basis.*
The Authority should consider reviewing its LGPS employer discretion policy to include all areas over which it has discretion	It is accepted that this would provide an additional guide for all employers as well as additional transparency.	Publish a revised employer discretions policy	Head of Finance and Corporate Services	Delayed due to pandemic pressure on HR resource will be completed as part of the review of all HR policies by Oct 2021
	The Authority should also examine how it meets the requirement to ensure that all employers' discretions policies are collated and published.	Ensure collation and publication of all employer discretion policies.	Head of Pension Administration (Support and Engagement Manager)	Collation completed publication will be undertaken within the new website to be launched later in 2021.
	For the same reason the Authority should also publish a policy	Publish an administering authority discretions policy	Head of Pensions Administration (Technical Adviser)	Delayed due to timing of the appointment of the

	statement in relation to the exercise of its discretion as the administering authority.			Governance and Risk Officer. Process now commenced and will be completed during 2021.
Review the arrangements whereby the roles of Clerk, Monitoring Officer and s73 Officer are filled to ensure that the Authority has access to the expert advice and support that it requires.	Given the passage of time and the increasing requirements being placed on the Authority some review of this area seems appropriate.	Undertake discussions with all relevant stakeholders and formulate recommendations in light of the identified requirements of the Authority, which could include no change to the current situation.	Director	Authority considered recommendations and agreed to a process to internalise these functions by April 2023 in agreement with Barnsley MBC.
Amend the Local Pension Board Constitution to require that a member of the Local Pension Board may not also be an observer at meetings or sub-committees of the Authority. This would have the effect of requiring a new observer to attend Authority meetings.	This is not a regulatory requirement and is a matter for members to decide. However, regardless of the specific decision the Authority does need to put in place arrangements to manage any potential conflict.	Implement decision of the Authority and identify appropriate arrangements to manage any potential conflicts.	Director and Clerk	Both the Authority and the Board considered that maintaining the current arrangement was beneficial, while the Scheme Advisory Board indicated that they do not see a fundamental conflict of interest. Therefore, no changes have been made
The Learning and Development Policy be extended to cover all those who attend Pension Committee and Board.	While in practice the policy has been applied across all Board and Authority members this is a sensible recommendation which will demonstrate good practice and properly document a consistent approach.	Revised Learning and Development Policy	Director and Clerk	Considered by the Board in April 2021 and the Authority in June 2021 and approved.

SOUTH YORKSHIRE
PENSIONS AUTHORITY

Subject	Review of the Corporate Risk Register	Status	For Publication
Report to	Local Pension Board	Date	15th July 2021
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	George Graham Director	Phone	01226 772887
E Mail	ggraham@sypa.org.uk		

1   Purpose of the Report

1.1   To allow the Board to review and comment upon the latest iteration of the Corporate Risk Register

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2   Recommendations

2.1   Members are recommended to:

a. **Note and comment upon the latest version of the Corporate Risk Register at Appendix A**

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3   Link to Corporate Objectives

3.1   This report links to the delivery of the following corporate objectives:
       Effective and Transparent Governance

       To uphold effective governance showing prudence and propriety at all times.

       Carrying out regular scrutiny and challenge of the risk register allows the Board to effectively carry out its responsibilities for ensuring that the Authority is effectively carrying out its role as Scheme Manager.

4   Implications for the Corporate Risk Register

4.1   The actions outlined in this report address all aspects of the Corporate Risk Register.

5   Background and Options

5.1   The Board's workplan requires it to regularly review the Authority's Corporate Risk Register. The latest version of the Register which was considered by the Authority at its meeting on 10th June 2021 is at Appendix A. The latest management review of the register has resulted in several changes as set out below.

5.2 *G2 – Failure to ensure that the Local Pension Board is effective in carrying out its role.* The current score has been reduced following review of the self-assessment carried out by the Board which shows increasing self-awareness. Arrangements for independent advice have had a positive impact on the Board's confidence in providing challenge.

5.3 *G3 – Covid Impact: Disruption and reduction in the effectiveness of the control environment.* The current score has been revised downwards since the previous assessment given results of Internal Audit work during the year, the overall reduction in absence levels and the continuing development of new controls to accommodate remote working and the ongoing training of staff.

5.4 *O4 – Covid Impact: Significant reduction in productive capacity due to impact of the virus on sickness levels.* The current score has reduced. Overall sickness is down on previous years and two thirds of the total is long term, although sickness generally is higher in Pension Administration. The evidence on the ground is that while productivity is not as high as we would want it to be, there has not been a negative impact on customer satisfaction. The situation will continue to be reviewed in the light of moves out of lockdown and back towards the office.

5.5 A new risk has been added as follows.

5.6 *O5 - Disruption to services due to failure to complete the works required to Oakwell House on time and on budget.* This would result in all staff having to work at home for an additional period and there could be disruption and additional cost if the server infrastructure cannot be relocated before the end of the current lease. The control measures in place include: a key contract deliverable for the main contractor to facilitate relocation of the data centre prior to the end of the current lease even if the building works are not completed; and contract documents will be issued with as detailed a price as possible as part of mitigating the budget risk and provision for liquidated damages in the event of not completing on time. Further mitigations will become available when the contract with the main contractor has been agreed at which point the budgetary issues, if any, will become clear. In addition to the inclusion of this risk within the Corporate Risk Register as would be expected the Project Team are maintaining a very detailed risk register specific to the project.

5.7 Commentary is provided with Appendix A on the reasoning for not changing the scores for other risks including, where relevant, the likely timescales for a change in score.

5.8 Members of the Board are invited to comment on the Risk Register.

6   Implications

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

Financial	As set out in the analysis of individual risks
Human Resources	As set out in the analysis of individual risks
ICT	As set out in the analysis of individual risks
Legal	None directly
Procurement	None directly

George Graham

Director

Background Papers	
Document	**Place of Inspection**
Risk Management Framework	https://meetings.southyorks.gov.uk/documents/s63869/Audit%20Cttee%20Oct%2020 20%20-%20Risk%20Management%20Framework%20Appendix%20A.pdf?zTS=C

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SOUTH YORKSHIRE PENSIONS AUTHORITY RISK REGISTER AS AT 23/04/2021

Risk No	Risk Type	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Probability & Impact	Target Score	Probability & Impact	Risk Mitigation Action	Owner	Risk Change at Review	Last Review Date
G1	Governance	Failure to ensure that the elected Members knowledge and understanding of pensions related activities is robust and meets the statutory requirements in terms of Section 248a of the Pensions Act 2004.	Leading to ….. Improper scrutiny and challenge by elected Members; Mistakes, errors and omissions and non-compliance with statutory requirements; Failure to ensure contributions are collected; Failure to ensure benefits are calculated properly; Failure to ensure surplus monies are properly and prudently invested; Reputational damage in terms of censure from regulators.	Clerk to the Authority	Induction training provided to new Members which comprises a three day external training course; Programme of internal seminars; Periodic awareness presentations delivered to Members; A self-assessment framework for Members and Chairs is in operation but needs refining – this should assist in identifying training requirements; Lead member for training identified; Working to the spirit of CIPFA Code of Practice (Code of Practice on Public Sector Pensions Finance, Knowledge and Skills, revised in 2013 Production of Annual Report which includes commentary on Members training activities; External training augmented by internal training.	9	I = M P =M	2	I = L P = VL	Review of Member self-assessments. Addition of the Regulator's on line toolkit as a mandatory training requirement. Strengthen learning and development strategy *Comment 23.04.21 No change to current score at this stage. Further work on learning and development strategy programmed to run up to the Annual Meeting. Further assessment post elections when the composition of the Authority will be known*	Clerk to the Authority Clerk to the Authority Clerk to the Authority/ Director		23.04.21
G2	Governance	Failure to ensure that the Local Pension Board is effective in carrying out its role.	Leading to ….. Ineffective scrutiny of the way in which the Scheme Manager (the Authority) exercises its responsibilities Action by the Regulator.	Clerk to the Authority and Director	Induction training and commitment to an ongoing programme of learning and development for all members. Introduction of an independent element to ensure that the Board is not "officer led". Stabilisation of Board membership.	6	I=M P=M	2	I=L P=VL	Additional learning development opportunities being provided. Self-assessment exercise conducted highlighting areas for improvement *Comment 23.04.2021 Reduction in score following review of the self-assessment carried out by the Board which shows increasing self-awareness. Arrangements for independent advice have had a positive impact on the Board's confidence in providing challenge.*	Clerk to the Authority/ Director	↓	23.04.21
G3*	Governance	Disruption and reduction in the effectiveness of the control environment	Remote working makes operation of baseline control arrangements more difficult or impossible Covid 19 infections reduce the numbers of staff available so that current controls cannot be operated	Senior Management Team	Adaptation of previous control arrangements to a remote working scenario to ensure that controls continue to operate in the first instance. Electronic workflows that accommodate staff absence in dealing with sign offs Ensuring that more than one person is capable of performing any task within a control process Ongoing review of staff absences at regular SMT meetings allowing risks to be highlighted early	6	I=M P=L	6	I=L P=M	Gradual extension of the number of processes where electronic workflows are used. Identification of staff who could be trained to provide cover in areas where resilience is lower than others *Comment 23.04.21 Reduction since the previous assessment given results of Internal Audit work during the year, the overall reduction in absence levels and the continuing development of new controls to accommodate remote working and the ongoing training of staff.*	Senior Management Team	↓	23.04.21
I1	Investment and Funding	Failure to ensure that the Authority has appropriate access to its cash resources to meet its commitments to make payments. (Liquidity and credit risk.)	Leading to ….. Financial loss; Negative impact on overall financial viability of the Scheme; Inability to meet pensioner payroll costs and investment commitments. Reputational damage.	Director	The Fund has immediate access to its cash holdings with the majority of cash being deposited for no longer than a week. Levels of cash holding are monitored daily. Treasury activity reviewed weekly by management and twice yearly by elected members with an annual review of limits. Treasury Management Strategy sets limits for the duration and risk profile of deposits with financial institutions. Triennial actuarial review considers contribution rates and cash flow requirements. New software available from the Actuary to assist with cashflows and funding level.	3	I = M P = VL	4	I = L P = L	Introduction of quarterly reporting of treasury activity to elected members. Consideration being given to splitting frictional cash (required for day to day purposes from cash awaiting investment). *Comment 23.04.21 No change from previous assessment. The level of cash holdings has reduced to a more normal level following the deployment of cash to new investments. It remains difficult to find places to invest cash which deliver any yield while meeting the requirements for security.*	Director		23.04.21

Risk No	Risk Type	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Probability & Impact	Target Score	Probability & Impact	Risk Mitigation Action	Owner	Risk Change at Review	Last Review Date
I2	Investment and Funding	Failure to maintain the gains in funding levels achieved since the 2016 valuation, either as a result of falls in the market value of investments or an increase in the value of liabilities.	Leading to ….. The need to maintain high (and possibly unaffordable) levels of deficit contributions. The need to increase future service contribution rates which may create financial difficulties for employers given the economic environment in which they operate. Critical review by the Government Actuary as part of their s 13 Valuation.	Director/ Head of Investment Strategy	The Investment Strategy already looks to shift out of more volatile "growth" assets into less volatile income earning assets.	8	I = H P = L	4	I = H P = VL	First principles review of the Investment Strategy to be undertaken alongside the triennial valuation from April 2019 for implementation from April 2020. Options for containing or reducing liabilities (e.g. a trivial commutation review) will be examined following the actuarial valuation. However, in the meantime data cleansing activity will be focussed on areas that impact the value of liabilities. *Comment 23.04..21 No change from previous assessment Market conditions remain "fragile" with equity market highs seeming to have no basis in economic reality. This has resulted in strong performance and further improved funding levels. Assets have been moved as far as possible to the target allocations set in the Strategy Review. However, there remains a movement out of index linked gilts which is dependent on drawdowns into alternatives. These funds remain in index linked as this is a less risky asset class which does generate some return.*	Director/ Head of Investment Strategy		23.04.21
I3	Investment and Funding	Failure to implement effective arrangements for the oversight of investment management functions being undertaken by Border to Coast Pensions Partnership.	Leading to ….. Inability to adhere to Authority policies and potentially not be able to fulfil the Investment Strategy.	Head of Investment Strategy	Border to Coast is an FCA regulated body and as such is expected to adhere to the Stewardship Code and work within stipulated guidelines as set out in prospectus. These guidelines were set with discussion with underlying funds. Alignment of policies with underlying fund policies Ensured that Border to Coast have sub funds to allow SYPA to fulfil its strategy. Ongoing collaboration about policy. Ongoing collaboration regarding potential changes to Authority strategy. Analysis of investment performance on a monthly/quarterly basis with detailed analysis on an annual basis.	6	I = M P = L	6	I = M P = L	Border to Coast have agreed a process for the provision of controls assurance with all the audit firms involved in the LGPS. *Comment 23.04.21 No change from previous assessment that the risk is in line with the target. Border to Coast's AAF assessment highlighted one time limited control issue which arose around the time of the initial lockdown and was addressed very quickly. This does not raise any concerns.*	Head of Investment Strategy		23.04.21
I4	Investment and Funding	Failure to secure products through Border to Coast which address the requirements of the Fund's investment strategy.	Leading to ….. Failure to achieve required investment return. Erosion of the overall value of the Fund. Negative impact on contribution rates at valuation points.	Head of Investment Strategy	Ongoing dialogue with both Border to Coast and partner funds in order to influence product development. Monitoring of developments in the market place and where appropriate championing these within discussions with Border to Coast and partner funds.	4	I = H P = VL	3	I = M P = VL	Engagement with Border to Coast as an "implementation partner" in the development of the investment strategy. *Comment 23.04.21 No change in assessment at this stage. It Is likely that it will be possible to remove this risk once the final position in relation to the Border to Coast property proposition has been determined which will be before the end of 2021/22.*	Head of Investment Strategy		23.04.21
I5	Investment and Funding	Impact of Climate Change on the value of the Fund's investment assets and its liabilities.	Leading to …… An increased gap between the value of assets and liabilities. Reduction in the level of investment income as companies failing to adapt to a low carbon economy become less able to pay dividends Changes in the liability profile of the Fund.	Director and Head of Investment Strategy	Climate Change Policy in place in addition to the Responsible Investment Policy, supported by engagement activity with investee companies to encourage a planned and more rapid transition to a low carbon economy. Ongoing monitoring of the carbon intensity of equity portfolios every other year in place. Lower carbon tilt adopted within the equity portfolios and continued by Border to Coast. Investment in the extended opportunity set provided by the move to a low carbon economy targeted within the Alternatives portfolio, particularly infrastructure. Ongoing monitoring of demographic data by the actuary in place.	15	I = VH P = M	9	I = M P = M	Product from the Border to Coast Climate working party including providing more regular measurement of the carbon intensity of portfolios. Consideration of alternative investment approached as part of the Investment Strategy Review. Scenario planning within the context of the ongoing development and review of investment strategies. Adoption of a "net zero by 2030" goal together with improvements in impact reporting to fully understand the scale of emissions.	Head of Investment Strategy / Head of Investment Strategy / Director / Director		23.04.21

Risk No	Risk Type	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Probability & Impact	Target Score	Probability & Impact	Risk Mitigation Action	Owner	Risk Change at Review	Last Review Date
						(red)		**(yellow)**		*Comment 23.04.21* *No change in assessment. While the Net Zero Action Plan was adopted in March 2021 we need to see the impact of the various actions set out and the first round of more comprehensive reporting of emissions etc. which will be available later in 2021.*			
I6*	Investment and Funding	Contribution rates for employers are unaffordable due to business interruption	Employers (particularly TAB's and CAB's) unable to meet their liabilities due to not receiving income as a result of the interruption of their business due, for example, to school closures.	Head of Pension Administration	Existing assessment of employer risk and covenant identifying higher risk employers Ongoing communication and dialogue with employers and the Fund Actuary to identify possible options.	**8**	I = L P = H	**8**	I = L P = H	Identification of the applicability of the policy responses for private sector DB schemes to LGPS and engagement with the Scheme Advisory Board Implementation of new regulations allowing interim valuations and increased flexibility around exits *Comment 23.04.21* *No change in assessment. No further requests have been received. Consultation being undertaken on new employer flexibilities which should allow this risk to be removed from the register once agreed.*	Head of Pension Administration		23.04.21
I7*	Investment and Funding	Business continuity failures mean employers are unable to meet contribution payment deadlines.	Employers unable to submit monthly data returns on time which from April 2020 will generate the input for direct debit payments. Disruption to Fund cash flow	Head of Pension Administration and Head of Finance and Corporate Services	Ongoing dialogue with employers to identify problems early. Maintenance of significant available cash balances through the Treasury Management portfolio	**3**	I = VL P = M	**4**	I = L P = L	Enhanced monitoring of contribution receipt and cash flow Redirection of Engagement Officer resource to maintain contact with employers to provide early warning of issues Focussed support to employers with the greatest difficulties, for example support with data submissions *Comment 23.04.21* *No further change in assessed level of risk. Employer compliance remains high and the introduction of direct debit as a collection method has significantly reduced the risk in this area. Further assessment as to whether the risk can be removed at next update to the register.*	Head of Finance and Corporate Services Head of Pension Administration Head of Pensions Administration		23.04.21

Risk No	Risk Type	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Probability & Impact	Target Score	Probability & Impact	Risk Mitigation Action	Owner	Risk Change at Review	Last Review Date
O1	Operational	Failure to ensure the Authority protects the data it owns and the data it handles against inadvertent release and cyber-security threats.	Leading to ….. Loss of personal information resulting in reputational damage and censure by Information Commissioner; Loss of trust from partner organisations; Successful attacks by hackers or third parties; Disruption and delays.	Director	Data backup undertaken daily and backed up information removed from site; Disaster Recovery Procedures and Business Continuity Plan in place; External audit by third party organisations the Authority works with; Reporting of Incidents to Information Commissioner; Information Governance training included in the training programme; Independent Data Protection Officer established ; Contract management arrangements regarding the software provided by SY Pensions to third parties includes performance management consideration; Physical security of offices improved following relocation to Gateway Plaza	8	I = H P = L	6	I = M P = L	Bi Annual review of Business Continuity Plan. Data breaches reported to Local Pension Board quarterly for scrutiny. Data Protection Officer Assurance programme introduced. Reduction of in-house 'manual' mailing of personal data. Move to secure online communications with members where possible (e.g. Annual Benefit Statements).	IT Manager Head of Pensions Administration Head of Pensions Administration Head of Pensions Administration		23.04.21
			Cyber risk – the risk of loss, disruption or damage to the Authority or its staff/members due to its information technology systems and processes failing. Including risks to information, data security, as well as assets and both internal risks from staff and external risks from hacking and computer misuse.		Cloud based email management platform including targeted threat protection against email borne threats such as malicious URL's, malware, impersonation attacks and internally generated threats; ICT Security Policy and an effective system of governance in place; Mandatory GDPR/data protection and cyber security training for all staff; Comprehensive Patch Management Policy covering all desktop and server hardware/software; Annual ICT health checks and penetration testing via a CREST certification body; Cyber Essentials Plus Accreditation; Police vetting clearance for ICT staff; The principle of least privilege applied to all user accounts.					Cyber Security training identified for all staff; Develop an incident response plan to deal with incidents and enable the Authority to swiftly and safely resume operations; Establish an Incident Response Retainer; Migration to advanced cloud based Anti-Virus/End Point Protection solution; Database encryption of sensitive data. Penetration testing using mock "spearfishing" attacks being undertaken SMT approved additional training and implementation of new password policies *Comment 23.04.21* *No change in assessment on review. This risk remains and is likely to remain relatively high given our dependence on electronic data and the wider environment in terms of cyber-attacks etc. The annual cyber essentials assessment has provided further assurance in this area, but the probability of attack remains high.*	IT Manager		
O2	Operational	Failure to meet statutory requirements for disclosure of information to scheme members.	Leading to ….. Poor customer service and reputational damage. Censure and potential fines from the Pensions Regulator and other statutory bodies; Potential for inaccurate data to flow into the 2019 actuarial valuation process and to impact the correct calculation of member benefits.	Head of Pensions Admin	Production of the ABS is dependent on receipt of timely returns from employers. The updated Administration Strategy from March 2018 incorporates SLA's and improves upon them in terms of fines being levied for employers who are non-compliant; Production process for 2018 was brought forward to ensure sufficient contingency time; Joiner/leaver processes configured to meet statutory disclosure requirements.	9	I = M P = M	2	I = L P = VL	Introduction of monthly data collection from April 2018 removes reliance on year-end returns so production process will begin in June rather than July from 2019; ABS's to be issued online from 2019 which further reduces the production schedule and process can be managed fully in house; Administration performance reporting to Authority to focus on statutory compliance. Data Quality Improvement Plan to be implemented. Review of ABS process in light of 2020 issues including the quality (as opposed to timeliness) of monthly data submissions. *Comment 23.04.21* *Review of 2020 ABS process has identified improvements to project management and planning which are now being implemented. In addition compliance with all statutory disclosure standards is now being reported quarterly to the Local Pension Board providing greater visibility on this and in general not raising issues. A review of the assessed risk score will be undertaken following completion of year end procedures when it will be possible to*	Head of Pensions Administration		23.04.21

Risk No	Risk Type	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Probability & Impact	Target Score	Probability & Impact	Risk Mitigation Action	Owner	Risk Change at Review	Last Review Date
										see if the review of the 2020 ABS exercise is having a beneficial impact.			
03	Operational	Closure of Government Guaranteed Minimum Pension service and reconciliation exercise.	Leading to ….. Significant under/overpayments of existing pensions in payment causing member hardship and reputational damage; Workload pressures of adjustment to excess volumes of member records. Failure to maintain adequate records going forward.	Head of Pensions Admin	Reputable external provider appointed to meet initial HMRC deadline of 31 October 2018; External provider currently handling responses finally received from HMRC to all mismatch queries raised. The final report from HMRC will allow the external provider to carry out a full final reconciliation across the database before we move to rectification. The final reconciliation is expected to be a two month project.	**12**	I = H P = M	**6**	I = M P = L	Liaison with LGPS funds to aim to ensure consistent approach to rectification once reconciliation finalised. Assurance work to be commissioned once HMRC issue final liability report *Comment 23.04.21 The data received from the external provider is continuing to be assessed. It is anticipated that a programme of work to correct relevant records will be completed by XX*	Head of Pensions Administration		23.04.21
O4*	Operational	Significant reduction in productive capacity due to impact of the virus on sickness levels	Creation of backlogs of work and potential for missing key deadlines. Potential for backlogs of retirements to result in financial hardship and large arrears payments. Potential for backlogs of death cases to result in the need to recover large overpayments Failure to meet statutory deadlines for case processing and for issue of Annual Benefit Statements.	Senior Management Team	Monitoring of sickness levels and productivity through regular SMT Business Continuity calls. Clear criteria within which casework is prioritised. Risk of compliance failures raised with TPR at national level with request to consider flexibility if required. Annual Benefit Statement exercise to start in May rather than July to balance workloads.	**6**	I=M P=L	**12**	I=M P=H	Reassessment of priority activities to concentrate on those activities that directly impact: - The retirement process - Pensioner deaths and deaths in service - Payment of staff and supplier - Collection of all forms of income Redeployment of resources from support areas (Engagement, Technical UPM Team) to casework and from other corporate areas to financial processing. *Comment 23.04.21 Overall sickness is down on previous years and 2/3rds of the total is long term, although sickness generally is higher in Pension Administration. The evidence on the ground is that while productivity is not as high as we would want there is not a negative impact on customer satisfaction. The situation will continue to be reviewed in the light of moves out of lockdown and back towards the office.*	Senior Management Team	⬇	23.04.21
O5	Operational	Disruption to services due to failure to complete the works required to Oakwell House on time and on budget	This would require all staff to work at home for an additional period and there could be disruption and additional cost if the server infrastructure cannot be relocated before the end of the current lease.	Director	Key contract deliverable for the main contractor is aimed to facilitate relocation of the data centre prior to the end of the current lease even if the building works are not completed. Contract documents will be issued with as detailed a price as possible which should have the effect of mitigating the cost risk.	**12**	I=H P=M	**6**	I=M P=L	Further mitigations will become available when the contract for the main contractor has been agreed at which point the budgetary issues will become clear	Director	**NEW**	23.04.21
P1	People	Failure to maintain a suitably qualified and experienced workforce which reflects the community which the Authority serves.	Leading to ….. Continuing imbalances in the Authority's workforce which create the potential for a sudden loss of a significant amount of experience. Skills gaps through a lack of succession planning. Reputational damage through criticism of the lack of diversity in the workforce. Impact on productivity and organisational resilience.	Director	A structured career grade scheme supported by highly structured and exam based training is in place for a key group within the pension administration workforce. Procedures within pension administration are well documented. Identification of potential single points of failure and production of plans to eliminate them. Production of an HR and Organisational Development Strategy targeting these issues.	**9**	I = M P = M	**6**	I = L P = M	Full implementation of the HR and Organisational Development Strategy. Formalise workforce and succession planning arrangements Implement Management. Development Programme covering all staff with supervisory and wider management responsibilities. Identification of potential single points of failure and production of plans to eliminate them. *Comment 23.04.21 No change in assessment. Work to support the delayed plans in relation to strengthening arrangements for learning and development are being put in place and this should allow the risk score to be reduced later this year.*	Director		23.04.21

Risk Matrix

5 Very High	5	10	15	20	25
4 High	4	8	12	16	20
3 Medium	3	6	9	12	15
2 Low	2	4	6	8	10
1 Very Low	1	2	3	4	5
	1 Very Low	2 Low	3 Medium	4 High	5 Very High

PROBABILITY

Risk Score

Risk Score	RAG Rating
0 – 5	Low
6-14	Moderate
15-25	High

Subject	**Quarterly Administration Update**	**Status**	For Publication
Report to	Local Pension Board	**Date**	15 July 2021
Report of	Head of Pensions Administration		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jason Bailey	**Phone**	01226 772954
E Mail	JBailey@sypa.org.uk		

1 <u>Purpose of the Report</u>

1.1 To update Members on administration performance and issues for the period from 1 April 2021 to 30 June 2021.

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2 <u>Recommendations</u>

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 <u>Link to Corporate Objectives</u>

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. As expected now that the vast majority of vacant posts in the Administration service have been filled, there were limited movements in Quarter 1. The significant departure in the quarter was the Support and Engagement team manager. This team manages the liaison with employers and there will be some operational impact until a replacement has been recruited. This has, for example, resulted in a delay to the issuing of the employer survey (now scheduled for Quarter 2) and there have also been some delays in formalising the employer engagement approach, though engagement has been continuing with 'problem' employers.

5.4   To provide oversight to the Board, the table below also now shows the list of existing vacancies that remain in the Administration Service, as well as commentary on the status of these vacancies.

Starters	Comments
Pensions Officer x3	Entry level posts.
Customer Services Officer x2	Entry level posts.
Governance and Risk Officer	*Corporate Services team.*
Leavers	
Pensions Officer	Resignation - retirement
Support and Engagement Team Manager	Resignation – returned to former employer
Vacancies in Administration	
Support and Engagement Team Manager	Vacancy out to advert currently.
Apprentice x 2	Vacancies created by two internal promotions. To be filled in Summer 2021 now school leavers are available.
Communications Officer	Currently covered on casual basis by re-employment. Recruitment expected Q2.
Training Officer (secondment)	No applications received.

5.5 In terms of sickness absence, the table below shows the annualised absence levels for the administration service for the last quarter and the three previous full years for reference. Sickness absence remains consistent with 2020/21 and lower than earlier years. Half of the absence relates to long term absence which represents one individual. This is likely to remain the case for the next quarter due to the nature of the illness.

5.6 There was no Covid related absence in the period. Sickness levels will continue to be monitored in the light of the Government plans to remove the working from home guidance later this month.

Average Days per FTE (Admin Service only)	Q1 2021-22 Annualised	2020-21	2019/20	2018/19
Short-Term	2.3	1.5	3.14	2.53
Long-Term	2.4	3	4.71	11.23
Total	4.7	4.5	7.85	13.76

Case Work Performance

5.7 The reporting of performance has been updated in order that members can more easily compare like-for-like periods. The table below shows the casework volumes for the last two quarters, compared with the previous quarter but also compared with the corresponding quarter for the prior year for comparison.

Category	Volumes			Variance to Comparators	
	Q1 2021-22	Q4 2020-21	Q1 2020-21	To Q4 2020-21	To Q1 2020-21
Priority	1,182	1,384	1,255	(202)	(73)
Non-Priority	13,258	13,464	12,297	(206)	961
Overall	14,440	14,848	13,552	(408)	888

The team has experienced a small drop off in terms of priority case numbers (retirements and deaths). This is to be expected due to the increased level of death cases seen throughout the height of the pandemic and the team were also receiving a higher than average level of requests for early retirement, again as a result of the effects of the pandemic. It is expected that the team will continue to see a smaller number of death cases to process in the forthcoming reporting periods.

Members may be familiar with the table shown below which represents the performance against the service standards.

Category	Performance		
	Q1 2021-22	Q4 2020-21	Q1 2020-21
Priority	73%	79%	76%

Non-Priority	72%	71%	71%
Overall	72%	71%	71%

In producing this table, however, we had not previously updated the dashboard to reflect the changes made to the death process i.e. converting it from a single stage death process to two stages. Incorporating this change provides a much healthier percentage of priority cases completed within the KPI targets as shown in the table below.

Category	Volumes				Performance			
	Q1 2021-22	Q4 2020-21	Q3 2020-21	Q2 2020-21	Q1 2021-22	Q4 2020-21	Q3 2020-21	Q2 2020-21
Priority	1,561	1,620	1,778	1,432	88%	87%	89%	85%
Overall	14,890	14,759	15,242	14,690				

As can be seen, the performance increases from 73% to 88% within the KPI target.

The graphs below are intended to illustrate the trends in terms of work volume and completion rates. The second graph illustrates the Priority Work when correctly counting the death process as two stages.

Priority Work - 2 Stage Death Process

| | Q2 20/21 | Q3 20/21 | Q4 20/21 | Q1 21/22 |

Legend: ■ Volume ── Within target

Non-Priority Work

Legend: ■ Volume ── Within Target

Total Caseload

Legend: ■ Volume ── Within Target
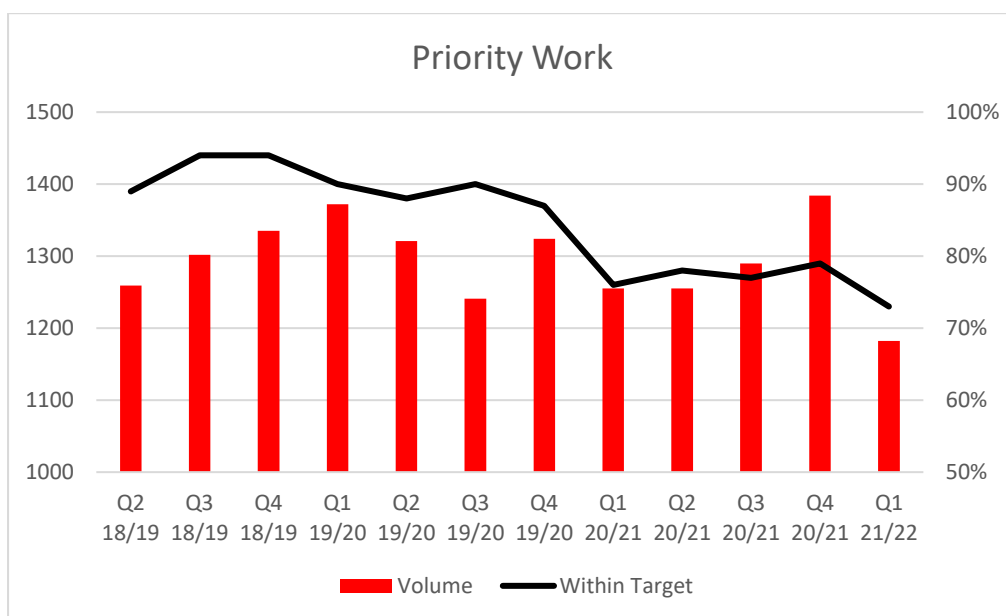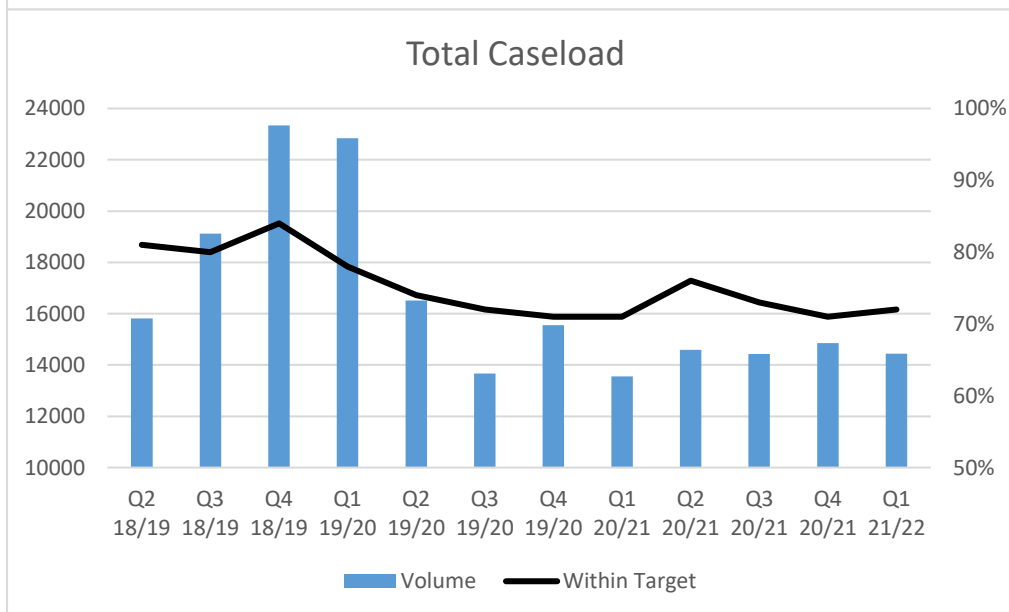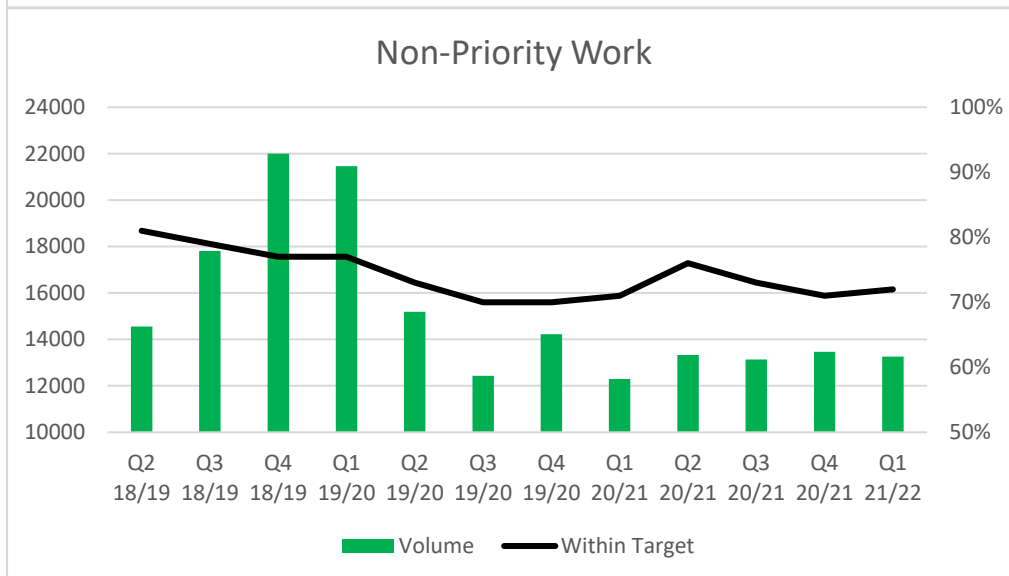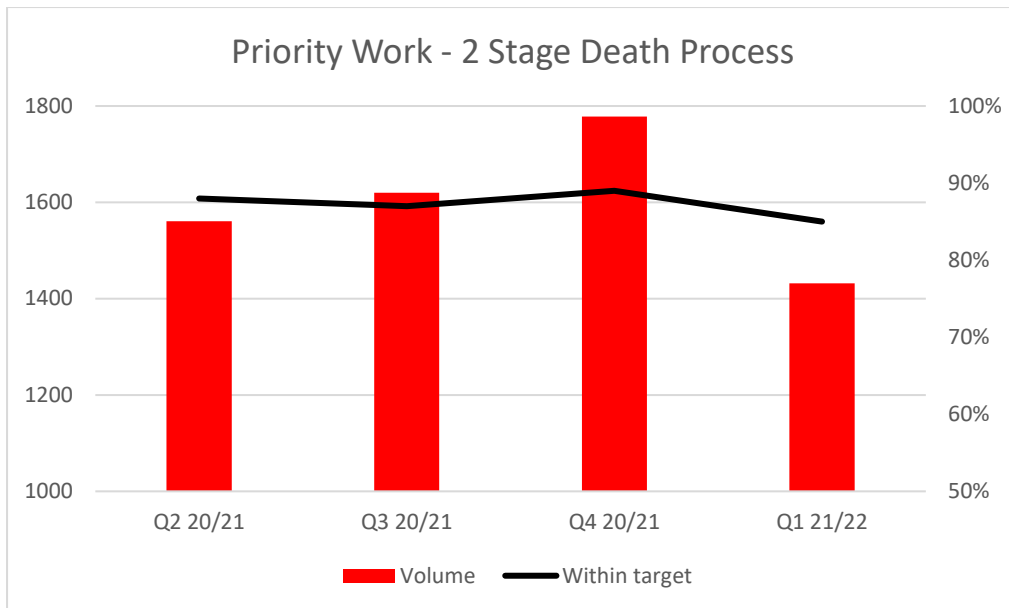
5.8 As anticipated last quarter, overall case load processing is relatively static and the anticipated increase in case work following the previous recruitment exercises has yet to materialise. This position will continue to be actively monitored but there is a recognition that a significant improvement may not be realistic until staff are able to return to the office for part of their working week.

5.9 The table below provides a summary of performance against the main subject areas. Performance levels have remained fairly static for the individual subject areas when compared with Quarter 4 in the main. The main exception to this is the reduction in the numbers of aggregations completed. This is because some of the staff who would routinely process these cases have been diverted to assist in preparation work for the Annual Benefit Statements (see later section of this report).

Case Type	Target Days	Q1 21-22 Volume	Q1 21-22 % on time	Q4 20-21 Volume	Q4 20-21 % on time	Q1 20-21 Volume	Q1 20-21 % on time	Comment
Priority								
Retirements	5	821	76%	825	77%	734	77%	
Deaths - Acknowledge	5	257	96%	408	98%			
Deaths - Payment	5	343	98%	545	99%			
Non Priority								
New Joiners	5	2370	86%	3090	63%	2106	90%	
Deferreds	20	843	68%	663	61%	951	49%	
Refunds	9	105	82%	108	82%	251	78%	
Transfers In	7	301	48%	311	58%	320	48%	
Transfers Out	5	316	68%	343	78%	272	76%	
Divorce	5	84	64%	85	79%	72	90%	
General enquiries	5	848	90%	896	90%	733	88%	
Estimates	5	1780	74%	1695	80%	1062	78%	
Aggregations	20	904	59%	1789	71%	2138	43%	See 5.9

5.10 At the last meeting, members of the Board were provided with a summary of cases outstanding at the end of Quarter 4 of 2020/21. The tables below update these to 30 June 2021. The first table shows cases in pending whilst we await information from third parties and the second table shows cases ready to be processed.

Case Type	Volumes of cases pending (awaiting external parties) End Q1	Volumes of cases pending (awaiting external parties) End Q4	Variance to prior reporting period	Volumes of cases pending (awaiting external parties) End Q1 (20/21)*
Priority				
Retirements	186	188	(2)	187
Deaths	196	223	(27)	166
Non Priority				
New Joiners	110	185	(75)	14
Deferreds	3558	3307	251	3768
Refunds	14	11	3	244
Transfers In	439	398	41	211
Transfers Out	250	204	46	167

Divorce	43	37	6	25
General enquiries	86	100	(14)	68
Estimates	1254	1156	98	871
Aggregations	525	480	45	533
Unprocessed Leavers	2116	1844	272	

Case Type	Volumes of cases to be processed/in processing End Q1	Number of active cases currently outside KPI measures	Volumes of cases to be processed/in processing End Q4	Variance to prior reporting period	Volumes of cases to be processed/in processing End Q1 (20/21)*
Priority					
Retirements	48	21	53	(5)	56
Deaths	50	7	43	7	54
Non Priority					
New Joiners	99	14	159	(60)	125
Deferreds	520	363	540	(20)	356
Refunds	11	2	23	(12)	211
Transfers In	115	73	154	(39)	107
Transfers Out	67	19	100	(33)	84
Divorce	25	4	25	-	9
General enquiries	61	26	72	(9)	48
Estimates	246	92	401	(155)	355
Aggregations	3397	3160	3299	98	3133
Unprocessed Leavers	2592**	2534	2922	(330)	

5.11   At the last meeting, Members requested some insight into the expected volumes of case work to be processed as part of 'business as usual'. We have attempted to demonstrate this by adding an additional column into the table above to show the numbers of cases that are outside of our KPI target measures. The two areas of particular concern are highlighted in the table above. We have explained to members previously that we are undertaking a project to introduce a means of processing the leavers either by the use of automated tools or via bulk processing (or more likely a combination of both). This project is taking longer than anticipated but it is hoped to be able to share some outcomes from this project at the end of Quarter 2 with the Board. For aggregations, a separate piece of work to reduce these backlog volumes significantly over the next six months as per our Corporate Strategy will resume shortly now that preparation work for the annual benefit statements is nearing completion.

Statutory Disclosure Reporting

5.12   The Board previously requested some additional information about reporting performance against statutory disclosure requirements. The time limits for statutory disclosures are less rigid but they often measure different time scales to those historically measured by SYPA. As mentioned previously, we have developed our reporting in this area following the appointment of the Benefits Team Manager in Summer 2020 and **Appendix A** shows the Quarter 1 report for the areas covered under the various disclosure regulations. The Appendix provides some level of assurance that statutory targets are generally being met in the main areas. In general this data shows 100% compliance in terms of areas that SYPA can control and even where measures include the time required to receive

information from employers the level of compliance is extremely high. This does give us some pointers as to areas where further engagement with, and training for, employers could be beneficial.

Employer Performance

5.13   Members will be aware that employers now submit individual data on a monthly basis and we previously reported that commitment from employers to the monthly data collection process has been good. There was concern that Covid-19 would have impacted the ability of some employers to deliver the monthly submissions. However, this does not seem to be the case and submissions have continued to be provided. The tables below show the **current** position of monthly returns received in respect of the last three months.

	Number of returns expected	Returns received	**Currently** Outstanding	% Completion Rate	Total Scheme Members not submitted
Mar 2021(due Apr)	535	530	5	99%	33
Apr 2021 (due May)	532	527	5	99%	33
May 2021 (due Jun)	532	527	5	99%	33

5.14   Fortunately, the vast majority of employers have continued to provide the monthly returns even in these difficult circumstances and this is beneficial because it is now directly linked to the collection of contributions via Direct Debit (see below). An additional (highlighted) column has been added to the table above to provide some context to the missing returns. This shows the total number of scheme members that should have appeared on the monthly returns that are yet to be received.

5.15   The 5 missing returns for each of the months above relate to new employers joining the fund in 2021 and the Support and Engagement team is working with the relevant employers to ensure they are in a position to submit the necessary monthly data.

Individual query employer reporting

5.16   Last year we starting 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 starter or leaver forms (where additional information is required beyond that included on the monthly returns); confirmation of hours changes; confirmation of personal details, etc.

5.17   The Board previously requested that the reporting be updated to reflect the actual performance of key employers for each quarter so that the trends could be more effectively monitored. **Appendix B** therefore ***broadly***** shows the performance in recent quarters for the employers or payroll providers with the highest volumes of queries. ** We are also aware that, currently, further development work is needed with the employer query system to provide more accurate reporting (for example, a query resolved by an employer outside of the portal will not currently be marked as complete) but the current system is still useful in highlighting the direction of travel for the larger employers.*

5.18   Members will note that the trend analysis does clearly indicate an increase in the volumes of outstanding queries for Rotherham and Doncaster Councils (both administered by Rotherham payroll services. This should be viewed though in the context that the number of queries has increased substantially as a result of processing backlogs of monthly data files and the overall volumes of queries answered has increased accordingly. The joint project group between SYPA and Rotherham MBC continue to meet fortnightly to discuss progress with the individual queries (and the monthly data files) and we do expect to see a reduction in outstanding volumes as additional resource has been dedicated to this area by Rotherham MBC.

5.19   We mentioned to the Board previously that the Support and Engagement team were developing a more structured escalation approach to the engagement process (from informal initial engagement through to the application of penalties for non- compliance) and it was proposed to include this in future reporting. This work has been delayed slightly by the departure of the Team Manager but is expected to be available for Quarter 2.

5.20   Note that the case completion rates showing the percentage 'in time' are based on our own internal targets for expected response levels which are 5 working days for urgent queries and 20 working days for standard queries. It is also the fact that there is a direct relationship between the number of members an employer has and the number of queries. Thus it would always be expected that Sheffield CC as by some margin the largest employer would have more queries. Their positive progress in reducing the numbers of queries outstanding following engagement should be noted.

Contribution Payments

5.21   Members may recall that SYPA moved to the collection of contributions via Direct Debit from 1 April 2020. Once lockdown commenced, the Senior Management Team recognised that a number of employers would be likely to have difficulty in completing the Direct Debit mandates because of the requirements around authorised signatories and the need for a 'wet' signature to comply with banking regulations. On balance, the decision was taken to proceed with implementation of the new arrangements with the understanding that some flexibility would be required.

5.22   The tables below shows the status of payments for the last 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.

	Feb 21	Mar 21	Apr 21
Employers Paid by Direct Debit (on time)	470	469	465
Employers Paid on time by BACS	44	44	61
Payment received late by BACS (see 5.23)	18	17	0
Payment outstanding (see 5.24)	4	4	4

5.23   The employers showing as paying late previously primarily relate to a small contract caterer (Mellors) with a number of contracts with unusual pay cycles where the payment

was received up to 3 days after the due date. This issue has now been resolved and BACs payments have been submitted on time since April.

5.24 The payments outstanding all relate to new bodies who have not yet submitted their monthly data files (see earlier report on employer submissions). The Support and Engagement team are working with these employers to ensure the data is submitted and this is expected to be resolved very shortly. Interest will be applied to the contributions.

Scheme Member Engagement – Customer Satisfaction

5.25 The Authority is 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 February 2021, March 2021 and April 2021 who provided an email address..

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	64%
Satisfied	26%
Dissatisfied	8%
Very Dissatisfied	2%
Total Number of Respondents	133 out of 596 issued

5.26 The percentage of members in the green category has slipped slightly to 90% (previous surveys were above 90%). Analysis of the 10%, which represents 12 members, was around comments made regarding poor communication between SYPA and employers, suggesting that employers took too long to provide the information needed to process benefits, and in some cases resulting in members having to chase the employer themselves.

5.27 This has been a common theme in recent surveys and, in response to this, the Head of Pensions Administration will be chairing a project group to investigate ways in which we can improve information flows between employers and SYPA when an individual signals their intention to retire.

Scheme Member Engagement – Customer Centre

5.28 Members of the Board will be aware that the Customer Centre was launched on 1 January 2020 to provide a single point of contact for scheme members and employers. Feedback for the Customer Centre has been positive overall. An electronic survey was issued to 3,293 members with an email address who had reason to contact us by phone over the months of February, March and April 2021 to ask about their experience of our service delivery and for ideas on service improvements. The results of the survey are shown below.

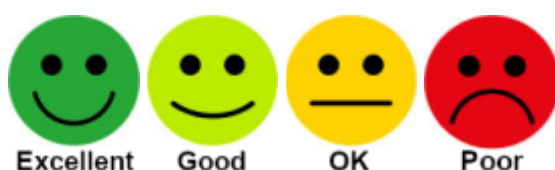| Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	59%
Satisfied	27%
Dissatisfied	10%
Very Dissatisfied	4%
Total Number of Respondents	443 out of 3,293

The 14% who were dissatisfied represented 62 individuals which is a slight increase on previous levels. Although not all provided further information, one member commented that they were dissatisfied about the length of time it's taking to transfer benefits. Another member was concerned that their online record wasn't showing any pension contributions being made when they have their wage slip to prove it, and one member had problems setting up an AVC with Prudential saying they totally inefficient and impossible to contact.

We have nearly completed the process of bringing our backlog of monthly data collection files up to date and contribution records will be available to members online. Regarding AVCs and Prudential, we are very much aware of the issues with our AVC providers and how frustrating this is. We are in discussions with Prudential in terms of the level of service that both SYPA and members expect.

Separately, the administration service also offers a Live Chat facility via the website and we ask members using this facility to feed back at the end of the Chat. The feedback for the months of February, March and April 2021 is shown below. The 5% who were dissatisfied represents 13 members and, although not all members left comments, there were three who mentioned the time it took to reply in live chat. This may be an internal training issue and is being followed up.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied – (Great)	60.4%
Satisfied – (Good)	34.4%
Dissatisfied – (Bad)	1.2%
Very Dissatisfied – (Poor)	4.0%
Total Number of Respondents	250 out of 910 chats started

5.29   Email is an important channel for many of our members and, from October 2020, we have also now started to monitor customer satisfaction levels with our email responses by embedding "click face" surveys into our email signatures (see example below).

For the second time, we can provide a complete set of results for the quarter and the table below shows the overall satisfaction levels for February, March and April 2021.

Q. Overall, how satisfied are you with the service you receive from us?	
Excellent	49%
Good	23%
Ok	8%
Poor	20% (8 members)

Total Number of Respondents	39 out of 1,560 emails sent

On the face of it, 20% of respondents who rated the email poorly is a lower level of satisfaction that we would normally see through other communication channels but this should be seen in the context that it represents 8 responses from 1,560 emails issued. Again, not all members provided further information but we do follow up with those members who leave contact information. One dissatisfied member said they had to contact us three times to get the information they required for benefit purposes. In the first instance we will direct members online as this information is readily available through their online account. Should a member insist on written confirmation we explain the timescales for providing the information. We will continue to feed back to the Board on the results of this email engagement in future reports.

Scheme Member Engagement – online portal

5.30   Members may recall that we have been carrying out an exercise to encourage all scheme members (regardless of status) to sign up to use the online portal which was enhanced and expanded in 2019. **Appendix C** shows the numbers of scheme members who have registered for the portal since April 2019 and these numbers are continuing to increase.

5.31   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.

Annual Benefit Statements

5.32   Members of the Board will be aware of the delays with the Annual Benefit Statements (ABS's) exercise for active members in 2020. We previously agreed to continue to keep members updated on the progress towards the 2021 exercise. In order to produce ABS's it is necessary to ensure that the monthly data files from employers have been fully processed by SYPA up to the end of March 2021. Members may recall that SYPA previously had a backlog of processing in this area but significant additional resource has been allocated to this task over the last quarter and 99% of all employer files have now been fully processed up to the end of March 2021.

5.33   This has enabled the production of ABS's for active members to commence and it means that SYPA can phase the production of ABS's over a longer period of time than had been possible in previous years – reducing the demands on the Customer Centre when members make contact with queries on their statements. There do not appear to be any remaining barriers to completing the entire exercise for active members well ahead of the 31 August deadline.

5.34   A separate exercise to prepare for production of deferred member annual statements is also nearing completion and these will be issued during the month of July 2021. Although this is later than had been previously anticipated, the deferred annual statements will also be issued ahead of the statutory deadline.

5.35   Separately, we have continued with an internal working group meeting fortnightly which is reviewing all aspects of the Monthly Data Collection process and is focussed on a number of key areas highlighted to the Board previously:-

- Short-term fixes and long-term enhancements to the Monthly Data Collection process to remove the significant levels of manual intervention currently required when data from employers is not as expected;
- Early identification and intervention of poor data quality submissions from employers;
- Targeting employer support and training where required
- Ensuring all information required from employers is received in a timely manner to deliver the 2021 Annual Benefit Statements significantly ahead of the 31 August deadline.

Scheme communications

5.36 The Board are generally notified of global communications issued to member and employers. The latest newsletter for employers in the fund has just been issued and a copy is attached as **Appendix D** for information.

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**

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Ref	Process	The Regulations that apply	The time limits	Number of Cases Q1	SYPA compliance within disclosure Q1	SYPA Compliance when exclude time waiting on third party Q1	Number of Cases Q4	SYPA compliance within disclosure Q4	SYPA Compliance when exclude time waiting on third party Q4	Number of Cases Q3	SYPA compliance within disclosure Q3	SYPA Compliance when exclude time waiting on third party Q3	Number of Cases Q2	SYPA compliance within disclosure Q2	SYPA Compliance when exclude time waiting on third party Q2
	JOINING & CONTRIBUTING MEMBERS														
1	**Joiner** (Applies to all new joiners)	The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 - SI 2734 Regulation 6 - Basic scheme information	Basic information about the LGPS must be provided to a member within one month of receiving jobholder information telling us that the member has enrolled or re-enrolled under the Automatic Enrolment Regulations, or if not, within two months of the date that they became an active member.		NA. This is an employer responsibility, though we may wish to measure our own documentation.	NA. This is an employer responsibility, though we may wish to measure our own documentation.									
2	**Transfer Value In - Quotation** (Applies to all contributors or prospective contributions who are enquiring about transferring benefits in)	The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 - SI 2734 Regulation 14 - Transfer credits	A statement, containing details of the cash equivalent transfer value provided by another scheme and what transfer credits this would buy in the LGPS, must be provided to a member or prospective member within two months of the date of their request. The two month time limit includes the time taken to obtain transfer value information from the ceding scheme.	111	**96.40%**	**99.10%**	265	**95.09%**	**100%**	94	**97.87%**	**100%**	132	**100%**	**100%**
3	**Transfer Value In - Payment** (Applies to all contributors who have elected to transfer benefits in)	Pension Schemes Act 1993 Regulation 99 - Trustees duties after exercise of option The Local Government Pension Scheme Regulations 2013 - SI 2013 No. 2356 Regulation 73 - Notification of first instance decisions	If the member makes an election to transfer, a Club or non Club transfer in payment must be sent by the previous scheme (possibly via the scheme member) within six months of the date the quotation was issued. The six month time limit should include the requirement to issue a 'first instance decision' of the effect of the transfer credit on the members LGPS benefits under Reg 73 of the LGPS regs ("notified of it in writing by the body which made it as soon as is reasonably practicable after the decision is made".)	87	**100%**	**100%**	96	**100%**	**100%**	95	**100%**	**100%**	187	**100%**	**100%**
4	**Active Member Benefit Statements** (Applies to all contributors who were contributors on 31 March)	The Local Government Pension Scheme Regulations 2013 - SI 2013 No. 2356 Regulation 89 - Annual benefit statements (Also Section 14 Chapter 25 Public Service Pensions Act 2013)	Annual benefit statements as at 31 March must be provided to active members no later than 31 August. If a member makes a request in writing to receive it earlier, it should be supplied to the member unless there is a reason why the Administering Authority is unable to do so.	Not Due until 31/8/2021			Not Due until 31/8/2021			Not Due until 31/8/2021			46516	**See separate update in Admin report.**	
	MEMBERS WHO ARE LEAVING OR HAVE LEFT THE LGPS BEFORE RETIREMENT														
5	**Deferred Benefit - Notification of Entitlement** (Applies to any member who leaves before they have reached their normal pension age)	The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991 Regulation 27A - Information to be furnished to early leavers	Details of all the rights and options that a member has when leaving before their normal pension age must be provided to the member within two months of the date that the Administering Authority has been informed that they have left.	784	**69.26%**	**100%**	617	**69.53%**	**98.87%**	991	**94.50%**	Reporting to be developed	1615	**92.10%**	Reporting to be developed
6	**Transfer Value Out -Quotation** (Applies to leavers who are entitled to transfer out of the Scheme or contributors who want a quotation because they are due to leave shortly or for another reason)	Occupational Pension Schemes (transfer values) Regulations 1996 Part III - Statements of entitlement and calculation of transfer values - (11) Disclosure	Unless a CETV quote has already been provided within the last twelve months, a quote must be provided to the member within three months of the date that they make the request.	101	**64.36%**	**100%**	117	**82.91%**	**100%**	115	**86.09%**	**100%**	93	**91.40%**	**100%**
7	**Transfer Value Out -Payment** (Applies to any leaver who is entitled to a transfer out)	Pension Schemes Act 1993 Regulation 99 - Trustees duties after exercise of option	If the member makes an election to transfer, a Club or non Club transfer out payment must be issued within six months of the date the quotation was issued.	21	**100%**	**100%**	29	**100%**	**100%**	Reporting to be developed but 6 month time limit will have been met.	Reporting to be developed but 6 month time limit will have been met.		Reporting to be developed but 6 month time limit will have been met.	Reporting to be developed but 6 month time limit will have been met.	
11	**Deferred Member and Pension Credit Member Benefit Statements** (Applies to all deferred members, deferred pensioners and pension credit members who were deferred on 31 March)	The Local Government Pension Scheme Regulations 2013 - SI 2013 No. 2356 Regulation 89 - Annual benefit statements (Also Section 14 Chapter 25 Public Service Pensions Act 2013)	Annual benefit statements as at 31 March must be provided to deferred members no later than 31 August. If a member makes a request in writing to receive it earlier, it should be supplied to the member unless there is a reason why the Administering Authority is unable to do so.	Not Due until 31/8/2021			Not Due until 31/8/2021			Not Due until 31/8/2021			47843	**100%**	**100%**
	RETIRING & RETIRED MEMBERS														
12	**Immediate Payment of Pension - Offer** (Applies to all contributors who are entitled to the immediate payment of benefits)	The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 - SI 2734 Regulation 16 - Statement of benefits: non money purchase benefits	A statement containing retirement benefit information must be provided to the member within two months of the member's request.	802	**92.02%**	**100%**	913	**99.89%**	**100%**	766	**87.21%**	**99.48%**	977	**90.38%**	**99.80%**

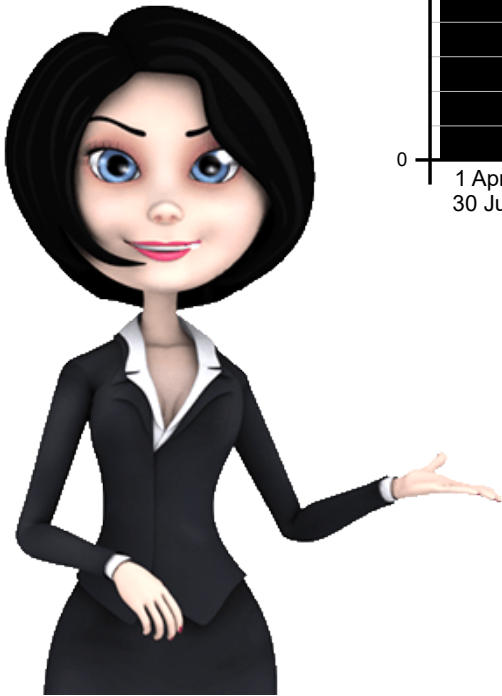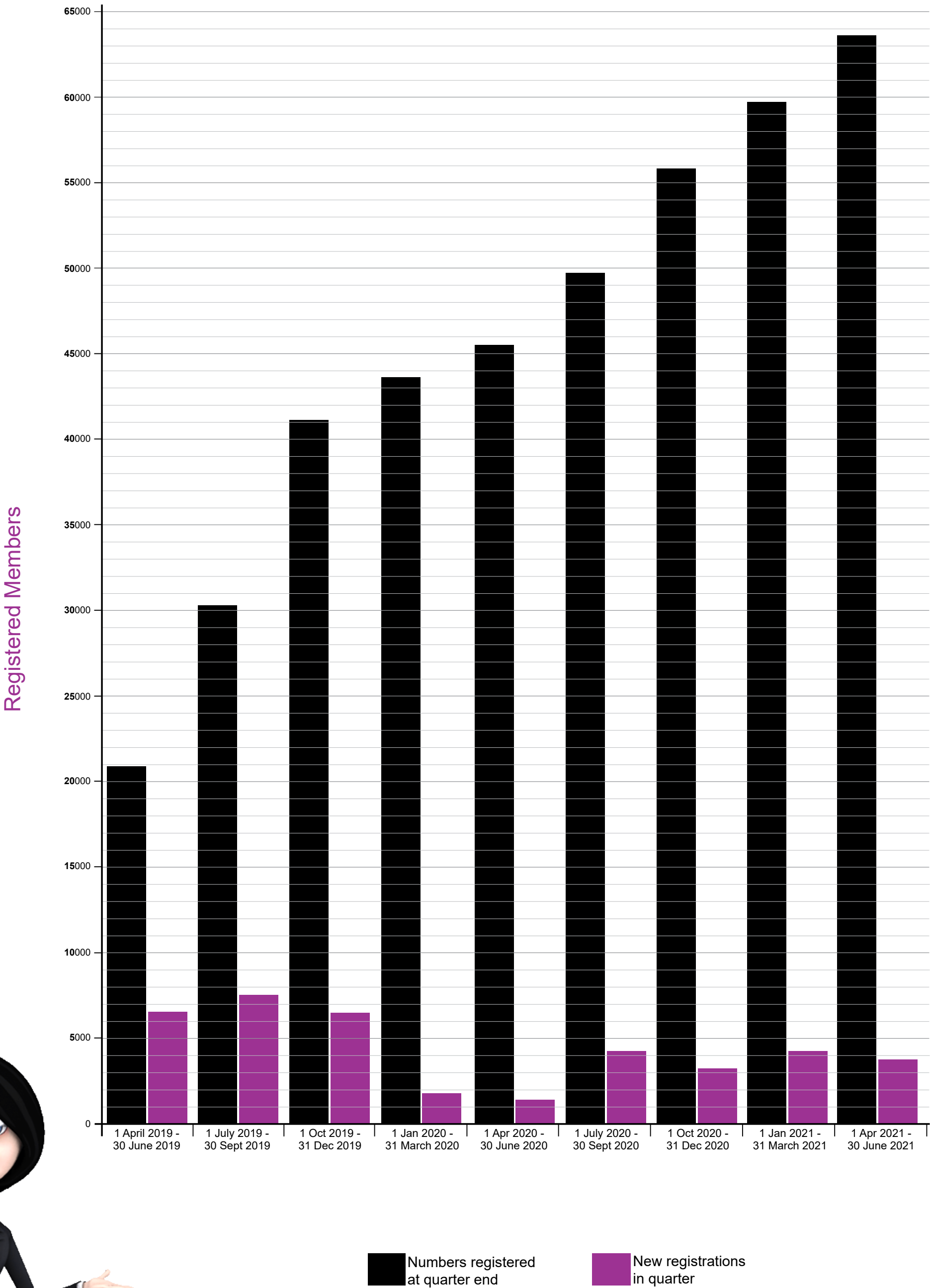| Ref	Process	The Regulations that apply	The time limits	Number of Cases Q1	SYPA compliance within disclosure Q1	SYPA Compliance when exclude time waiting on third party Q1	Number of Cases Q4	SYPA compliance within disclosure Q4	SYPA Compliance when exclude time waiting on third party Q4	Number of Cases Q3	SYPA compliance within disclosure Q3	SYPA Compliance when exclude time waiting on third party Q3	Number of Cases Q2	SYPA compliance within disclosure Q2	SYPA Compliance when exclude time waiting on third party Q2
13	**Immediate Payment of Pension - Payment** (Applies to all contributors who are entitled to the immediate payment of benefits)	The Local Government Pension Scheme Regulations 2013 - SI 2013 No. 2356 Regulation 73 - Notification of first instance decisions	A statement confirming the final amounts payable must be provided to the member as soon as is reasonably practicable.	777	**90.48**	**100%**	769	**83.88%**	**100%**	793	**86.63%**	**99.50%**	644	**97.67%**	**100%**
	ALL MEMBERS														
17	**Divorce information - quotation** (Applies to all members who need pension information required for divorce proceedings)	The Pensions on Divorce etc. (Provision of Information) Regulations 2000 Regulation 2 - Basic information about pensions and divorce	Information for divorce purposes must be provided within six weeks or a shorter period as specified by the court if court proceedings have commenced, or within three months if not.	55	**72.72%**	**100%**	68	**82.35%**	**100%**	55	**85.45%**	**100%**	66	**98.48%**	**100%**
18	**Divorce information - pension sharing order received - pre implementation** (Applies to all members who have had a pension sharing order made as part of their divorce proceedings)	The Pensions on Divorce etc. (Provision of Information) Regulations 2000 Regulation 7 - Provision of information after receiving a pension sharing order	Statements containing the listed information must be provided to the relevant parties within 21 days of the order being received	5	**100%**	**100%**	0	**--**	**--**	2	**100%**	**100%**	1	**100%**	**100%**
	BEREAVEMENTS														
22	**Death (all types)** (Applies to all beneficiaries)	The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 - SI 2734 Regulation 21 - Accessing benefits on the death of the member or beneficiary	Information must be provided to beneficiaries within two months of the Administering Authority becoming aware of the death.	343	**98.25%**	**100%**	408	**98.28%**	**100%**	340	**99.71%**	**100%**	324	**99.38%**	**100%**
		The Local Government Pension Scheme Regulations 2013 - SI 2013 No. 2356 Regulation 73 - Notification of first instance decisions	Information must be provided to beneficiaries as soon as is reasonably practicable.	257	**100%**	**100%**	545	**100%**	**100%**	443	**100%**	**100%**	400	**100%**	**100%**

Summary of Employer Queries Raised, Completed and Outstanding
Shown by Quarter for 10 Employers with highest total query volumes to up to 30 June 2021

Employer	Q2 2020/21			Q3 2020/21			Q4 2020/21			Q1 2021/22		
	Raised In Quarter	Completed In Quarter	Outstanding Quarter End	Raised In Quarter	Completed In Quarter	Outstanding Quarter End	Raised In Quarter	Completed In Quarter	Outstanding Quarter End	Raised In Quarter	Completed In Quarter	Outstanding Quarter End
[00600] Sheffield City Council	286	185	670	263	274	659	201	350	510	280	357	433
High	101	75	70	65	104	31	67	81	17	43	58	2
Standard	185	110	600	198	170	628	134	269	493	237	299	431
[00500] Rotherham MBC	230	81	355	174	125	404	151	79	476	274	181	569
High	64	38	32	75	81	26	43	46	23	56	67	11
Standard	166	43	323	99	44	378	108	33	453	218	114	558
[00400] Doncaster MBC	149	55	263	366	180	449	121	107	463	209	172	500
High	49	35	24	96	87	33	71	61	43	47	85	5
Standard	100	20	239	270	93	416	50	46	420	162	87	495
Capita	85	33	123	66	17	172	126	66	232	56	18	270
High	7	7	7	11	4	14	13	9	18	9	6	21
Standard	78	26	116	55	13	158	113	57	214	47	12	249
[00300] Barnsley MBC	70	45	87	48	64	71	37	36	72	91	82	81
High	45	33	21	29	37	13	24	21	16	32	43	5
Standard	25	12	66	19	27	58	13	15	56	59	39	76
[00295] The Chief Constable	43	23	74	38	35	77	18	22	73	31	51	53
High	15	17	6	12	11	7	8	9	6	16	18	4
Standard	28	6	68	26	24	70	10	13	67	15	33	49
[00224] Sheffield Hallam University	108	48	63	44	74	33	39	58	14	49	55	8
High	17	16	2	15	15	2	12	13	1	10	10	1
Standard	91	32	61	29	59	31	27	45	13	39	45	7
[00222] The Sheffield College	31	25	33	16	6	43	8	7	44	17	17	44
High	7	15	4	4	2	6	5	2	9	4	9	4
Standard	24	10	29	12	4	37	3	5	35	13	8	40
[00232] R N N Group	17	16	28	20	18	30	6	2	34	15	28	21
High	6	7	6	3	7	2	4	0	6	9	14	1
Standard	11	9	22	17	11	28	2	2	28	6	14	20
[00220] Barnsley College	14	16	9	1	10	0	3	1	2	8	10	0
High	3	5	1	0	1	0	1	0	1	3	4	0
Standard	11	11	8	1	9	0	2	1	1	5	6	0

mypension
SOUTH YORKSHIRE **PENSIONS AUTHORITY**

Registrations - **April - June 2021**

Registered Members

| | 1 April 2019 - 30 June 2019 | 1 July 2019 - 30 Sept 2019 | 1 Oct 2019 - 31 Dec 2019 | 1 Jan 2020 - 31 March 2020 | 1 Apr 2020 - 30 June 2020 | 1 July 2020 - 30 Sept 2020 | 1 Oct 2020 - 31 Dec 2020 | 1 Jan 2021 - 31 March 2021 | 1 Apr 2021 - 30 June 2021 |

■ Numbers registered at quarter end ■ New registrations in quarter

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employeenews

SOUTH YORKSHIRE PENSIONS AUTHORITY

Local Government Pension Scheme

Issue 4 **July 2021**

INSIDE THIS ISSUE

Just click on the page link below to take you to the article.

It's been a busy time of year for everyone involved in the financial services sector closing the old financial year and the start of a new one. For Pensions it's no different!

We've been busy engaging with you and your payroll providers to update the contact details on our records so we can target our communications to the correct people. This hard work has come to fruition as we have promptly received time sensitive information. So if you haven't replied to our email to update your contacts please do so as soon as possible. Remember, if you have any contact changes in the future, please up date us so that we can keep in touch with you!

Monthly Data Collection (MDC) and Annual Benefit Statements

When you submit your monthly file, see the upload success message… and breathe a sigh of relief, the work is just beginning for our processing team!

They have the important behind the scenes job of making sure the information you provide is loaded on to each individual scheme member's pension record on our database. The team may need to request further information from you. If this happens it means that, although we have your file, until you answer the query the file cannot be loaded.

Just ONE unanswered query stops the whole file from loading and it stops subsequent files being loaded.

Our team will be emailing employers that have any outstanding MDC queries. If you have any outstanding queries or receive an email please reply as a matter of urgency and also reply in MDC date order. This is especially important as we prepare to issue Annual Benefit Statements to members.

Why is the MDC so important? As well as being used to update scheme member's records with changes of name, address and working hours, it is the pensionable pay information we collect each month that directly determines the calculation of scheme members benefits.

For example, the pay figure provided under the CARE pay and any APC and APP fields is used to calculate the CARE pension build up for each year for an individual (see article below about APP).

Once all queries have been answered we're able to load contributions on to member records and run our Annual Benefit Statements. These statements must be issued in line with statutory timescales so it's imperative that you help us to resolve any outstanding queries.

Employee and Employer Contributions

An email was sent to all Employers showing the new Employee Contribution table to be implemented from 1 April 2021. As a reminder these can be found *HERE*. Your employer contribution rate can be found on *EPIC*.

Annual Benefit Statements

We have started running our year end program and will be in a position to start issuing statements shortly to employers who have answered all queries raised with them. Our statutory deadline to issue all statements is 31 August 2021.

Technical updates

Spring Budget 2021 - the budget was light on provisions for pensions this year. The most noteworthy announcement was that the standard lifetime allowance was frozen at its current level of £1,073,100 for the next five tax years (i.e. up to 5 April 2026), rather than continuing to increase in line with inflation. This change affects higher earners with large pension savings.

The Exit Payment Cap - the most welcome news since the start of the year was the revocation of the Public Sector Exit Payment Cap (better known as the 95k Cap). The Government conceded these regulations were not working as intended and disapplied the Cap from 12 February 2021. Any employers who had paid reduced Exit Payments between 4 November 2020 and 12 February 2021 were expected to put employees back in the position they would have been in as if the cap had not applied. However, the Government intends to legislate again to reduce the levels of Public Sector Exit Payments in the near future.

McCloud - we're still working with our software vendor to develop the solution for the proposed McCloud remedy. We'll be in touch with employers when we have more to share about what we need from you. Unlike some authorities who did not collect certain data under the 2014 Scheme, SYPA expects be in a strong position with regard to data requirements for calculating benefits in line with the remedy (pending legislation), but we will be asking employers to review and confirm that the data we hold is correct.

Employer Flexibilities - SYPA is updating its Funding Strategy Statement to incorporate the employer flexibilities for spreading exit debts, entering into "deferred debt arrangements", and reviewing contribution rates between valuations introduced by legislation from September 2020. We intend to run a consultation with employers on the proposed changes.

Annual Allowance

It's that time of year again where we will be asking you to reply as a matter of urgency to our request for pay information for members who we have identified as having a pensions growth of £40k+. The first tranche of queries will be for the high earners- members earning £90k and above.

We have improved the process and these queries will come under their own data form named Annual Allowance so that they can be easily identified. The data form also pre populates part of your reply so all you need to do is provide the figures!

Assumed Pensionable Pay

There are two different scenarios where Assumed Pensionable Pay is required:
1. To fill in the reduced/no pay gaps
2. To enhance the ill health/death in service pension.

Assumed Pensionable Pay - fill in the gaps

When a member is off work on paid child-related leave or long term sick then their pay will reduce but they are still deemed as being fully in the pension scheme. Therefore, the Employer has to work out the Assumed Pensionable Pay to uprate the member's pension.

Example where member is entitled to 39 weeks paid child-related leave

The APP is calculated on the 3 complete months prior to the reduction in pay and then used when the pay is reduced. Member pay drops 15/01/2021 so the Employer will use Oct/Nov/Dec regular pay /3 x 12 = WT APP. January's pensionable pay will be what she has earned from 1-14th January and then 17 days of APP to complete the month so APP x 17/365. February's pensionable pay would be APP/12 to get the monthly figure. If the member returned 15th Sept then you would use 14 days of the annual APP. Employer pays employers contributions on APP. The APP must be entered on the MDC.

Example where member is on long term sick and goes on half pay and then no pay

The APP is calculated as above and remains at the APP amount even though they may pass an April where they would have received a pay award. The APP will only increase if the member passes two 31st March's. On the second 31st March that they pass the APP is uprated by CPI.

Assumed Pensionable Pay - Ill Health/Death in Service Enhancement

When a member is awarded Ill Health Retirement on Tier 1 or Tier 2 or is a Death in Service, the pension is enhanced. The pension should be enhanced based on what they would have paid in the scheme going forward. Therefore, we need to use the Assumed Pensionable Pay immediately before the retirement/death.

Example where member is ill health retired 31/12/20 (tier 2 or above).

The Employer would use Oct/Nov/Dec notional pensionable pay to calculate the enhancement. The notional figure must include any regular payment the member would have received if they hadn't been off sick. This would be provided on the termination form as an annual figure.

Example where member dies in service 15/01/2020

Again the Employer would use Oct/Nov/Dec notional pensionable pay to calculate the enhancement as we are using complete months. This needs to include any regular payments the member received (or would have received). This would be provided as an annual figure and provided on the termination form.

Who to contact at SYPA?

For a more efficient service and to ensure we adhere to the Administrative Strategy please direct your emails to the correct area:

• Requesting Employer Led Retirement Costs/Quotes or enquiries relating to an individual scheme member, please direct your enquiry to Customer Services - **customerservices@sypa.org.uk**

• Employer Responsibilities, Valuations and Outsourcing, please direct your enquiry to-**support@sypa.org.uk**

• Engagement, Ill Health queries, arranging Training and Scheme Member Presentations, please direct your enquiry to - **engagement@sypa.org.uk**

• Queries relating to Direct Debits, please direct your enquiry to **directdebits@sypa.org.uk**

Members working less than 37 hours

We're currently undertaking an exercise to identify scheme members who've worked between 30 and 37 hours and urgently need your help. We've provided all employers with a spreadsheet showing all members with pre 2014 service who are on our pensions system as "full time" and we've asked you to provide the part time hours for those members from 2 May 1995 or from commencement if started after this date. If you've not completed this spreadsheet and returned it to **engagement@sypa. org.uk** yet, please do so as soon as possible.

employeenews

Training Sessions

Data Form Session
Wed 14 July 11am

Completing the Termination Form
Thu 15 July 11am
Tue 20 July 11am

Running Retirement Quotes
Fri 16 July 10am

Ill Health Retirement Session
Tue 13 July 10am
Wed 21 July 10am

Before booking on to a training session please visit our *training information page* to see the content and who it is aimed at.

Please contact **engagement@sypa.org.uk** before the session date to register your interest stating the session you would like to attend. A MS Teams invite will be sent nearer the date to join the session.

Bespoke training Sessions can be arranged for individual employers. Have a look at the Employer Presentations we already offer and get in touch at **engagement@sypa.org.uk** if there is anything that you would like a specific session on.

Accounting Disclosures

We've issued Accounting Disclosures to participating employers with an accounting year end date of 31 March 2021. During July we'll be contacting employers with an accounting year end date of 31 July or 31 August with an invitation and questionnaire for this year's accounting exercise. Please make sure to return these questionnaires as soon as possible so we can let the Fund Actuary know about any specific requirements you may have for this year's exercise. You can contact us about any queries you may have on this subject on *disclosures@sypa.org.uk*

Mercer tax advice service

Mercer provides actuarial services to SYPA but they also offer a tax advice service which may be particularly useful for your higher earning staff. We've agreed to publish details of the service on the Fund Actuary's behalf, given the complex lifetime and annual allowance tax issues which affect a small group of our members. Please see the enclosed one-page flyer and let us know if this service would be of interest to you and your employees. Please be aware that this service comes at a cost and would be charged to each employer.

lgps Regulations & Guidance

for you, for now, for the future

Please click on the link to see regulations and guidance from the LGPS Website.

http://www.lgpsregs.org/resources/guidesetc.php

https://www.lgpsregs.org/employer-resources/guidesetc.php

New for Employers are:
10 March 2021 -
Exit cap information note for employers

Make sure to keep up to date with your responsibilities as an employer and contact us if you need any training or support.

SUPPORT
ADVICE
ASSISTANCE
GUIDANCE
HELP

Remember to read the monthly LGPC bulletins as these often contain important information for employers. They can be found here: **https://www.lgpsregs.org/bulletinsetc/bulletins.php"**

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Subject	Review of breaches, complaints and appeals	Status	For Publication
Report to	Local Pensions Board	Date	15 July 2021
Report of	Head of Pensions Administration		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jason Bailey	Phone	01226 772954
E Mail	JBailey@sypa.org.uk		

1   Purpose of the Report

1.1   To update members on the latest available record of reported beaches and provide details of complaints and appeals for the period from 1 April 2021 to 30 June 2021.

_____

2   Recommendations

2.1   Members are recommended to:

    a. Note the breaches summary and comment on any further reporting requirements or actions

    b. Note the outcome of complaints received and comment on any further requirements

_____

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). Complaints and appeals provide valuable feedback on potential areas for improvement in administration

Effective and Transparent Governance

to uphold effective governance showing prudence and propriety at all times. The Pensions Regulator's Code of Practice 14 places focus on the requirements to manage breaches of the law and the importance of maintaining a system of recording breaches.

4   Implications for the Corporate Risk Register

4.1   The actions outlined in this report one method of working to mitigate risk O1 in the Corporate Risk Register which centres on the ability of the Authority to protect the data it owns and the data it handles.

5 Background and Options

Breach Reporting

5.1   The reporting of breaches was expanded previously at the request of members of the Board to include all the items listed in the latest breaches report which is now attached at **Appendix A.** Quarter 1 has seen three different individual data breaches. The first is a unique case where a tracing agency had previously identified an individual with the same name and date of birth as a scheme member and SYPA had incorrectly made payment to the wrong recipient. This appears to be a one-off incident with an error made by members of staff no longer employed by SYPA. Arrangements are being made for the overpayment to be recovered.

5.2   The second data breach was caused by a mistake from an external print company engaged to produce and issue P60s to pensioners. A full investigation has been carried out by the print company and it was a human handling error that caused the issue. The third breach was also down to human error in returning an original certificate to the wrong individual. A check has been added to the process to try and prevent this from recurring.

Cyber Security Incidents

5.3   In order to improve visibility for the Board, the breach report now includes details of cyber security incidents. Of the four incidents in the quarter, three related to phishing emails of various descriptions. Fortunately, the staff involved recognised that the emails were not legitimate and reported the incidents immediately to ensure that the network was not compromised in any way.

5.4   The fourth incident was an attempt by a hacker to gain access to our network via Mimecast. The access attempts were successfully blocked and some further changes have been made to ensure that only IP addresses from SYPA owned equipment can be used to access the Active Directory.

Complaints

5.5   **Appendix B** provides a summary of complaints received in the reporting period(s). As previously requested by members of the Board, the summary report includes commentary as to whether the complaints received were indicative of a wider process issue which may need review/improvement. We have also included a trend analysis to provide visibility for the Board on the level of complaints.

5.6   The total number of complaints received in the Quarter has unfortunately doubled to eight when compared with recent reporting periods. Of these though, six were outside of SYPA control as they related to actions taken by the scheme members themselves or were a result of delays from employers or third-party providers.

5.7   Of the two complaints that were broadly within SYPA control, one was from a retiring member who was unhappy with the delays in the release of their AVC fund. Although this was not directly an issue with SYPA, there was a flaw in that the member had not been offered an interim settlement of his LGPS benefits. The retirement process has now been modified to ensure that members with AVC funds are offered interim settlements if there will be a delay.

5.8   The second complaint was from an independent financial advisor who had been waiting for transfer information in respect of a scheme member. The delay was a result

of an employer but SYPA did not keep the IFA informed of the status, so staff have been reminded of the importance of issuing status updates.

Formal Appeals

5.9 During the reporting period, six Internal Dispute Resolution Procedure appeals were determined and the details are shown below. As referenced in the TPR update report, an additional column has been added to indicate whether the appeal response was issued within the timescales set out in the LGPS Regulations.

Ref	Reason for Appeal	Stage	Upheld?	Response within IDRP timescales?
DL	Member not eligible for ill-health retirement	Stage 2	No	Yes
MA	Member had incorrect payment date on deferred statement	Stage 1	See 5.10	Yes
MA	As above	Stage 2	As above	Yes
TH	Member not eligible for ill-health retirement	Stage 2	No	Yes
JT	Member not eligible for ill-health retirement	Stage 2	No	Yes
IS	Member claiming entitlement to a refund/transfer	Stage 1	Yes	No. Archived records needed to be retrieved

5.10 In respect of the appeal from MA, the member appealed under Stage 1 and Stage 2 as she wanted SYPA to honour an incorrect payment due date that had been included on her annual deferred benefit statements. Although the adjudicator could not agree to this as it would have been outside of the statutory LGPS provisions, the member was offered a compensation payment as a result of the error made.

5.11 With regard to the IS appeal, this related to a period of membership with South Yorkshire County Council in the 1980's. The member claimed they did not receive either a refund or a transfer at the time and unfortunately SYPA have not retained detailed archived records for this member which would verify that a transfer payment or refund had been made. In the circumstances, it has been agreed to offer the member a refund of contributions.

6   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**

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Year	Ref	Date Identified	Type of Breach (e.g. personal data, contributions, criminal activity, etc)	Description	Action Taken in Response to Breach	Possible Impact (Red/Amber/ Green)	Date Reported to Local Pension Board or Authority	Reported to Pensions Regulator or other statutory body (e.g. ICO)?	Reported to Data Protection Officer?	Details of any follow up actions taken/required or wider implications	Breach Open/Closed
2020/21	51	29/03/21	Payment to wrong member	Individual with same name and date of birth as our scheme member claimed payment of deferred benefits.	Overpayment being recovered	Green	15/07/2021 (LPB)	NO	NO	Correct member identified for payment of benefits.	Open pending any Board comments
2021/22	53	06/05/21	Personal Data	Member sent a P60 for themselves and a different member.	Apology issued and P60 destroyed	Green	15/07/2021 (LPB)	NO	NO	Printers carried out internal investigation and reported back.	Open pending any Board comments
2021/22	54	30/06/21	Personal Data	Wrong death certificate returned to NOK.	Apology issued and death certificate returned.	Green	15/07/2021 (LPB)	NO	NO	Check introduced to process to avoid future recurrence	Open pending any Board comments

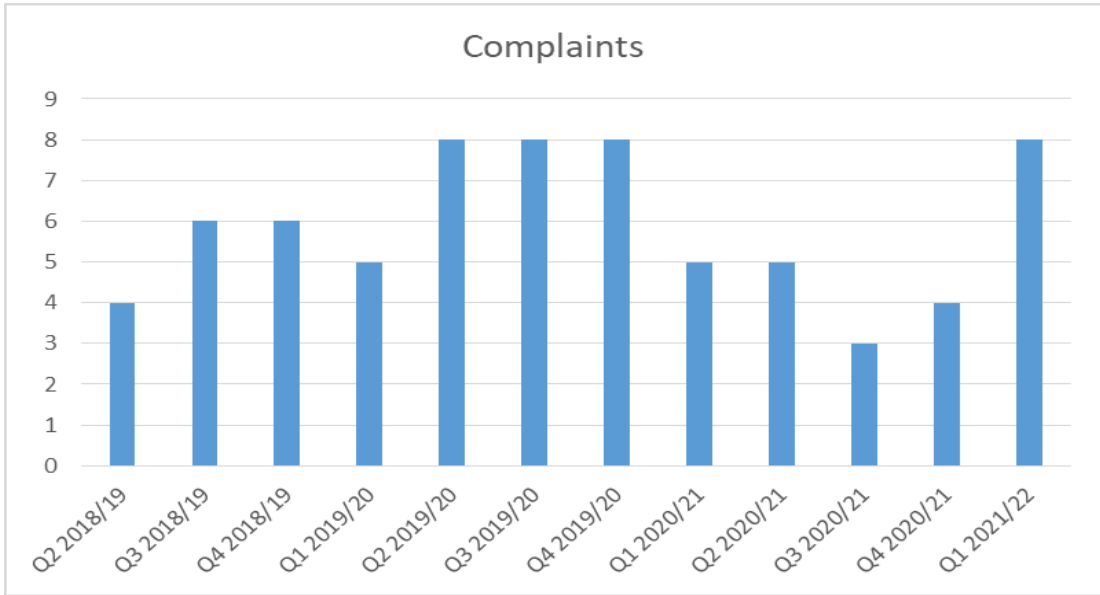| Year	Ref	Date Identified	Description of Cybersecurity Incident	Action Taken in Response to Incident	Date Reported to Local Pension Board or Authority	Reported to Pensions Regulator or other statutory body (e.g. ICO)?	Reported to Data Protection Officer?	Details of any follow up actions taken/required or wider implications	Incident Open/Closed
2021/22	CS6	06/05/21	Phishing Email received from ampf to member of investment team.	All users informed of phishing email. The URL in the attachment was also blocked.	15/07/2021 (LPB)	NO	NO	Phishing email testing is planned as part of IT work programme to check users remain vigilant.	Closed
2021/22	CS7	13/05/21	Email sent to an employer purporting to be from a member of our team.	All employers notified to be aware of email.	15/07/2021 (LPB)	NO	NO		Closed
2021/22	CS8	18/06/21	Active Directory account locked out for staff member. Troubleshooting revealed the attempts were from an external source via the Mimecast service.	Default authentication profile modified to only allow access from SYPA owned IP addresses.	15/07/2021 (LPB)	NO	NO	Mimecast account lockout thresholds reduced to 3 failed attempts.	Closed
2021/22	CS9	01/07/21	Phishing Email received purporting to be from CEM Benchmarking.	All users informed of phishing email. The URL in the attachment was also blocked. Checked for other recipients reciving email.	15/07/2021 (LPB)	NO	NO	Phishing email testing is planned as part of IT work programme to check users remain vigilant.	Closed

Appendix A

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COMPLAINT SUMMARY 1 April 2021 to 30 June 2021

Reference	Complainant	Nature of Complaint	Response issued within target response time?	Responsible party	Follow up actions required/taken?
C63	Active Member	Member unhappy at length of time taken to process retirement. SYPA currently waiting for information from Employer	NO	Third Party	Chased employer, updated member, settled benefits
C64	Deferred Member	Member unhappy at amount of forms required to transfer out of the Scheme	Yes	NA	Assisted member with correct completion of forms, finalised transfer. Benefits Team Manager is undertaking a review of transfer out forms to simplify for members
C65	Deferred Member	Member unhappy SYPA had not written out to tell them they could take benefits from age 55	Yes	NA	Retirement quotation issued with apology
C66	IFA	Member's IFA complaint concerning undue delay to receiving information. SYPA were awaiting information from former employer to issue correct information	Yes	Third Party/SYPA	Apology issued to IFA. Reminder issued to Benefits Team staff to update IFAs more frequently when waiting for information from employers
C67	Deferred Member	Member unhappy with time taken to confirm deferred benefits and supply transfer value. SYPA were waiting on information from their former employer	YES	Third Party	Deferment informaiton and transfer valued supplied together with apology for delays
C68	Retiring Member	Member unhappy at delay of benefits caused by being requested to resend information when scanned certificates were not complete	YES	Member	SYPA issued apology for ensuing delay, settled benefits as soon as possible after receipt of correct member forms
C69	Deferred Refund Member	Member unhappy with delay at paying out refund. SYPA were waiting on information from former employer	YES	Third Party	Apology and explanation of delay issued to member. Refund also resolved
C70	Retiring Member	Member contacted MP as unhappy at delay of benefit settlement due to delays with receiving AVC fund from Prudential.	YES	Third Party/SYPA	Apology and explanation of delays caused by Prudential issued. Member offered an interim settlement ignoring AVCs, with a recalculation and adjustment paid on receipt of AVC proceeds
Total for Three Months	**8**				

Complaints

Appendix B

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