

Delivering for our Customers — Corporate Performance Report

Quarter 1 2020/21

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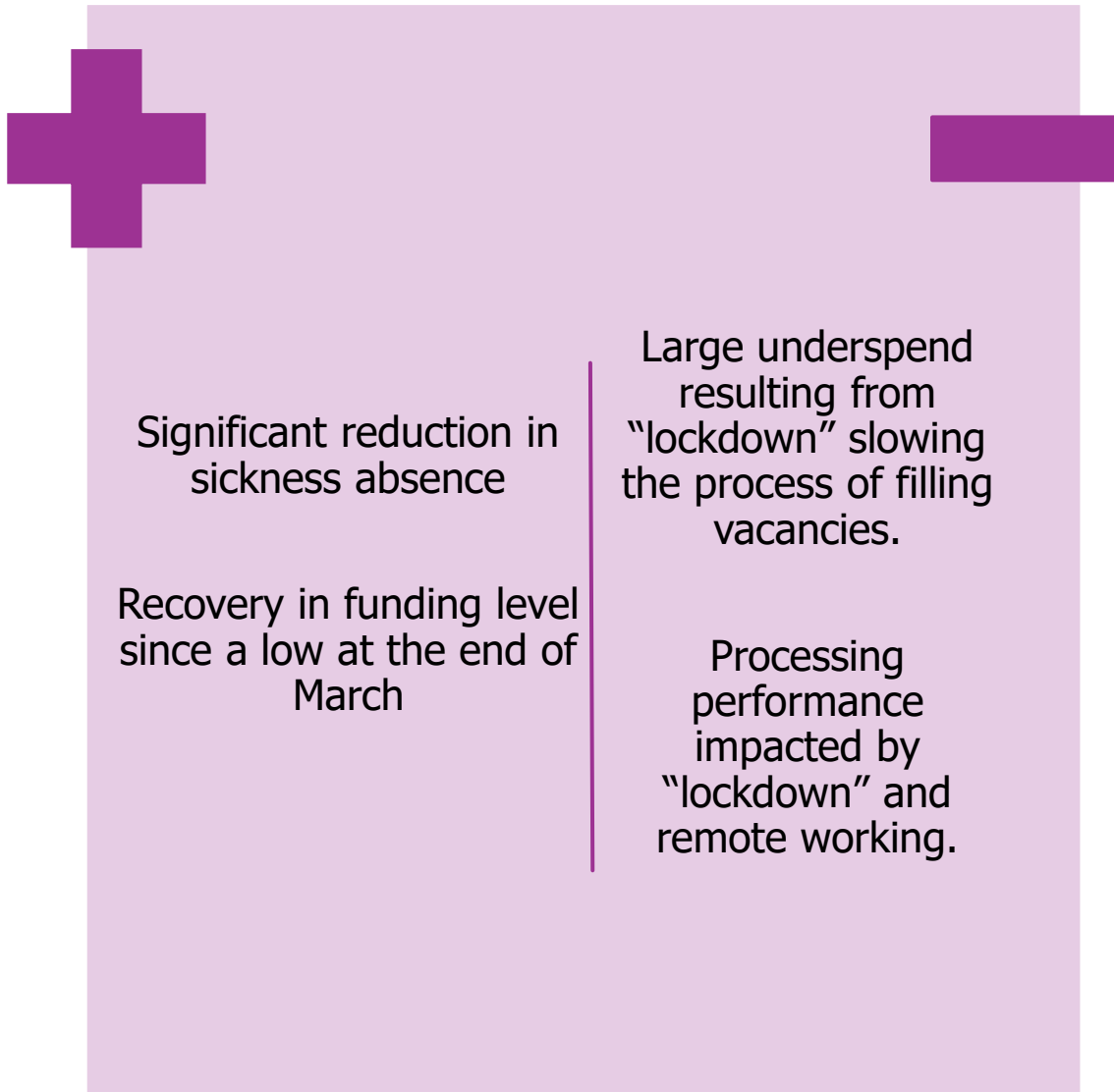
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1. Introduction

- 1.1 South Yorkshire Pensions Authority only exists to provide services to our customers whether they be scheme members or employers.
- 1.2 This Corporate Performance Report provides a summary view of overall performance in achieving the Authority's objectives; bringing together information on progress against the corporate strategy, a range of key performance measures, financial monitoring, and an ongoing assessment of the risks to the delivery of the Corporate Strategy. By providing this single view of how we are doing it will be easier for councillors and other stakeholders to hold us to account for our performance.
- 1.3 This report presents the information on overall performance during the first quarter of the 2020/21 financial year. More detailed information on the performance of the Authority's investments and the pension administration service during the quarter are contained in other reports which are available on the Authority's website.

2. Headlines

2.1. Key messages for the quarter are highlighted here. The detail and underlying context behind these are set out in the sections of the report that follow.



Significant reduction in sickness absence

Recovery in funding level since a low at the end of March

Large underspend resulting from “lockdown” slowing the process of filling vacancies.

Processing performance impacted by “lockdown” and remote working.

3. Delivering the Corporate Plan & Supporting Strategies

- 3.1 This section provides information on the progress we are making on delivering the various strategies which form part of our corporate planning framework.
- 3.2 The Corporate Strategy for 2020-2023 was approved in January and sets out a range of changes and improvements over the whole range of the Authority's activities that have been planned to take place over this three year period. In order to manage these more easily and provide clear accountability, these have been divided into programmes of work each led by a member of the Senior Management Team. These cover:
- a) Services to Scheme Members and Employers (MS) – which is linked to the corporate objectives around Customer Focus and Listening to our Stakeholders
 - b) Customer Service and Engagement (CS) - which is linked to the corporate objectives around Customer Focus and Listening to our Stakeholders
 - c) Delivering the Investment Strategy (IS) – which is linked to the corporate objectives around Investment Returns and Responsible Investment; and
 - d) Supporting the Corporate Organisation (CO) – which is linked to the corporate objectives around Effective and Transparent Governance and Valuing and engaging our Employees.
- 3.3 The following tables provide updates in respect of developments that have taken place during the quarter in delivering these programmes of work, as well as updates in respect of activity that has taken place to deliver on the separate strategies for ICT, Human Resources and Equality & Diversity.

Corporate Plan Deliverables	Start	Finish	Progress Update / Activity Quarter 1	On Target
[MS4] Conduct a “lessons learnt” review on the 2019 Valuation Process with a view to identifying improvements for the next cycle.	Mar-20	Jun-20	This will be addressed separately on the Authority agenda.	✓
[MS5] Provide additional support to staff to maximise their effectiveness > Create a Technical Training Officer Post (through internal secondment) funded from part of the additional investment in learning and development in order to progress staff through the career grade more quickly and give greater access to training support.	Mar-20	Ongoing	The creation of the Training Officer secondment was deliberately delayed because of the practicalities of delivering a practitioner training role during the period of remote working. This is being advertised in September now that a number of staff have returned to the office and practical training can be delivered in person, supported by remote delivery where required.	✓
[CS2] Implement UPM Contact Manager module in order to provide effective support for the operation of the Customer Centre.	Jan-20	May-20	The module is in operation for the Customer Centre and working well in terms of providing management information on the nature of calls. The module will be developed further over the next six months to include automated prompts to assist Customer Centre staff with 'in-call' handling.	✓
[IS1] Implement the revised Investment Strategy; including the transition of assets to new Border to Coast products and recommendations in relation to the future of the agricultural portfolio.	Mar-20	Mar-23	The equity protection policy rolled off during the quarter and changes to the investment strategy will start to be implemented during the second quarter. The next transition of assets to Border to Coast will be the index-linked gilts which is due to happen in the third quarter of the year.	✓
[IS3, IS4] Implement paperless processing of investment transactions and custodian bank statements.	Jan-20	Jun-20	This was fully implemented in March 2020, slightly earlier than planned due to the impact of COVID-19 and the UK lockdown which necessitated remote working. Fortunately, the new processes had already been designed and so we were able to put these into action as soon as this was needed.	✓
[IS7] Replace the current investment accounting system with alternative arrangements appropriately scaled to the requirements of what will be an externally managed fund.	Jan-20	Mar-21	An alternative investment accounting system has been identified and information gathered from the supplier and also from other Funds who currently use this system. This will be progressed further during Q3.	✓

Corporate Plan Deliverables	Start	Finish	Progress Update / Activity Quarter 1	On Target
[CO1] Replace the Authority's Business Systems covering Finance, HR, Staff Payroll and Time and Attendance. Phase 1 – Scoping, specification and procurement.	Feb-20	Mar-21	Phase 1 is in progress; a couple of demonstrations of different financial systems have been held. This is a large project that will be supported by the new Project and Improvement Lead due to be appointed in Q2.	✓
[CO2] Implement learning and development tools to improve the links between appraisal and training delivery maximising the benefit of the additional budget investment in learning and development: > Initial changes to the appraisal system to address Internal Audit recommendations.	Jan-20	Mar-20	In response to internal audit findings, new documentation for both appraisals and 1:1's was agreed during March/April 2020. The new appraisal document was used for the annual appraisals taking place during the first quarter. A corporate time frame across the organisation was not set yet due to the other priorities resulting from the lockdown. Now this pressure has eased, we will carry out any further steps required and will shortly be launching appraisal guidance for managers.	✓
[CO4] Identify preferred option for the Authority's long term accommodation needs.	Jan-20	Dec-20	Consultants appointed to carry out an options appraisal and initial workshops and market survey undertaken. Project currently on track to deliver for member consideration in January 2021.	✓
[CO7] Roll out Office 365 to ensure the Authority has access to a regularly updated suite of core application software across the whole estate.	Jan-20	Dec-21	A trial of MS Teams is underway to test infrastructural requirements for full rollout of Office 365.	✓
[CO8] Introduce Agile Working approach across the whole organisation supported by a funded programme of hardware replacement.	Jan-20	Mar-23	The Authority has already moved to a forced Agile Working approach in the short-term as a result of external events! Longer term arrangements will be reviewed over the next six months.	✓

Information and Communications Technology Strategy	Activity this Quarter	On Target
Developing and maintaining our ICT infrastructure to meet the needs of an increasingly agile organisation	The roll out of a new telephony solution (3CX) was completed during the quarter, providing all members of staff with access to their office line remotely. Server hardware replacements were completed and fibre connectivity to the Authority's datacentre was upgraded to improve remote working capacity.	✓
Using technology to support a step change in the way customers access our services	In response to COVID-19 restrictions, a virtual meeting facility is being developed to facilitate 'Pension Information Sessions' with individual scheme members. The same technology (MS Teams) is also being utilised to deliver training sessions to Scheme Employers.	✓
Using technology to deliver efficient business processes	Work has continued with the testing and development of process automation tools and the functionality for members to retire online but progress has been hampered by re-prioritisation of resource to core BAU functions following COVID-19. All staff are now using Office 365 Teams functionality for internal/external meetings and collaboration.	✓
Keeping data safe and secure	A new Cyber Security Reporting Policy and Incident Management Policy have been implemented.	✓

HR Strategy	Activity this Quarter	On Target
Developing the Current Workforce to meet the Needs of the Organisation	Corporate training has been limited during this first quarter due to the immediate response to COVID-19. However, some training for new starters has been done remotely and a number of Manager Guides have been developed to assist managers.	✓
Recruiting a Workforce for the future	Work is commencing on a review of the Recruitment and Selection Policy which will incorporate lessons learned and good practice introduced as a result of working remotely.	✓
Retaining a high quality workforce	Career development training and professional training has continued throughout this quarter, along with Induction for new starters. The method of delivery has had to be changed due to COVID-19 but it still remains a priority for the organisation.	✓




Equality & Diversity Strategy	Activity this Quarter	On Target
Promotion of equality and inclusion, helping to bring people from different backgrounds together through engagement activity with scheme members and employers	Engagement has commenced with E&D contacts at Sheffield City Council to share ideas for best practice that can be applied to a small organisation.	✓
Decision making processes informed by a robust and clear impact assessment process	No activities requiring impact assessments carried out in this quarter.	✓
A diverse workforce that reflects the customers we serve	New channels of advertising have been used this quarter which has attracted applicants from a wide range of backgrounds and increased the visibility of the organisation and the number of applications.	✓
Workforce culture, environment, policies and practices that are safe accessible and inclusive for people from all protected characteristics	The Code of Conduct policy has been updated and approved and a new Managing Organisation Change policy has been developed, consulted upon and implemented.	✓

4. How are we performing?

4.1 This section sets out a range of performance measures which give an overall indication of how the organisation is doing in terms of delivering the services for which it is responsible.

Corporate Measures

4.2 The level of sickness absence in the quarter and year to date is as follows.

Measure	Quarter 1 2020/21	Previous Quarter (Q4 2019/20)	Year to Date 2020/21	Previous Year: 2019/20	Movement
Short Term Sickness Absence – Days Lost per FTE	0.12	0.94	0.12	2.3	
Long Term Sickness Absence – Days Lost per FTE	0.08	0.78	0.08	4.1	
Total Days Lost per FTE	0.20	1.72	0.20	6.4	



4.3 Sickness absence is reported as 'Days lost per FTE' rather than as a percentage and the measures are calculated as annualised figures to enable comparison from year to year.

4.4 For this first quarter, days lost is 0.20 days per FTE employee which is a reduction on the previous quarter and is the best performance since we started reporting this measure regularly. It is difficult to ascertain specific reasons for such a reduction based on one quarter only; although it is noted that this coincided with the move to remote working for all staff. These statistics will continue to be monitored and analysed for any useful implications that can be drawn from this over the remainder of the year.

4.5 There was one long term sickness absence case at the beginning of the quarter but that did not extend beyond four weeks and there are no other long-term sickness absences during the quarter.

Investment Measures

4.6 The following table presents a high-level summary of the key indicators of investment performance. A more detailed quarterly report on investment performance, including commentary on market conditions and performance, was provided at the previous Authority meeting in September.





Measure	Performance Quarter 1 2020/21	Quarterly Benchmark	Performance YTD 2020/21	2020/21 Benchmark	2020/21 Actuarial Target	RAG Indicator
Investment Return – ex EP	11.00%	9.90%	11.00%	9.90%		
Investment Return – Whole Fund	9.80%	9.90%	9.80%	9.90%	0.60%	

4.7 At the end of the quarter, 53.7% of the Fund’s assets were being managed in pooled structures provided by Border to Coast.

4.8 The estimated funding level at the end of quarter 1 is 101.5%.

Pension Administration Measures

4.9 The key performance indicators for Pension Administration are presented in the table below. A more detailed report on the performance of the Pension Administration service is provided for each meeting of the Local Pension Board.

Measure	Quarter 1 2020/21	YTD 2020/21	Previous Year: 2019/20	Target 2020/21	Movement
Proportion of priority cases processed on time	76%	76%	89%	100%	
Proportion of non-priority cases processed on time	71%	71%	72%	100%	
Proportion of all cases processed on time	71%	71%	73%	100%	
Proportion of employer data submissions on time	99%	99%	94%	100%	

4.10 Lockdown has had a direct impact on productivity as the processing of case work is logistically more time consuming when working remotely. This applies both to the physical processing of case work and to the ease of access to support and advice from colleagues.

4.11 Employers have been able to maintain submissions to date, though currently we cannot directly measure the quality of submissions, only the receipt.

4.12 Ten new employers were admitted during the quarter.

4.13 A number of terminations are due to complete in the second quarter following completion of the valuation.

4.14 At the end of the quarter membership of the Fund stood at 161,046 and there were 555 participating employers with active members.

Financial Measures

Authority Operations

4.15 The main financial measure is performance against budget. The table below shows the outturn position compared to the budget for the year. Details of the significant variances are shown beneath the table.

South Yorkshire Pensions Authority Operational Budget	2019/20 Actual Outturn £	2020/21 Budget £	2020/21 Q1 Forecast £	2020/21 Q1 Forecast Variance £	2020/21 Q1 Forecast Variance %
Pension Administration	2,582,480	2,814,520	2,545,500	(269,020)	(10.40%)
Investment Strategy	715,750	771,700	677,780	(93,920)	(13.10%)
Finance & Corporate Services	612,990	621,855	580,850	(41,000)	(6.70%)
ICT	432,730	624,805	576,030	(48,770)	(11.30%)
Management & Corporate	360,190	430,635	416,560	(14,080)	(3.90%)
Democratic Representation	82,910	135,485	121,640	(13,850)	(16.70%)
Capital Expenditure Charged to Revenue	114,800	0	0	0	0.00%
Subtotal before transfers to reserves	4,901,850	5,399,000	4,918,360	(480,640)	(9.80%)
Appropriations to / (from) Reserves	0	46,600	46,600	46,600	100.00%
Total	4,901,850	5,445,600	4,964,960	(434,040)	(8.90%)

4.16 The forecast under-spend for the year before transfers to reserves is (£481k). Members will recall that the budget that was set for 2020/21, whilst remaining within the cash limit from the previous year, included a significant amount of growth to enable investment in a number of areas such as agile working, learning and development, and governance and compliance to support the corporate objectives. This included budgets for the creation of several new posts within the organisation.

4.17 The impact of the COVID-19 pandemic has affected the progress in relation to these objectives; there has also been a general reduction in costs relating to travel, conferences, stationery / office consumables etc. arising from the move to organisation-wide remote working.

4.18 The largest single element of the total outturn under-spend relates to Staffing Costs which is (£275k) under budget for the year. The main variances within this are explained in the following table.

Staffing Costs Analysis of Forecast Underspend	Q1 Forecast (Underspend) / Overspend £
Pay Award -budget included assumption of 2%, actual award agreed was 2.75%	20,000
New / Amended Posts - vacancy savings pending recruitment which has slowed due to "lockdown": Governance, Risk and Compliance Officer Business Support Officers x 2 Communications Officer Communications Assistant Apprentice x 1	(117,000)
Other vacancy savings - including following posts now filled: Benefits Team Manager (July 2020) Support & Engagement Team Manager (June 2020) Project & Improvement Lead (September 2020) Customer Services Officer (September 2020) Apprentices x 2 (September 2020)	(120,000)
Vacancies held pending Finance & Corporate Services Restructure	(41,000)
Retirements resulting in additional vacancy savings	(34,000)
Net effect of differences to budget arising from changes to grade, hours, honoraria etc. since the budget was set in December 2019	17,000
Total	(275,000)

4.19 The main variances within the other running costs of the organisation are as follows.

4.20 Pension Administration

4.21 Savings of approximately (£39k) are currently forecast across budgets for travel expenses, office-related expenses, catering, conferences, and subsistence as a result of remote working and the knock-on effects from COVID-19.

4.22 The printing and postage budgets for 2020/21 were reduced compared to previous years to take account of savings being achieved from using hybrid mail and the increasing move to paperless processing. There are further savings forecast this year of around (£30k).

4.23 Investment Strategy:

4.24 Savings of approximately (£17k) are currently forecast across budgets for travel expenses, office-related expenses, catering, conferences, and subsistence as a result of remote working and the knock-on effects from COVID-19.

4.25 Costs of actuarial fees in relation to Investment Strategy are forecast to be (£18k) lower than budget.

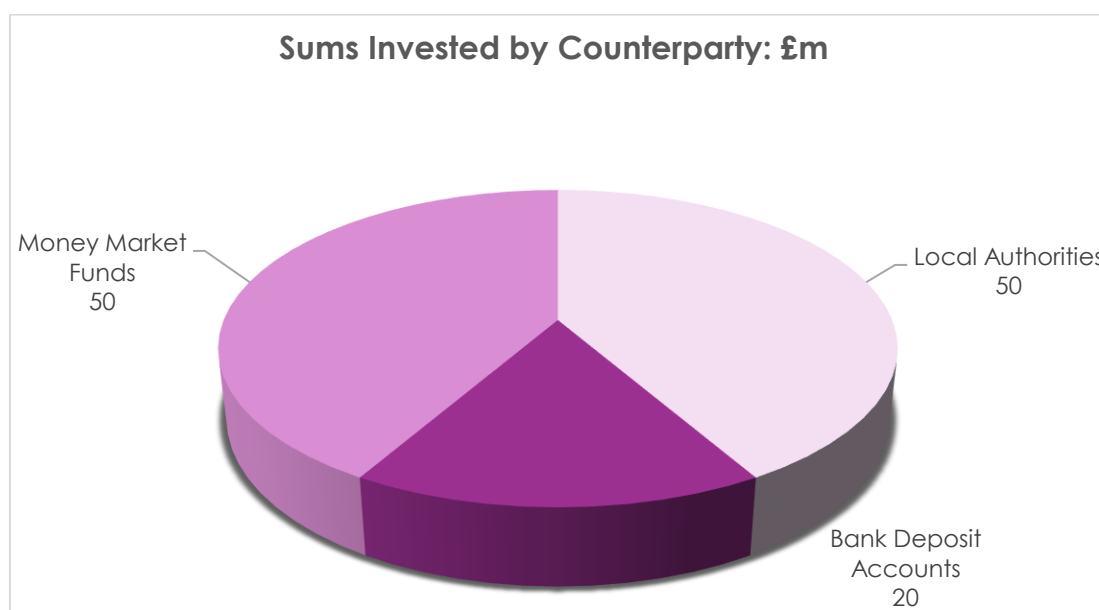
- 4.26 There are forecast savings of (£38k) on corporate subscriptions and services compared to the budget that was set – this will be reviewed and the budget for next year adjusted accordingly.
- 4.27 Finance and Corporate Services:
- 4.28 Savings of approximately (£10k) are currently forecast across budgets for travel expenses, office-related expenses, catering, conferences, and subsistence as a result of remote working and the knock-on effects from COVID-19.
- 4.29 The budget for professional qualification courses is forecast to be under-spent by (£10k) this year based on the timing of courses being completed but it is likely to be used more fully in future years following the restructure of the service.
- 4.30 Costs for other professional services and consultancy are forecast to be (£8k) lower than budget.
- 4.31 ICT:
- 4.32 The 2020/21 budget included provision of £40k for agile working which was based on introducing this over a 3-year period, replacing desktop PCs with laptops etc. As a result of the UK lockdown in March 2020 in response to the COVID-19 pandemic, the plan for this was brought forward and laptops were purchased urgently in March, resulting in the majority of this expenditure taking place 2019/20. Therefore a saving of (£30k) is forecast on this budget this year and there will be an adjustment to the budgets for the next two years. Some costs relating to agile working remain this year as expenditure on the required infrastructure such as server capacity and virtual networking licences has been incurred since April.
- 4.33 Management & Corporate Costs:
- 4.34 A saving of (£5k) is forecast on the budget for insurance as a result of savings achieved following the re-procurement of this contract that took effect from 1 April.
- 4.35 Expenditure of £8k is forecast on other professional services for items that were not anticipated when the budget was set. £6.5k relates to one-off costs that came forward from the previous year in relation to the finalisation of the Governance Review report and consultancy regarding the introduction of the Members Allowances scheme.
- 4.36 Democratic Representation:
- 4.37 The budget set for Member Allowances was based on an estimate of the likely costs of the scheme prior to the final scheme being approved by the Authority in March 2020. This budget is forecast to be over-spent by £4k this year based on the actual costs of the agreed scheme and taking into account the 2.75% pay award applied with effect from 1 April.
- 4.38 Savings of (£14k) on Authority running costs and training costs and (£5k) on the costs for the Local Pension Board are currently forecast due to taking account of the reduction to costs for room hire, catering, travel, subsistence and conferences arising from the knock-on effects of COVID-19.
- 4.39 Earmarked Reserves
- 4.40 The Authority has two earmarked revenue reserves, the Corporate Strategy reserve and the ICT reserve, as well as a Capital Projects reserve.

- 4.41 The Authority generates income from software developed in-house that is sold to other organisations and this income is transferred into the ICT reserve each year. The forecast position is for a total of £4k to be transferred into the reserve this year.
- 4.42 In line with the approved budget, £42k will be transferred to the Capital Projects Reserve to be earmarked for spend on major projects that will be delivered as part of the Corporate Strategy.
- 4.43 The balances and movement in the reserves arising from the above are set out in the table below.

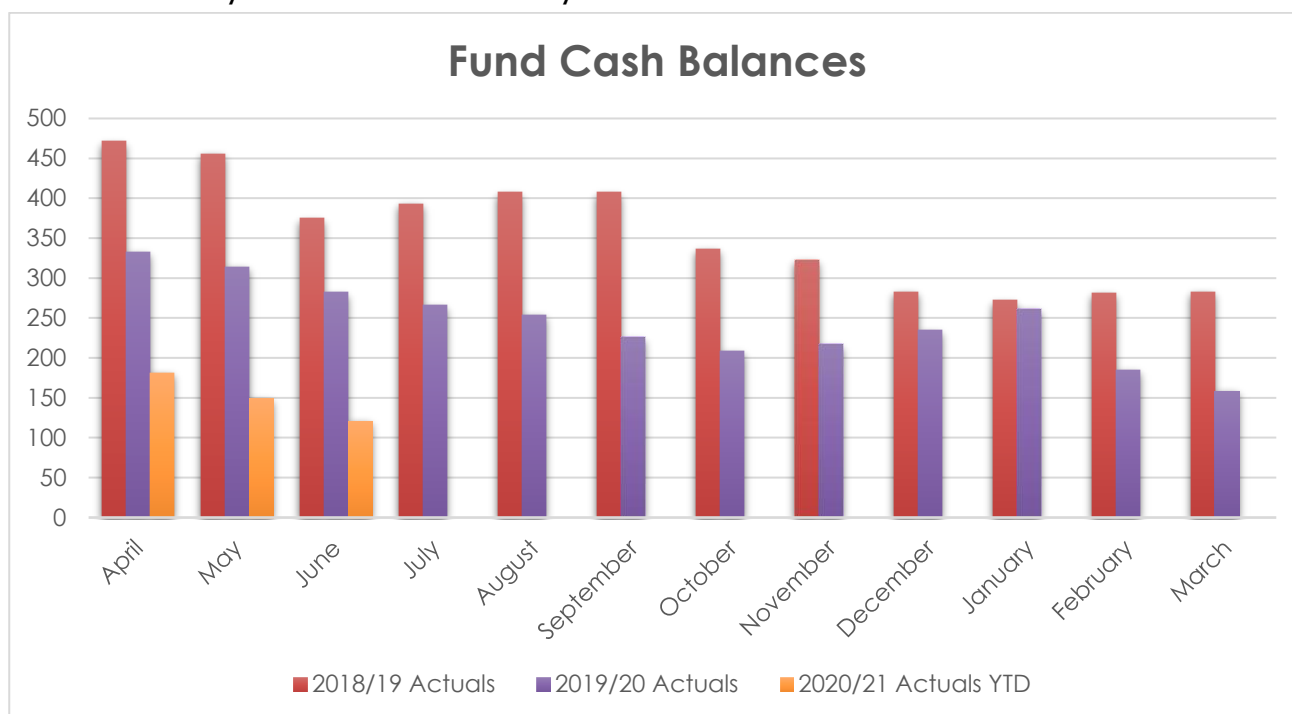
Reserves	Balance at 01/04/2020 £	Transfers In £	Transfers Out £	Forecast Balance at 31/03/2021 £
Corporate Strategy Reserve	232,831	0	0	232,831
ICT Reserve	112,383	4,000	0	116,383
Subtotal: Revenue Reserves	345,214	4,000	0	349,214
Capital Projects Reserve	665,500	42,600	0	708,100
Total Reserves	1,010,714	46,600	0	1,057,314

Treasury Management

- 4.44 The Fund's cash balances at the end of the first quarter stood at £121m. The chart below shows how the balances have been invested with different counterparties in line with the approved treasury management strategy for the year.



4.45 The following chart shows the movement in cash balances held for the last two financial years and this financial year to date.



4.46 Cash is only held pending Fund investment and the balance of cash at 30 June 2020 represents 1.8% of the Fund, compared with 1.9% at 31 March 2020. This brings the cash allocation close to the 1.5% target benchmark and remains well within the permitted range of 0% to 10%.

Breach of Treasury Limits and Use of Debt Management Facility

4.47 During the second quarter of the financial year, the opportunity was taken to reduce the allocation in UK Equities and this resulted in an increase in cash balances of £230 million in August 2020. This will be re-invested in other investment classes over the remainder of this financial year but this does mean that the cash balances being managed in the treasury management function will be higher than they have been for several months.

4.48 As a consequence of this large in-flow of cash which took place in August, prior to being able to place deposits with other counterparties, there was a breach of the £50 million limit on the balance held in the HSBC Capital Account on the following dates.

Date	Balance
Tuesday 04/08/2020	£247.1m
Wednesday 05/08/2020	£156.1m
Thursday 06/08/2020	£175.9m
Friday 07/08/2020	£174.3m
Saturday 08/08/2020	
Sunday 09/08/2020	

- 4.49 The balance on the account was reduced to £24.4 million on 10 August 2020.
- 4.50 In order to ensure that the balance could quickly be brought back within the limits, deposits were placed in the Debt Management Account Deposit Facility (DMADF) provided by the UK Debt Management Office, an executive agency of HM Treasury. This provides security for the deposits held and the Treasury Management Strategy allows for unlimited balances to be deposited in this facility subject to use of the account being reported to the Authority at the next available meeting.
- 4.51 Details of the deposits in DMADF to date are as follows.

From	To	No. of Nights	Deposit Amount £m
10/08/2020	17/08/2020	7	150
17/08/2020	24/08/2020	7	150
24/08/2020	25/08/2020	1	150
25/08/2020	27/08/2020	2	130
27/08/2020	01/09/2020	5	90
01/09/2020	03/09/2020	2	90
03/09/2020	07/09/2020	4	20
07/09/2020	10/09/2020	4	25
10/09/2020	14/09/2020	4	20

- 4.52 The interest rate paid on these deposits was 0.01%. This facility is utilised only when required in the absence of any other suitable alternatives.

5. What is getting in the way – Risk Management

- 5.1 We regularly review the things which might get in the way of us achieving our objectives – these are the risks that are set out in detail in the corporate risk register.
- 5.2 In March 2020, a separate risk register was produced specifically in relation to the range of risks presented by the COVID-19 pandemic.
- 5.3 The Senior Management Team, in undertaking their regular review of the risk registers at the end of August, considered whether there remained a need for a separate register for risks related to the COVID-19 pandemic. A number of the risks identified on this separate register have now been effectively managed to the target level and can therefore be closed off, while others are now at the stage where they can be regarded as a subset of risks within the Corporate Risk Register, while a small number remain. This small number of remaining risks have now been brought into the Corporate Risk Register as new risks.
- 5.4 The table below sets out how each of the risks in the COVID-19 register has been dealt with.

Risk	Comment
G1 – Authority and LPB Meetings	Absorbed into the Corporate Risk Register as aspects of Risks G1 and G2. The successful move to virtual meetings while it does create challenges to the depth of policy debate does mean that effective member decision making and scrutiny can continue. On a related issue the wide scale adoption of virtual meetings has increased the volume of training opportunities available and made them more accessible
G2 – Border to Coast Governance Arrangements	Risk closed. The governance arrangements have continued to operate effectively and any impact of the changes resulting from Covid-19 will be more likely around the timing of product launches and the viability of specific products due to changes in market conditions which is captured in existing risks on the Corporate Risk Register
G3 – Effectiveness of the Control Environment	This risk has been absorbed into the Corporate Risk Register as new risk G3
I1 – Appropriateness of Strategic Changes	This risk is reflected within risks already included within the Corporate Risk Register concerning the impact of significant swings in market values on the funding level, and the approach to dealing with changes such as these is the same whether the underlying cause is a pandemic or purer financial issues such as in the Global Financial Crisis.
I2 – Fire Sale of Assets	As I1
I3 – Affordability of contributions	Incorporated in the Corporate Risk Register as risk I6. This remains an issue the scale of which may not yet have become fully apparent.

Risk	Comment
I4 – Business Continuity impacts on employers data and contribution payments	Incorporated in the Corporate Risk Register as risk I7. While the score for this risk has reduced it is an issue that does remain potentially significant.
O1 – Software and technology issues	The way in which the ICT infrastructure has been adapted and has coped with large scale remote working with a level of reliability comparable to the pre-Covid situation indicates that this risk is being managed at (or below) the target score and can therefore be closed.
O2 – Productive Capacity	Incorporated in the Corporate Risk Register as risk O4. The continuation of large scale remote working means that this remains a risk.
O3 – Slippage in Project Delivery	This risk has been closed. While some slippage in project delivery has occurred and is reflected in the monitoring of projects etc. these delays are not fundamentally impacting service delivery to scheme members and therefore the risk is being effectively managed and can be closed.
O4 – Delay in the Annual Report and Accounts	This risk has been closed as the Annual Report and Accounts will be approved in line with the revised statutory timetable.
O5 – Communication and scheme members concerns re market volatility	This risk has been closed as active communication to scheme members continues and there has in reality been very little communication from members on these issues.

- 5.5 The Corporate Risk Register is attached at Appendix A. The August review of the register resulted in the following changes to risk scores:
- 5.6 I4 – Appropriateness of Border to Coast Products – Score reduced as the scope of the full product range is now clear.
- 5.7 I7 – Business Continuity Impacts on Employer Data and Contributions – Score reduced in light of experience which has not raised any issues of significance although this remains a risk.
- 5.8 O1- Data Protection and Cyber Security – Score increased in light of the increasing number of cyber-attacks being experienced.
- 5.9 O2 – Statutory Disclosure Requirements – Score increased in light of the issues experienced with data from Rotherham MBC during 2019/20 and the impact on production of Annual Benefit Statements.
- 5.10 The review, as indicated in the comments also highlighted the likelihood of a number of further changes in risk scores at future review points, should progress continue to be made as is currently the case.

6. Learning from things that happen

6.1 Inevitably when dealing with the number of customers that we do things can go wrong and we try to ensure that we learn from these things. Equally we should celebrate where things go particularly well or where customers feel members of our team have gone the extra mile to help them. This section provides information on the various sources of feedback we receive.

	Received in Q1 2020/21	Received YTD 2020/21	Received in Previous Year: 2019/20
Complaints	5	5	29
Appeals Stage 1	6	6	7
Appeals Stage 2	2	2	8

6.2 A detailed report of complaints and action taken is provided to the Local Pensions Board for scrutiny.

6.3 Fortunately, despite the expected drop in productivity due to challenges arising from COVID-19 impact, complaints from scheme members did not increase. Of the 5 complaints received, 2 were outside of SYPA control. Of the remaining 3, one was a simple training issue with the Customer Centre which has now been addressed and the remaining two resulted in a change in our processes/system going forward. One of these relates to the way in which we trace lost members and one was caused by a legacy system fault dating back to migration in 2014 which has now been addressed.

6.4 A flurry of Stage 1 appeals have been received from claims management companies alleging lack of due diligence where members have transferred out of the scheme in the past and their investments have subsequently diminished/vanished. These are being investigated individually but funds are in a difficult position here because they cannot legally block a transfer.

6.5 During the quarter, one appeal was determined and rejected at both stages 1 and 2. This related to a member who was appealing in relation to a transfer in that happened over 25 years ago and was therefore deemed to be out of time. A Stage 2 appeal against the decision of an employer not to award ill-health benefits was also determined during the quarter and was not upheld.

Breaches of Law and Regulation

6.6 We are required to maintain a register of breaches, the detail of which is reported to the Local Pension Board at each meeting as part of their oversight role. In this quarter there have been 3 breaches.

6.7 Of the 3 breaches, two were individual breaches assessed as 'green' as either minor or not caused by SYPA but the third was amber because it had the potential to impact a number of members. As per the complaint mentioned above, correspondence was sent to the wrong address as a result of a systems issue with the indicator for 'linked'

members having been set incorrectly since implementation. All cases have now been identified and corrected and settings corrected going forward.

Satisfaction Surveys

6.8 A survey of members retiring during the quarter showed that of the 56 respondents, 96% were satisfied with the service they received.