

Date: 20 April 2022

To: MEMBERS OF THE SOUTH YORKSHIRE
LOCAL PENSION BOARD

Oakwell House
2 Beevor Court
Pontefract Road
Barnsley
S71 1HG

www.sypensions.org.uk

This matter is being dealt with by: Gill Richards

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Dear Member

SOUTH YORKSHIRE LOCAL PENSION BOARD
Thursday, 28 April 2022

A meeting of the South Yorkshire Local Pension Board will be held at **Oakwell House, 2 Beevor Court, Pontefract Road, Barnsley, S71 1HG on Thursday, 28th April, 2022 at 10.00 am.**

The agenda is attached.

Yours sincerely



Sarah Norman
Clerk

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Distribution: Garry Warwick (Chair), Cllr Mike Chaplin, Nicola Doolan-Hamer, Rob Fennessy, Danny Gawthorpe, Andrew Gregory, Nicola Gregory, Steve Loach, and David Webster

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, 28 APRIL 2022 AT 10.00 AM, OAKWELL HOUSE, 2 BEEVOR COURT,
PONTEFRACT ROAD, BARNSELEY, S71 1HG

AGENDA

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1	Welcome and Apologies	
2	Announcements	
3	Urgent Items	
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SOUTH YORKSHIRE PENSIONS AUTHORITY

LOCAL PENSION BOARD

27 JANUARY 2022

PRESENT: G Warwick (GMB) (Chair)

Councillor M Chaplin (Sheffield CC), N Doolan-Hamer (Unison), R Fennessy (South Yorkshire Police), D Gawthorpe (Scheme Member Representative), 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 and G Richards

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 14 OCTOBER 2021 AND ACTIONS AND MATTERS ARISING

Cllr Chaplin asked if there had been any progress in appointing a councillor representative to the vacant position on the Board.

M McCarthy replied that unfortunately there had not been any progress as yet. He would chase the matter up again.

C Scott asked for an update on the office move.

G Graham replied that staff would begin returning to the office working in the new hybrid arrangement from early February. Staff induction had been delivered recently and the feedback had been positive.

The new office space would benefit the organisation in a large number of ways, there was a variety of types of working space allowing for the interaction that had been lost during working from home.

It was confirmed that there was webcasting facilities available and also the option to hold hybrid meetings.

The next meeting of the Board would be held in person at Oakwell House; there was sufficient car parking spaces available with an overflow arrangement in place with Barnsley Football Club if required.

RESOLVED – That the minutes of the meeting of the Board held on 14th October 2021 be agreed as a true record.

7 PROGRAMME OF BOARD MEETINGS 2022/23

A report was submitted to enable the Board to consider its schedule of meetings during 2022/23.

It was noted that the January 2023 meeting date was not suitable for the Board's independent advisor. It was agreed to change the date.

Several members also had problems with some dates. Members were requested to email G Richards with any problematic dates with a view to adjusting the schedule.

J Bailey commented that it would be better to hold Board meetings after the end of each quarter to allow the Quarterly Administration report to be fully up to date.

It was also noted that a date needed to be scheduled in March for the Board's effectiveness review.

RESOLVED – That:

- i) The meeting scheduled for 26th January 2023 to be rescheduled.
- ii) Meeting dates to be scheduled to enable up to date Quarterly Administration reports to be submitted.
- iii) Board members to be canvassed for a suitable date in March for the Effectiveness Review.

8 REVIEW OF THE CORPORATE RISK REGISTER

The Board considered the updated Corporate Risk Register.

It was noted that the latest management review had resulted in several changes to the Risk Register:

- I3 – Effective oversight of Border to Coast – risk removed.
- I6 – Affordability of contributions due to business disruption – score reduced.
- P1 – Maintenance of a suitability qualified and experienced workforce – score increased.

Details of the reasons for the changes were contained within the report.

G Graham informed the Board that this was the second last iteration of this Risk Register. The Risk Register would be considered in the 3-yearly review of the Corporate Strategy. It was intended that the basis for examining risks from April 2022 would go back to the first principle of what was preventing the Authority reaching the objectives of the Corporate Strategy.

A Gregory questioned the reasoning behind removing risks when they had reached their target score as the risk would still be there.

G Graham replied that there was a valid case for leaving risks on the register that had been fully mitigated but it was not a practice that the Authority had up to now. The issue would be considered as part of the wider review.

In response to a question from D Webster, the Director confirmed that the Senior Management Team looked at the Risk Register monthly and every risk was reviewed quarterly.

The Board discussed inconsistencies in the Risk Register, for example some risks had been removed on reaching their target score while others remained when they were below the target score. D Webster noted that some target scores were higher than current.

G Graham commented that officers were learning and building in terms of risk management. Risk was everyone's responsibility and work was ongoing to make staff more aware of risk whilst trying not to make risk management an industry.

RESOLVED – That the Board:

- i) Requests the Authority to look at the policy of removing risks from the Risk Register and to ensure the Risk Register reflects live risks.
- ii) Note the updated Risk Register.

9 PROCUREMENT OF ACTUARIAL SERVICES

A report was submitted to update the Board on the conclusion of the procurement process for actuarial services.

The Board was reminded that the Authority had agreed to undertake a procurement process for actuarial services using the new national framework agreement covering those services.

An invitation was issued to four qualified actuarial firms in September 2021. Having reviewed the Authority's requirements one provider chose not to participate further in the process. The three submitted bids were analysed and interviews held with the bidding firms before a decision was made.

It was noted that, while there were some differences in the quality scores, all three providers would have provided access to technological innovations which would present a step forward for the Authority. The successful provider was differentiated by the fact that they could provide a number of the new tools from day one and had a very clear development path supporting a movement to employer and client self-service for a range of tasks.

Members were informed that the successful provider was Hymans Robertson LLP who had been appointed for an initial period of five years. The transition process to the new provider had nearly concluded.

N Gregory commented that it would have been useful to have sight of the actual scoring rather than just the ranking in each category.

J Bailey replied there was an element of commercial sensitivity in the scoring. Scoring was done on 50% cost and 50% quality; the firm in second place was close to the firm appointed with the third firm much further away.

D Webster queried whether the Board would receive progress updates in advance of the valuation.

G Graham replied that the actuaries would produce a timetable up to the completion of the process at the end of January 2023. It was also planned to engage a wider range of employers and a meeting with the large employers would be arranged for late February/early March.

J Bailey commented that the actuary would be present at the seminar for the Authority and Board in September which would be a specific session on the early outcomes of the valuation.

The Board requested details on what changes employers might see.

J Bailey explained that certain employer costs would be lower and the process for providing accounting information would be streamlined by direct liaison with the actuary rather than the Authority.

RESOLVED – That the Board note the outcome of the procurement process for actuarial services.

10 QUARTERLY ADMINISTRATION REPORT

J Bailey presented the Quarterly Administration Update covering the period 1st October 2021 to 31st December 2021.

Staffing

The report contained a summary of joiners and leavers during the period. There was one joiner, the Support and Engagement Team Manager which meant that all management vacancies had now been filled. The two Pensions Officers who left had both been offered better paid roles in the private sector.

The Board discussed the difficulties in recruiting to public sector posts due to the constraints of the national public sector pay scales.

G Graham commented that work was planned during the next 12 months to try and address this issue.

It was noted that overall sickness absence had reduced during the quarter though the incidence of short-term absence had increased. One third of the short-term absence was directly related to Covid.

Casework Performance

J Bailey informed members that the reporting of performance had been updated to enable easier comparison of like-for-like periods.

Overall case volumes completed during the quarter had increased compared to the previous quarter. This was mainly due to:

- The reduced level of long-term sickness absence.
- Increased focus on casework as resources were not diverted to assist with the Annual Benefit Statements exercise.

It was noted that the improvement in performance may also have been influenced by the fact that staff were able to return to the office for part of their working week for some of Quarter 3, although this was short-lived as further restrictions were imposed.

J Bailey informed the Board that some resource was being focused on aggregations and it was expected that the backlog would be reduced.

Statutory Disclosure Reporting

Appendix A showed the Quarter 3 report for the areas covered under the various disclosure regulations and provided some levels of assurance that statutory targets were generally being met in the main areas.

J Bailey confirmed that not all Pensions Savings Statements had been issued on time due to a number of operational issues. An update would be provided at the next meeting as to the final position and any necessity to report to The Pensions Regulator.

G Warwick commented that SYPA staff should be praised for maintaining the service to Scheme members during the pandemic.

Employer Performance

Members were reminded that employers submitted individual data on a monthly basis. A table within the report showed the current position of monthly returns received in respect of the last three months.

It was noted that the two employers yet to submit returns were in respect of recent admission agreements. These were being pursued with the relevant provider and interest would be charged if appropriate, but the amounts were minimal.

Individual Query Employer Reporting

Appendix B showed the performance in recent quarters for the employers or payroll providers with the highest volume of queries. Since the last meeting, the report had been refined to remove duplications therefore representing a more accurate summary of cases outstanding.

It was noted that trend analysis indicated that some progress had been made with the volumes of outstanding queries from Rotherham and Doncaster Councils (both administered by Rotherham payroll services). Monitoring meetings had continued to be held fortnightly with Rotherham payroll services and they had allocated additional resources to continue their commitment to reducing the outstanding volumes.

Contribution Payments

A table within the report showed the status of payments in respect of contributions due as well as details of outstanding payments, there were no areas of particular concern.

Scheme Member Engagement – Customer Satisfaction

A table within the report showed the overall satisfaction levels from respondents who had recently retired. The percentage of members in the green category remained over 90%. There were eleven dissatisfied members. One member wanted the portal to be more user friendly and provide more assistance with navigation. This would be further developed over the next few months as the ability to retire online was introduced.

Scheme Member Engagement – Customer Centre

The Board was informed that an electronic survey had been issued to 3,534 members who had contacted the Customer Centre by phone over August, September and October 2021 to ask about their experience of service delivery and ideas for service improvements.

Again, over 90% of the respondents were in the green category. The 13% who were dissatisfied was an increase of 7 % from the previous quarter. Appendix C showed the comments that were made.

N Doolan-Hamer commented on the remarks of the person who had phoned on behalf of her husband who was dyslexic who had said that there were not enough options available to those not able to use the internet.

J Bailey replied there was a danger that there was too much focus on the online facilities and there was a need to ensure that there were alternatives available.

The report also gave details on uptake of the online portal, the employer satisfaction survey and annual benefits statements and triennial valuation for 2023.

Pensions Administration System

Members were informed that the gap analysis which had been carried out internally to identify shortfalls in the administration system functionality ahead of the commitment to enter into a new contract in February 2022 had been passed to Civica.

Civica had agreed in principle that a commitment to resolving the issues identified would form part of the requirements under the new service contract. The improvement plan would be shared with the Board when it was available.

In answer to a question from a member, J Bailey confirmed that there wasn't a penalty clause in the contract if Civica failed to deliver but the contract did have an exit clause.

G Warwick thanked J Bailey for a very comprehensive report.

RESOLVED – That the report be noted.

11 REVIEW OF BREACHES, COMPLAINTS AND APPEALS

The Board considered a report which provided an update on the latest available record of reported breaches and provided details of complaints and appeals for the period 1st October 2021 to 31st December 2021.

It was noted that there had been three data breaches and six complaints during the period. Details of these and any follow up actions were contained at Appendices A and B to the report. The report also gave details of two Internal Dispute Resolution Procedure appeals one which was not upheld and the other was partially upheld.

RESOLVED – That the Board:

- i) Note the Breaches summary.
- ii) Note the outcome of complaints received.

12 DATA QUALITY IMPROVEMENT PLAN

J Bailey presented a report which updated members on the latest iteration of the Data Quality Improvement Plan and the data scoring provided to the Pensions Regulator.

Members were reminded that the Pensions Regulator advises that schemes should have a data quality improvement plan in place. SYPA had shared previous iterations of the Plan with the Board but this had been revised on a number of occasions to reflect changing guidance and priorities. The current Data Improvement Plan was maintained by the Pensions Technical Advisor and Appendices A (common data) and B (conditional data) were provided as a summary extract of the current plan which highlighted where individual teams had ownership of specific areas.

The key areas of focus for the next few months were highlighted on the summary plan and the Board had previously agreed this should be presented twice a year.

A Board member observed that the reference to risk within the report referred to data security rather than data quality. The Board agreed that more informed statements about risk and/or reference to specific risks in board reports would be helpful.

RESOLVED – That the Board:

- i) Note the updated Quality Improvement Plan.
- ii) Request that the Authority make clearer references to the Risk Register in future reports.

13 DECISIONS TAKEN BY THE AUTHORITY

A report was submitted which updated the Board on decisions taken by the Authority at its December meeting.

RESOLVED – That the report be noted.

14 UPDATE ON MEMBERS' KNOWLEDGE PROGRESS ASSESSMENTS

A report was submitted to update the progress made in undertaking the Knowledge Process Assessment.

Members were reminded that in order to support the development of a comprehensive learning and development plan for members of the Authority and Board, officers had signed up to the national Knowledge Progress Assessment tool provided by Hymans Robertson. The assessment was delivered through an online tool and was promoted to members over the autumn through the Director's monthly update. The date for submission of data closed before Christmas and received a disappointing response from just 5 members out of a possible total of 23. The 'window' for submission would now be reopened and members were encouraged to complete the assessment which would only take approximately 20 minutes.

C Scott, the Board's Independent Advisor, suggested a final submission date of 28th February followed by an informal Board session in March to discuss the results and look for common areas of knowledge gaps. She offered assistance to members in completing the assessment if required.

RESOLVED – That the Board:

- i) Note the report.
- ii) Agree to the reopening of the Knowledge Progress Assessment with submissions due by 28th February 2022.
- iii) Agree to an informal Board meeting to discuss the effectiveness review to be arranged for March 2022 on a date to be determined.

15 TRAINING FEEDBACK

None.

16 LOCAL PENSION BOARD WORK PROGRAMME

The Board considered the Work Programme.

RESOLVED – That the report be noted.

17 ANY OTHER BUSINESS

G Graham informed the Board that the new website was now live at <https://www.sypensions.org.uk/> with all information now being in one place. Any suggestions or comments from Board members would be welcomed.

CHAIR

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Subject	Updated Risk Register	Status	For Publication
Report to	Local Pension Board	Date	28 th April 2022
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	George Graham Director	Phone	01226 666439
E Mail	ggraham@sypa.org.uk		

1 **Purpose of the Report**

- 1.1 To provide members of the Board with the opportunity to review the updated risk register which supports the new corporate strategy.
-

2 **Recommendations**

- 2.1 Members are recommended to:
- a. Note and comment upon the revised risk register.**
-

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).

Listening to our stakeholders

To ensure that stakeholders' views are heard within our decision making processes.

Investment Returns

To maintain an investment strategy which delivers the best financial return, commensurate with appropriate levels of risk, to ensure that the Fund can meet both its immediate and long term liabilities.

Responsible Investment

To develop our investment options within the context of a sustainable and responsible investment strategy.

Scheme Funding

to maintain a position of full funding (for the fund as a whole) combined with stable and affordable employer contributions on an ongoing basis.

Effective and Transparent Governance

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

Valuing and engaging our Employees

To ensure that all our employees are able to develop a career with SYPA and are actively engaged in improving our services.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report address the entirety of the risk landscape facing the Authority.

5 Background and Options

- 5.1 At the Board's last meeting it was explained that as part of the process of creating the new Corporate Strategy a fundamental rebasing of the Corporate Risk Register had been undertaken. Following the approval of the new Corporate Strategy and the associated risk register this register (at Appendix A) is now being presented to the Board. Any comments from the Board will be reflected on in the first detailed review of this register which will be presented to the Authority in September as part of the Quarter 1 review.
- 5.2 Many of the risks contained in the "new" register are either identical or similar to those included previously. Given that the nature of the organisation and its functions and the broader environment have not changed this is inevitable. However, the scores attached to risks have changed, with for example the current risk score around volatility in financial markets increasing significantly partly as a result of the instability caused by the war in Ukraine but also due to the impact of a higher base level of inflation within the economy which impacts the level of nominal return required to maintain full funding. Broadly there has been an upward drift in risk scores reflecting changes in the external environment rather than any weakening in mitigation or the broader control environment within the organisation.
- 5.3 Given that any assessment process of this sort involves a degree of subjectivity there is not likely to be a "right" answer as to the overall level of risk facing the Authority. The key takeaway from the process that has resulted in the rebased register is that the level of risk facing the organisation has broadly increased. Given what we see in our own lives this should not come as a particular surprise.
- 5.4 The Board are asked to review the Risk Register and in particular to consider whether any significant areas of risk are not captured.

6 Implications

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

Financial	None directly from this report but mitigation of individual risks will have implications.
Human Resources	None directly from this report but mitigation of individual risks will have implications.
ICT	None directly from this report but mitigation of individual risks will have implications.
Legal	None directly from this report but mitigation of individual risks will have implications.
Procurement	None directly from this report but mitigation of individual risks will have implications.

George Graham

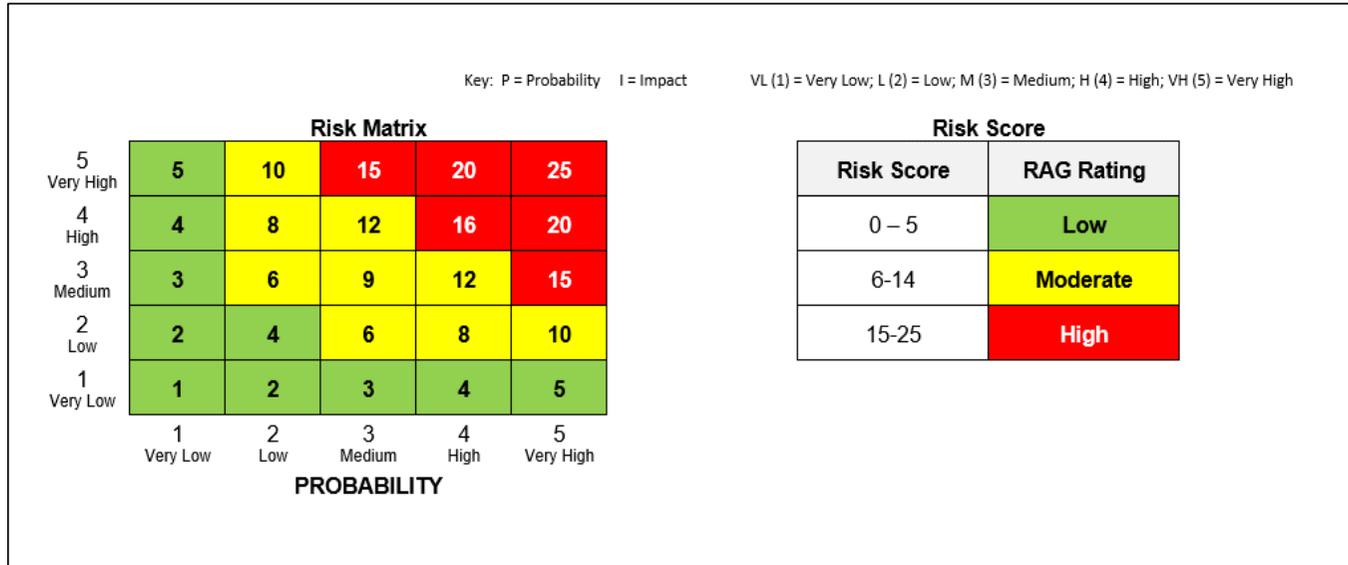
Director

Background Papers	
Document	Place of Inspection

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**South Yorkshire Pensions Authority Risk Register As At
20 January 2022**

Key:



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Risks currently under particular focus are:

Risk No	Risk Type	Risk Title	Current Score	Risk Change at Review

SOUTH YORKSHIRE PENSIONS AUTHORITY RISK REGISTER AS AT 20/01/2022

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 of members of the Authority to maintain adequate levels of knowledge and understanding	Poor decision making not supported by appropriate advice. Regulatory criticism/action. Insufficient challenge being provided to officers	Corporate Manager - Governance	Member Learning and Development Strategy and associated mandatory requirements. Provision of on-line learning resources and knowledge assessment tools. Provision of internal seminars programme. Support for attendance at appropriate external events.	12	P=M I=H	6	P=L I=M	Additional support to complete knowledge assessments for all members. Examination of additional bite size learning options. Provide further internal seminars and examine options for more individualised "tuition".	Corporate Manager - Governance		
G2	Governance	Failure of members of the Local Pension Board to maintain adequate levels of knowledge and understanding	Poor decision making not supported by appropriate advice. Regulatory criticism/action. Insufficient challenge being provided to officers.	Corporate Manager - Governance	Member Learning and Development Strategy and associated mandatory requirements. Provision of on line learning resources and knowledge assessment tools. Provision of internal seminars programme. Support for attendance at appropriate external events. Additional support from the Board's Independent Adviser	12	P=M I=H	6	P=L I=M	Additional support to complete knowledge assessments for all members. Examination of additional bite size learning options. Provide further internal seminars and examine options for more individualised "tuition".	Corporate Manager - Governance		
G3	Governance	Breakdown of the control environment	Exposure to the risk of loss due to fraud or error. Critical external audit reports leading to regulatory action.	Senior Management Team	Documented internal controls. Senior Management review of controls to provide assurance as part of the process for developing the Annual Governance Statement. Effective Internal Audit service to provide assurance to management in relation to the control framework. Ongoing replacement of aging systems which require manual controls with more modern systems which allow controls to be automated	12	P=M I=H	4	P=L I=L	Completion of system replacement and upgrade programmes. Extension of management assurance process to Team Managers. Adoption of Governance Assurance Framework suggested by Internal Audit.	Senior Management Team		
G4	Governance	Weak or ineffective project management arrangements	Failure to deliver key projects included within the Corporate Strategy	Director	Some project management training delivered for key staff. Limited project management support.	16	P=H I=H	6	P=L I=M	Appoint to redefined role of Project / Programme Manager. Provide all managers responsible for leading and delivering projects with a standard toolkit to follow to ensure consistent planning and delivery. Institute a more formal and documented process of reporting on the progress of projects.	Director		
I1	Investment and Funding	Material changes to the value of investment assets and/or liabilities due to major market movements	Sharp and sudden movements in the overall funding level	Head of Investment Strategy	Investment Strategy focussed on relatively lower risk and less volatile investments. Element of inflation protection built into the asset allocation both through specific assets (such as index linked gilts) and proxies such as property and infrastructure.	15	P=M I=VH	9	P=M I=M	Ability to implement protection strategies if market circumstances indicate they are appropriate.	Head of Investment Strategy		
I2	Investment and Funding	Failure to mitigate the impact of climate change on the value of the Fund's investment assets and liabilities	Significant deterioration in the funding level	Director	Climate Change Policies and Net Zero Goals adopted by both the Authority and Border to Coast. Asset allocation tilted to favour more climate positive investments. Reporting in line with the requirements of TCFD and regular monitoring of the level of emissions from portfolios, with outline targets for reductions. Work commenced to provide more comprehensive data on private market investments.	20	P=H I=VH	12	P=H I=M	Review of Investment Strategy following the 2022 Valuation to integrate the achievement of Net Zero within the Strategic Asset Allocation. Clear targets for emission reduction to be set for all portfolios. Additional engagement with Border to Coast to identify potentially climate positive investments.	Director		
I3	Investment and Funding	Failure to manage the key risks identified in the Border to Coast Strategic Plan	Decline in investment performance. Increased costs as a result of the need to move to more expensive products. Potential changes in the risk and volatility levels within the portfolio	Director	Process of engagement between the Company and stakeholders to agree the Company's Strategic Plan and Budget containing appropriate mitigations. Succession and contingency planning arrangements in place within the Company	12	P=M I=H	6	P=L I=M	Agreement of a programme of specific risk mitigations as part of the 2022 - 2025 Strategic Plan and Budget	Director		

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
14	Investment and Funding	Imbalance in cashflows	Inability to pay pensions without resorting to borrowing or "fire sale" liquidation of investments. Potential negative impacts on individual pensioners.	Head of Investment Strategy	Maintenance of "cash buffer" of liquidity sufficient to cover more than one monthly payroll. Process for monitoring and forecasting cashflows	10	P=L I=VH	5	P=VL I=VH	Further improvements in cashflow forecasting., Implementation of strategies to more regularly harvest income from investments.	Head of Investment Strategy		
15	Investment and Funding	Affordability of contributions	Negative impact on employer financial viability. Default on the making of contributions by employers.	Director	Investment strategy focussed on less volatile investments. Focus in the valuation process on delivering longer term stability in contribution rates. Retention of elements of any surplus to manage the risks to contribution stability.	9	P=M I=M	6	P=M I=L	Adjustments to balance of the investment strategy between growth and protection according to market circumstances	Director		
01	Operational	Failure to maintain effective cyber defences	Significant disruption to the provision of services. Loss / unauthorised release of key data.	Corporate Manager - ICT & Digital	Regularly updated firewalls and other protections. Regular refresher training on cyber security for all staff with a requirement to achieve a minimum level of pass. Regular penetration testing.	16	P=H I=H	12	P=M I=H	Additional testing of disaster recovery arrangements	Corporate Manager - ICT & Digital		
02	Operational	Impact of poor data quality on operational project delivery	Failure to deliver key projects such as McCloud rectification on time. Provision of inaccurate information to members such as Annual Benefit Statements. Inaccurate data impacting the valuation of liabilities during the triennial valuation.	Head of Pensions Administration	Ongoing data improvement plan. Projects Team put in place to resource specific exercises to address data improvement. Implementation of front end validation of employer data submissions.	12	P=M I=H	6	P=M I=L	Additional actuarial validation checks undertaken on an ongoing basis	Head of Pensions Administration		
03	Operational	Data Protection and GDPR	Unauthorised release of personal data. Action by the Information Commissioner.	Head of Pensions Administration	Review process built into processes involving the release of information. Secure e-mail facility used where personal information involved. Mandatory staff training in relation to data protection issues repeated on a regular basis. Regular internal audit work to review and test controls.	12	P=M I=H	6	P=M I=L	Increase in the volume of member correspondence managed through the member portal	Head of Pensions Administration		
04	Operational	Regulatory Compliance	Enforcement action by relevant regulatory authorities	Senior Management Team	Reporting of compliance with relevant standards. Ongoing process of awareness raising and training for staff in relation to operational matters such as TPR Scams requirements. Basic assessment of compliance with TPR CoP 14 in place.	12	P=3M I=H	8	P=L I=H	More detailed assessment of compliance with emerging TPR Single Code and other regulatory requirements with associated action plan and enhanced regular reporting. Additional training for Authority and Pension Board Members to enable improved oversight.	Corporate Manager - Governance		
P1	People	Ability to recruit and retain an appropriately skilled and qualified workforce	High level of vacancies	Director	Pay and benefits package with emphasis on employee wellbeing. Career grade scheme in place for Pensions Officers.	12	P=H I=M	6	P=M I=L	Review of pay and benefits package. Introduction of additional personal development opportunities. Introduction of a structured approach to succession planning.	Director		

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Subject	Quarterly Administration Update	Status	For Publication
Report to	Local Pension Board	Date	28 April 2022
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 administration performance and issues for the period from 1 January 2022 to 31 March 2022
-

2 Recommendations

- 2.1 Members are recommended to:
- a. **Comment on the content of the revised administration update and indicate any areas where they would like to receive further detail**
 - b. **Highlight any areas of administration where further assurance may be required**
-

3 Link to Corporate Objectives

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

Customer Focus

To design our services around the needs of our customers (whether scheme members or employers). The report includes reference to feedback from our customers 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. On the positive side, the largest administration team (the Benefits Team) now has a full complement of Pensions Officers (pending one Pensions Officer with a start date to be agreed). In Quarter four though SYPA lost two long standing and experienced officers – both of whom have moved to better paid and more senior positions externally and have perhaps benefited from the widescale changes that the industry has seen in terms of more flexible working. The role profiles for the vacancies created by these departures have been refreshed after consultation and are being advertised in April 2022.

Starters	Comments
2 x Pensions Officers	Entry Level
Leavers	
Senior Systems Officer	Resignation – external promotion
Technical and Training Officer	Resignation – external promotion
Vacancies in Administration	
Apprentice x 1	Interview due.
Communications Officer	Recruitment expected Q1 now.
Training Officer (secondment)	Post converted to Pensions Technical Specialist. To be advertised April 2022.
Technical and Training Officer	Post converted to Pensions Technical Specialist. To be advertised April 2022.
Senior Systems Officer	Vacancy from leaver above. Advertised in April 2022.
Senior Practitioner	Internal interviews imminent.

- 5.4 In terms of sickness absence, the table below shows the annualised absence levels for the administration service for the last quarter and the two previous full years for reference. Overall, sickness absence has increased this quarter, though the incidence of short-term absence has decreased slightly. Of the 3.6 (annualised) days of short-term absence, one fifth of this absence was directly related to staff contracting Covid which is a reduction compared with the previous quarter (where one third was Covid related).

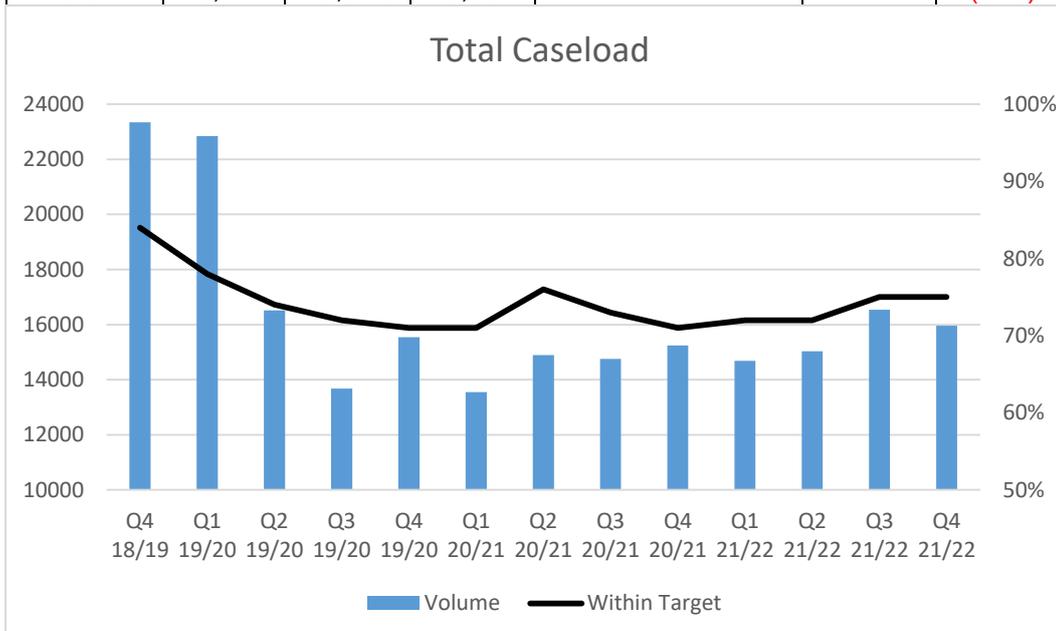
5.5 The incidence of long-term absence has increased because of two staff reaching the long-term trigger during the quarter. Both staff have now returned to work, one on a phased return in line with our Attendance Management arrangements.

Average Days per FTE (Admin Service only)	Q4 2021-22 Annualised	Q3 2021-22 Annualised	Q2 2021-22 Annualised	Q1 2021-22 Annualised	2020-21	2019/20
Short-Term	3.6	3.84	3.32	2.3	1.5	3.14
Long-Term	4.88	2.43	12.2	2.4	3	4.71
Total	8.48	6.27	15.52	4.7	4.5	7.85

Case Work Performance

5.6 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 previous year for comparison.

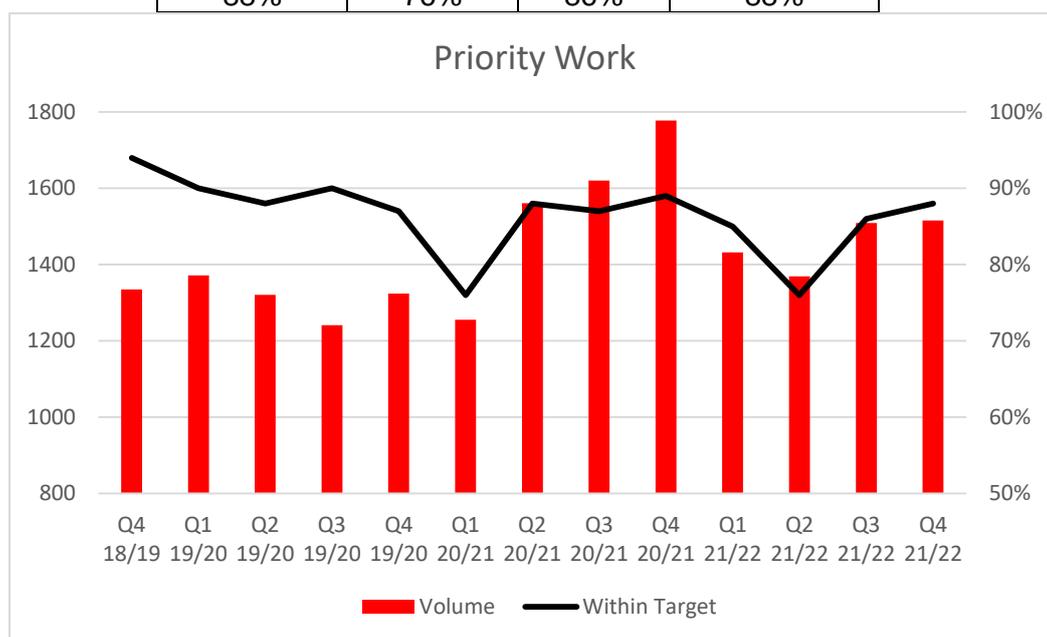
Category	Volumes			Variance to Comparators	
	Q4 Previous Year	Q3 2021-22	Q4 2021-22	To Q4 Previous Year	To Q3 2021-22
Priority	1,778	1,509	1,516	(262)	7
Non-Priority	13,464	15,031	14,446	982	(585)
Overall	15,242	16,540	15,962	720	(578)



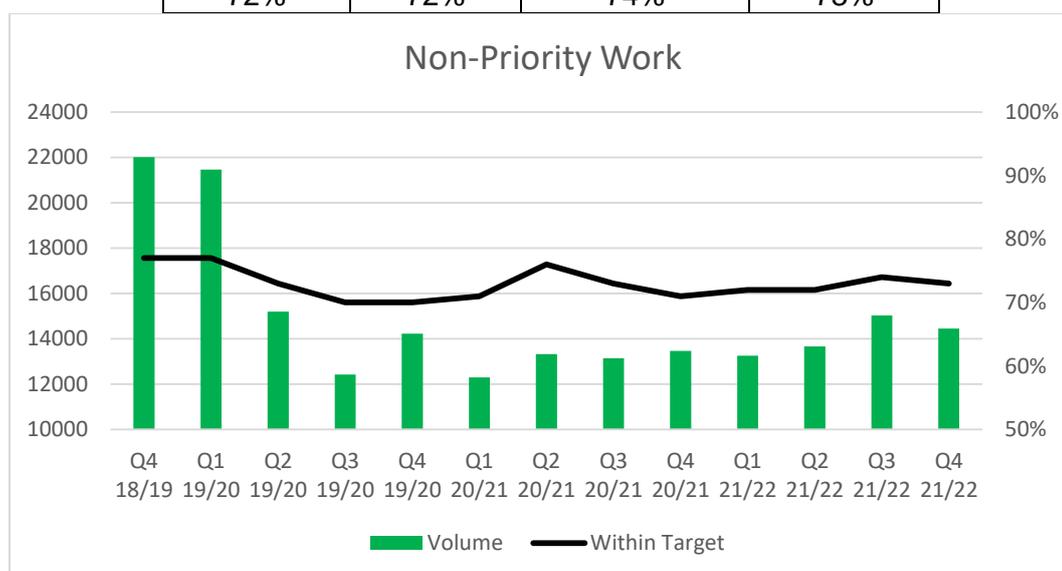
Overall case volumes completed in the Quarter dropped slightly compared with the previous quarter but this is likely due to a loss of processing time in March whilst the running of the 2022 Pensions Increase was undertaken. The overall volumes still comparable favourably with the volumes from the same quarter a year ago.

The following tables highlight the levels of performance for both priority and non-priority casework in terms of our service standards.

Priority Performance			
Q1 2021-22	Q2 2021-22	Q3 2021-22	Q4 2021-22
88%	76%	86%	88%



Non-Priority Case Performance			2021/22
Q1	Q2	Q3	Q4
72%	72%	74%	73%



5.7 Staff returned to the office again for part of the working week in Quarter 4. Because there were a number of other contributory factors, it is too early to reflect on whether, as is hoped, this is likely to have a positive impact on case processing productivity but this will be monitored going forward.

5.8 The table below provides a summary of performance against the main subject areas. Performance levels have remained static for the individual subject areas when compared with Quarter Three in the main.

Case Type	Target Days	Q4 Previous Year Volume	Q4 Prev Yr % on time	Q3 21-22 Volume	Q3 21-22 % on time	Q4 21-22 Volume	Q4 21-22 % on time	Comment
Priority								
Retirements	5	825	77%	799	76%	742	79%	
Deaths - Acknowledge	5	408	98%	306	95%	311	94%	
Deaths - Payment	5	545	99%	404	99%	463	99%	
Non Priority								
New Joiners	5	3090	63%	3315	99%	2244	89%	
Deferreds	20	663	61%	926	71%	1037	70%	
Refunds	9	108	82%	168	88%	153	95%	
Transfers In	7	311	58%	299	54%	384	47%	
Transfers Out	5	343	78%	353	72%	338	74%	
Divorce	5	85	79%	99	74%	127	82%	
General enquiries	5	896	90%	1034	90%	1008	91%	
Estimates	5	1695	80%	1892	75%	2048	82%	
Aggregations	20	1789	71%	1255	47%	1350	51%	See 5.11

5.9 At the last meeting, members of the Board were provided with a summary of cases outstanding at the end of Quarter Two of 2021/22. The tables below update these to 31 December 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 Q4 Prev Year	Volumes of cases pending (awaiting external parties) End Q3 current year	Volumes of cases pending (awaiting external parties) End Q4 current year	Variance to prior reporting period
Priority				
Retirements	188	159	210	51
Deaths	223	311	283	(28)
Non Priority				
New Joiners	185	103	62	(41)
Deferreds	3,307	4,569	4,768	199
Refunds	11	10	15	5
Transfers In	398	494	600	106
Transfers Out	204	218	237	19
Divorce	37	47	35	(12)
General enquiries	100	78	53	(25)
Estimates	1,156	1,506	1,204	(302)
Aggregations	480	824	826	2
Leavers to process	1,844	2,871	2,780	(91)

Case Type	Volumes of cases to be processed/in processing End Q4 prev year	Volumes of cases to be processed/in processing End Q3 2021-22	Volumes of cases to be processed/in processing End Q4 2021-22	Variance to prior reporting period	Number of active cases currently outside KPI measures
Priority					
Retirements	53	20	186	132	54
Deaths	43	50	130	80	60
Non Priority					
New Joiners	159	276	53	(223)	18
Deferreds	540	419	550	176	374
Refunds	23	12	12	-	3
Transfers In	154	156	142	(14)	83
Transfers Out	100	70	78	8	24
Divorce	25	6	7	1	2
General enquiries	72	51	87	36	29
Estimates	401	434	390	(44)	215
Aggregations	3,299	4,060	3,847	(213)	3,567
Unprocessed Leavers	2,922	2,033	1,089	(944)	1,003

- 5.10 At a previous 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 remain as 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 using automated tools or via bulk processing (or more likely a combination of both). This project is taking longer than anticipated but will be completed ahead of the 2022 valuation. In the meantime, additional resources have already been devoted to bringing down the numbers outstanding.
- 5.11 In relation to aggregations, the numbers of outstanding cases have dropped slightly but insufficient progress has been made with eroding this backlog of cases. A dedicated project team was recently set up within the wider Benefits Team to focus on dealing with specific work areas as opposed to routine case processing and a significant part of their resource time will be dedicated to processing aggregations. Although it is too early to identify any material changes at this stage, it is anticipated this will lead to a further reduction in outstanding cases for Quarter One of 2022/23.

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 and **Appendix A** shows the Quarter 4 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 terms this data shows high levels of compliance in areas that SYPA can control. This does give us some pointers as to areas where further engagement with, and training for, employers could be beneficial. Members should note the addition of the Pension Savings Statements to the table for 2022/23 which is the subject of a separate report.

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
Dec 2021(due Jan)	534	533	1	> 99%	<10
Jan 2022 (due Feb)	539	538	1	>99%	<10
Feb 2022 (due Mar)	537	536	1	>99%	<10

- 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 one employer yet to submit returns is in respect of a recent admission agreement where a multi academy trust has entered into a service contract with a provider and we are meeting the trust's solicitors this month to agree the wording of the admission agreement as the transferred staff were formerly Council employees which has led to some complexities around guarantee arrangements. There are not expected to be any issues with the submissions of the returns once resolved.

Individual query employer reporting

- 5.16 Last year we started 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 2008 Scheme Final Pay for leavers (where additional information is required beyond the CARE pay included on the monthly returns); confirmation of hours changes; confirmation of role changes, confirmation of pay for Annual Allowance purposes, etc.
- 5.17 The Board previously requested that the reporting be updated to reflect the actual performance of key employers and payroll providers for each quarter so that the trends could be more effectively monitored. **Appendix B** therefore shows the performance in recent quarters for the employers or payroll providers with the highest volumes of queries. Since the last Board report, the reporting on these employers/payroll providers has been

refined to remove any previous duplication so Appendix B represents a more accurate summary of the individual cases outstanding.

- 5.18 Members will note that the trend analysis does clearly indicate some good progress has been made with the volumes of outstanding queries for Doncaster MBC (administered by Rotherham payroll services) even though outstanding numbers remain high for Rotherham MBC. Monitoring meetings have continued to be held regularly with Rotherham payroll services throughout the quarter and additional resources have been allocated by Rotherham payroll to continue their commitment to reducing the outstanding volumes. All high priority queries are now being turned round within agreed timescales and work continues on reducing the volumes of standard queries outstanding.
- 5.19 Following the refining of the reporting, two payroll providers (Capita and EPM) now appear on the list of employers/providers with high volumes of queries outstanding. Both organisations have recently undergone a number of personnel changes which have caused operational difficulties at their end and the Head of Pensions Administration and representatives from the Engagement team are continuing to liaise with the new contacts provided to ensure they understand their statutory responsibilities and to provide any training/support required.
- 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. It would normally be expected that Sheffield CC as by some margin the largest employer would have more queries. However, following our earlier engagement Sheffield CC have now devoted significant resources to resolve the volumes of outstanding queries and their continued positive progress in reducing the numbers of queries outstanding 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. The tables below show the status of payments in respect of contributions due for the latest available 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.

	Dec 21 (due Jan)	Jan 22 (due Feb)	Feb 22 (due Mar)
Employers Paid by Direct Debit	503	509	508
Employers Paid on time by BACS	33	32	32
Payment received late by BACS	0	0	0
Payment outstanding (see 5.15 and 5.22)	1	2	2

5.22 Of the two bodies with payments outstanding, one is the new contract referred to in paragraph 5.15 which is likely to be resolved this month. The second is a new service contract with an existing provider in the fund which commenced on 17 January 2022 (involving 8 staff) and the Support and Engagement Team are working with the employer to ensure all the monthly returns (and contributions) are submitted this month.

Scheme Member Engagement – Customer Satisfaction

5.23 The Authority is always 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 November 2021, December 2021 and January 2022 who provided an email address.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	60%
Satisfied	35%
Dissatisfied	2%
Very Dissatisfied	3%
Total Number of Respondents	102 out of 537 issued

5.24 The percentage of members in the green category remains over 90% which is encouraging. The number of members who were dissatisfied was five. Of the comments received, two members were impacted by the ongoing delays with the AVC provider (see Breaches report). One member raised some concerns about the ill-health retirement process in general which appear mostly to be issues with the employer’s handling of the case. However, some useful feedback was provided and a review of the documentation issued during the ill-health retirement process will be undertaken as part of a wider review of the existing ill-health arrangements in 2022/23.

Scheme Member Engagement – Customer Centre

5.25 Members of the Board will be aware that the Customer Centre exists to provide a single point of contact for scheme members and employers. Feedback for the Customer Centre continues to be reasonably positive overall, with satisfaction levels returning to over 90% this quarter. An electronic survey was issued to 2,951 members with an email address who had contacted us by phone over the months of November, December 2021 and January 2022 to ask about their experience of our service delivery and for ideas on service improvements.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied	58%
Satisfied	33%
Dissatisfied	7%
Very Dissatisfied	2%
Total Number of Respondents	396 out of 2,951

The 9% who were dissatisfied represented 38 individuals which is a slight improvement on the last quarter but still higher than we would wish. A number of comments related to online functionality and it is worth noting that during Quarter 4 we launched our *Deferred Retire online* system. Whilst this is only currently available to our deferred members it’s a

step in the right direction to providing members with another means of starting the retirement process and speeding up the information gathering and form filling process. Members who have used our online retirement facility will be contacted for feedback so we can build in any improvements that need to be made.

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 November 2021, December 2021 and January 2022 is shown below. The 10% who were dissatisfied actually represents two members who didn't provide any further feedback so it seems members are generally content with the operation of the Live Chat facility, albeit it is not currently extensively used.

Q. Overall, how satisfied are you with the service you receive from us?	
Very Satisfied – (Great)	76%
Satisfied – (Good)	14%
Dissatisfied – (Bad)	0%
Very Dissatisfied – (Poor)	10%
Total Number of Respondents	21 out of 73 chats started

5.26 Email is an important channel for many of our members and, since October 2020, we have been monitoring customer satisfaction levels with our email responses by embedding “click face” surveys into our email signatures (see example below).



The table below shows the overall satisfaction levels for November, December and January 2022.

Q. Overall, how satisfied are you with the service you receive from us?	
Excellent	58%
Good	32%
Ok	4%
Poor	6% (6 members)
Total Number of Respondents	100 out of 5,242 emails sent

As with the telephony survey, the ratings have increased in this area, with those members not satisfied reducing from 20% to 6% (which is 6 members in total).

Unfortunately the response rates are low and not all members provide further information, however the ones who leave details, we contact separately. The following comments were left by members who had rated the service poor, and all relate to the secure email service Egress Switch. Due to data protection all emails that contain member data are sent securely. A member receiving a secure email is required to set up an account with a user name and password before they can access the email.

- *I was unable to open the message despite downloading the software that was suggested.*
- *Egress. Nightmare to sign into.*
- *I understand the need for privacy but using the Egress system requires a degree in computers. Tried logging in using their instructions and password with 32 characters but still can't access your email. Please just use conventional email to answer my query. Thanks*
- *Your response was encrypted and unreadable in Gmail.*
- *To many security hoops.*

It is difficult to consider a means of improving the use of secure email as there are clear GDPR considerations here. In the main, we do find that scheme members can deal adequately with the demands of secure email.

Scheme Member Engagement – online portal

5.27 We continue to encourage all scheme members (regardless of status) to sign up to use the online portal which was enhanced and expanded in 2019. **Appendix C** shows the numbers of scheme members who have registered for the portal in the last two years and these numbers are continuing to increase.

5.28 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.

Employer Engagement – satisfaction survey

5.29 As previously mentioned, a satisfaction survey was issued to all **employers** in the fund shortly before Xmas. The survey also asked for comments on how the service to employers can be improved. A total of 42 responses were received to the survey with an overall satisfaction level of 94%. The feedback from the survey was presented at the virtual Employers Forum that was held on 2 March 2022 and a copy of the presentation is included at Appendix D. The intention is to hold a second Employers Forum later in the year on a more hybrid basis.

Annual Benefit Statements (ABS) and the triennial valuation

5.30 Preparations continue ahead of the 2022 exercise to ensure all members receive their ABS ahead of the statutory deadline of 31 August 2022. As 2022 is a triennial valuation and the new fund actuary will require details of all liabilities as at 31 March 2022, the ABS project team remains on target with the current plan for ABS's to be produced over a two month period between 1 May 2022 and 30 June 2022, two months ahead of the deadline. This will also assist with ensuring we meet the timescales for both the submission of the valuation data to the actuary (early July 2022) and the provision of Pension Savings

Statements (September 2022). Members will be kept updated on the progress of the ABS production process over the next few months.

Update on Pensions Administration System

- 5.31 At a previous meeting, the Board were provided with a gap analysis which had been carried out internally to identify shortfalls in the pensions administration system functionality ahead of the commitment to enter into a new contract with the system provider, Civica, in February 2022. The new software contract with Civica has now been completed and Civica have committed to the Improvement Plan which is summarised at **Appendix E**. As can be seen, Civica have committed to resolving all significant outstanding issues by September 2022. From April 2022 onwards, Civica are being asked to present a monthly progress report of the actions taken to ensure they meet this deadline. Members of the Board will be kept informed of the progress made.

Life Certificate Exercise

- 5.32 One of the tasks performed by the administration service is the completion of a 'life certificate' exercise which is designed to provide assurance that SYPA continues to pay monthly pensions only to those entitled to receive benefits. Whilst we routinely (monthly) screen pensioner records against the GRO register of deaths reported in the UK to minimise any overpayments, this screening process does not identify where pensioners resident overseas may no longer be alive.
- 5.33 Existence checks are therefore carried out annually with our overseas members. A member has the option to either complete a life certificate, which requires a signature from both the member and a witness, or to attend a virtual meeting whereby the member produces proof of identity, such as a passport, in addition to being asked questions about their pension record.
- 5.34 The 2021 process started in July. 52 letters and 486 emails were issued. Should a member fail to respond to our communication, we will suspend their pension. However, suspending a pension is the last resort, before we get to the final stage, we will first issue two reminders and make every effort to contact the member by telephone. The final reminder confirms that failure to respond will result in the pension being suspended. **Appendix F** summarises the current status of the outcomes of the Life Certificate exercise. It should be noted that the fact that it has been necessary to suspend the pension does not necessarily mean the member is no longer alive, they may simply have lost contact with us.

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 Q2	SYPA compliance within disclosure Q2	SYPA Compliance when exclude time waiting on third party Q2	Number of Cases Q3	SYPA compliance within disclosure Q3	SYPA Compliance when exclude time waiting on third party Q3	Number of Cases Q4	SYPA compliance within disclosure Q4	SYPA Compliance when exclude time waiting on third party Q4
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.		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 contributors 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%	106	83.96%	95.28%	110	99.09%	100%	196	77.04%	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	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.	87	100%	100%	81	100%	100%	53	100%	100%	161	100%	100%
		The Local Government Pension Scheme Regulations 2013 - SI 2013 No. 2356 Regulation 73 - Notification of first instance decisions	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".)												
4	Pension Savings Statements	The Registered Pension Schemes (Provision of Information) Regulations 2006	Pension Savings Statements as at 5 April must be provided to active members who have exceeded the annual allowance no later than 6 October each year 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.												Due by 6/10/2022
5	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	44,220	> 99.5%	NA		Due by 31/8/2022			Due by 31/8/2022	
MEMBERS WHO ARE LEAVING OR HAVE LEFT THE LGPS BEFORE RETIREMENT															
6	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%	888	59.23%	94%	877	87.57%	94.87%	946	75.90%	100%
7	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%	144	85.42%	100%	127	88.19%	100%	234	93.60%	100%

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 Q2	SYPA compliance within disclosure Q2	SYPA Compliance when exclude time waiting on third party Q2	Number of Cases Q3	SYPA compliance within disclosure Q3	SYPA Compliance when exclude time waiting on third party Q3	Number of Cases Q4	SYPA compliance within disclosure Q4	SYPA Compliance when exclude time waiting on third party Q4
8	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%	28	100%	100%	21	100%	100%	70	100%	100%
9	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	45,826	>99.5%	NA		Due by 31/8/2022			Due by 31/8/2022	
RETIRING & RETIRED MEMBERS															
10	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%	1167	93.74%	100%	1368	92.25%	100%	1316	90.02%	100%
11	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%	659	91.54%	100%	755	81.72%	100%	742	99.06%	100%
ALL MEMBERS															
12	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%	57	96.49%	100%	67	83.58%	100%	93	82.65%	100%
13	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%	3	60%	100%	4	25%	100%	4	100%	100%
BEREAVEMENTS															
14	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%	224	99.55%	100%	306	99.81%	100%	311	99.68%	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%	302	100%	100%	404	100%	100%	463	100%	100%

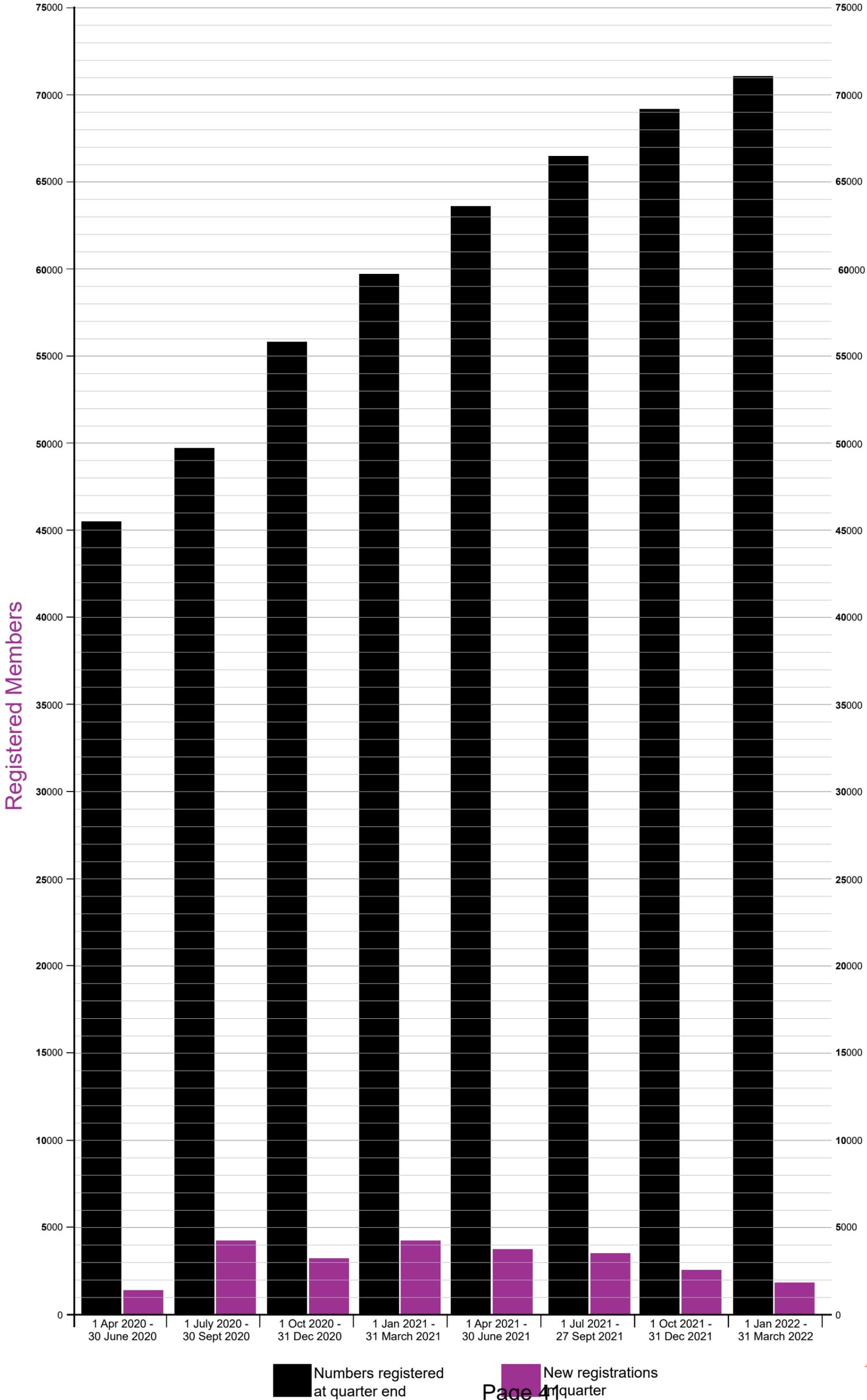
Summary of Employer Queries Raised, Completed and Outstanding
Shown by Quarter for 10 Employers with highest total query volumes to up to 31 March 2022



Employer	Q1 2021/22			Q2 2021/22			Q3 2021/22			Q4 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
[00500] Rotherham MBC	270	178	566	280	121	725	199	137	787	271	242	816
High	59	57	9	49	40	18	48	62	4	75	68	11
Standard	211	121	557	231	81	707	151	75	783	196	174	805
[00400] Doncaster MBC	207	163	494	338	119	713	124	131	706	286	597	395
High	53	55	10	47	43	14	28	41	1	65	61	5
Standard	154	108	484	291	76	699	96	90	705	221	536	390
[00600] Capita	44	17	297	48	31	314	48	34	328	98	73	353
High	6	4	22	6	3	25	8	9	24	16	9	31
Standard	38	13	275	42	28	289	40	0	304	82	64	322
[00600] Sheffield CC	192	283	240	234	295	179	154	183	150	219	228	141
High	39	57	2	59	58	3	46	43	6	74	69	11
Standard	153	226	238	175	237	176	108	140	144	145	159	130
[00600] EPM	25	18	171	26	24	173	24	13	184	75	19	240
High	4	4	9	10	6	13	4	3	14	1	6	9
Standard	21	14	162	16	18	160	20	10	170	74	13	231
[00473] Doncaster Childrens Services	36	62	115	50	31	134	24	30	128	71	98	101
High	10	7	6	10	12	4	6	10	0	15	14	1
Standard	26	55	109	40	19	130	18	20	128	56	84	100
[00300] Barnsley MDC	97	89	82	94	86	90	66	91	65	105	90	80
High	41	43	9	26	28	7	34	38	3	28	29	2
Standard	56	46	73	68	58	83	32	53	62	77	61	78
[00372] Greenacre Academy	9	0	41	32	8	65	8	2	71	14	12	73
High	0	0	0	1	1	0	0	0	0	3	2	1
Standard	9	0	41	31	7	65	8	2	71	11	10	72
[00222] The Sheffield College	0	0	0	0	0	0	0	0	50	16	7	59
High	0	0	0	0	0	0	0	0	1	4	0	5
Standard	0	0	0	0	0	0	0	0	49	12	7	54
[00295] The Chief Constable	38	61	50	42	35	57	28	37	48	56	50	54
High	17	20	3	15	13	5	9	0	3	16	17	2
Standard	21	41	47	27	22	52	19	0	45	40	33	52

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Registrations - January - March 2022



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Listening to our customers

Presented by John Ronson
Support and Engagement Team Manager

Review of Employer Survey 2018

► Changes implemented following 2018 survey

- Introduction of Employer Queries through EmployerWeb
- Launched employer online quote facility
- Members able to produce unlimited retirement quotes online
- Updated MDC spreadsheet for clarity
- Introduction of an employee helpline
- Two new engagement officers to assist with employer and staff training

Page 44



Review of Employer Survey 2021

- ▶ Issued Dec 2021 following previous survey in 2018
- ▶ To 600+ employers
- ▶ 42 responses – relatively low rate compared to 2018 survey. We want feedback!
- ▶ On-going feedback will be logged and reviewed on a regular basis.



Review of Employer Survey 2021

Overall satisfaction with the service

- ▶ Very satisfied – 25%
- ▶ Satisfied – 69%
- ▶ Dissatisfied – 6%
- ▶ Very dissatisfied – 0%



The results are similar to the 2018 survey and show an overall assurance that we are meeting the needs of employers.

Review of Employer Survey 2021

Individual aspects of the service

► **Employers scored on individual aspects of our service, including:**

- Timely response to queries
- EPIC system
- Employer Web
- Demos and Guides
- Employer Training
- Employer Area of the Website
- Helpfulness of SYPA staff
- Scheme presentations to members



All aspects corresponded with the overall satisfaction results – around 85-95% satisfied with the service.

What do you think we can improve about the administration service you receive from us?

▶ **Terminology and use of acronyms**

- What we'll do – any training material to include a glossary of terms, plus a standalone document explaining terms and acronyms.

▶ **Issues resolved at first point of contact**

- What we'll do – further training to be provided to our contact centre to resolve MDC issues on first contact
- What we'll do – comprehensive Q&A doc plus training videos for common issues



What do you think we can improve about the administration service you receive from us?

- ▶ **EmployerWeb queries can be too vague**
 - What we'll do – feedback will be provided to the benefits team to review queries for clarity
 - What you can do – let us know if anything is unclear!

- ▶ **Loss of dedicated MDC contact**
 - What we'll do – on-going training for customer centre and benefits team staff to resolve issues
 - What you can do – try to submit MDCs by the preferred date where possible in case any issues arise

Review of Employer Survey 2021

- ▶ **Others points of note:**
 - The preference for training is now virtual rather than in-person.
 - Employer newsletters are informative and useful.
 - The employer training currently provided is of a high standard.
 - Continuous improvement in MDC submission rates



Employee Satisfaction

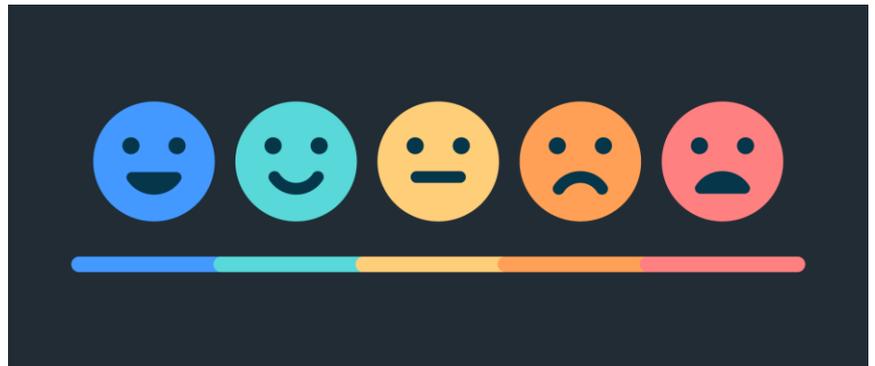
Retirement Surveys

▶ **A retirement survey was issued to all new retirees in the last year:**

- 2321 surveys issued
- 521 responses
- 22% response rate

▶ **Results:**

- Very satisfied – 62.38%
- Satisfied – 29.56%
- Dissatisfied – 5.95%
- Very dissatisfied – 2.11%



Employee Satisfaction

Retirement Surveys – Feedback

- ▶ Better online facilities for retirement needed – launch of Retire Online facility.
- ▶ Delays in receiving information from employers when a member signals their intention to retire. New retirement data form to be released soon.
- ▶ Delays caused by AVC providers – issues with Prudential.



Employee Satisfaction

Customer Centre Data

- ▶ **When a member contacts us, we issue an electronic survey to gather feedback. In the last 12 months:**
 - 12,845 surveys issued
 - 1,695 responses
 - 13% response rate
- ▶ **Results:**
 - Very satisfied – 62.18%
 - Satisfied – 27.79%
 - Dissatisfied – 6.96%
 - Very dissatisfied – 3.07%



Employee Satisfaction

Customer Centre – Feedback

- ▶ Delays in online system showing contributions, especially regarding AVCs.
- ▶ Delays with transfers.
- ▶ Occasionally call backs not made in promised timeframe.



Any questions?

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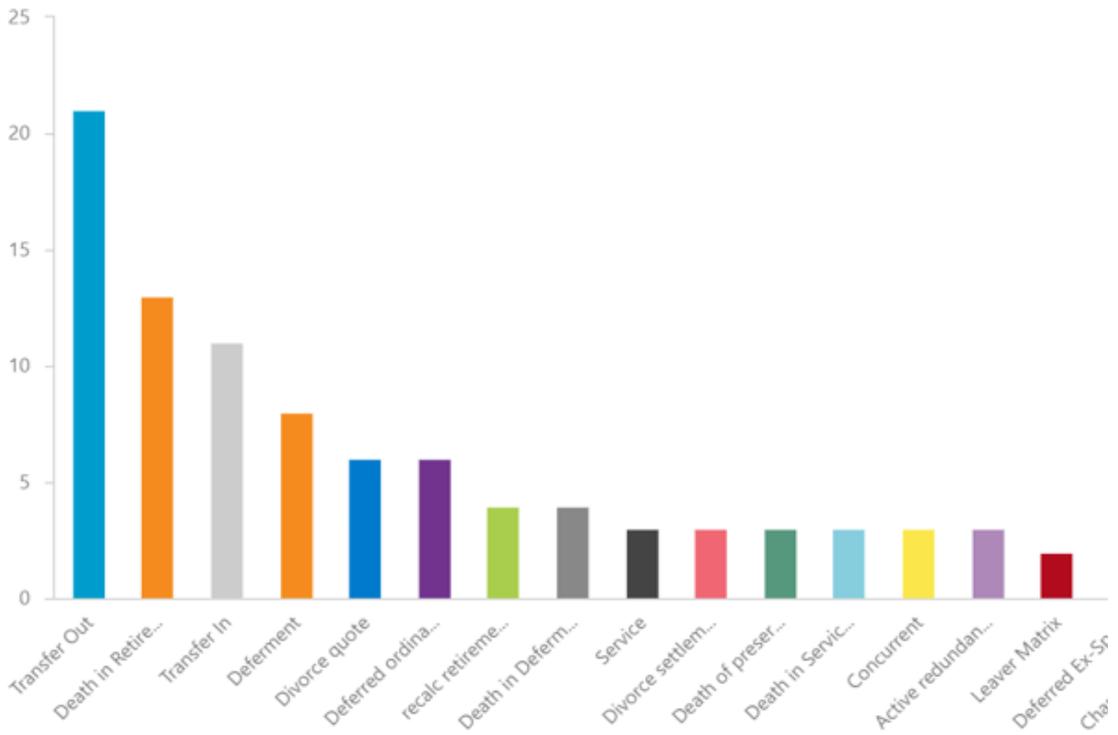
Summary of improvements needed to comply with Specification of Requirements

Main Category	Sub Category (if applicable)	Reference (if applicable)	Current Status of Compliance	Summary of improvements needed/comments	How the improvement will be met	Timescale	
General Requirements of the Provider	Client relationship management		Meets requirements	May need to improve reporting on issues identified below.	Updated and improved Known Errors List	30-Sep-22	
	Performance and reporting	3.3.2	Partially meets requirements	Visibility on errors/ommissions reported by other clients			
	Upgrade Services	3.5.9	Partially meets requirements	Need to treat errors in upgrade implementation as priority fixes			
		3.5.10	Partially meets requirements	Upgrade documentation needs to be comprehensive and include full details of all new, improved or amended functionality	Ongoing improvement plan	On-going	
	Training and system guidance	3.6.8	Partially meets requirements	Comprehensive user manuals needed in some areas			
	General Consultancy	3.7.2	Not currently provided	Comprehensive back up and maintenance plans for SQL databases	See Call-Off Schedule B section 5.1.1 which defines the UPM Database Management Service included within the services in the contract	01-Mar-22	
Data Requirements	Bulk Data Load	5.1.4	Not currently provided	System Health checks			
			Not currently provided	Advice on database housekeeping to ensure optimal performance	Project to improve Monthly Data Collection in place with the following items to be reviewed.		
			Partially meets requirements	Enhance data load facility by producing errors and warnings prior to system update	LANDesk Number: 267561,186748, 264729, 18593, 21769, 24515, 300519, 319373, 341664, 345371, 424237, 302731, 331176, 370543, 555525, 564811, 566468, 588159, 598296, 600220, 631939, 677795	30-Sep-22	
		5.1.8	Partially meets requirements	Improve functionality for system to continue to be used during bulk loading/interfaces (e.g. MDC)			
Reporting Benefit Calculations		8.3.6	Partially meets requirements	Need ability to report reliably on TPR common and conditional data (currently done by DART)	This facility is already available		
	Aggregations	12.2.1	Partially meets requirements	Multiple calculation and write-back errors to be resolved			
		Partially meets requirements		Also issues with subsequent benefit calculations.			
	Transfers in	12.2.2		Number of known errors to be resolved.			
	AVCs	12.2.4		Certain update fields missing.			
	Annual Allowance/scheme pays debits	12.2.7	Not currently provided	A large number of deficiencies. Functionality included in latest release (in test) but a number of significant gaps identified.			
	Pension sharing	12.2.8	Partially meets requirements	Number of known errors to be resolved.			
	Refunds/Deferreds	12.2.10	Partially meets requirements	Number of known errors to be resolved.	To be addressed as part of calculations improvements project	30-Sep-22	
	Death Benefits	Various	Partially meets requirements	Number of known errors to be resolved for death from different status types.			
	Voluntary Retirement	12.2.12	Partially meets requirements	2 known errors to be resolved.			
	Flexible Retirements	12.2.13	Partially meets requirements	System can not calculate partial flexible retirement.			
	Transfer out	12.3.2	Partially meets requirements	Significant number of known errors.			
Bulk Processing	Deferred into payment	12.3.5	Partially meets requirements	6 known errors to be resolved.			
	Pension adjustments	12.4.1	Partially meets requirements	Known errors with retirement recalculations			
	Civica Known Error Log	Not listed		Contains significant number overall of known issues (many included above).			
	Annual Pensions Increase	11.2.1	Partially meets requirements	Development work required on Pensions Increase program	Delivered in release 29.4	31-Jan-22	
	CARE Revaluation	11.3	Partially meets requirements	Number of identified errors with CARE Revaluation			
	Payroll and Payroll Interface		13.1.6	Partially meets requirements	Pre-RTI submission checks and reports required.		
			13.4.4	Partially meets requirements	Improve functionality to update GL for stopped or rejected payments		
			13.6.4	Not currently provided	Calculation of net overpayments (e.g. on deaths) and updating payroll	To be Delivered in the next Main software Release	30-Sep-22
			13.9.2	Partially meets requirements	Reconciliation of pensioner numbers between payrolls		
		13.9.4	Not currently provided	Individual payroll result calculations			
System Environment, Security and IT	Microsoft Compatability	15.8.2	Partially meets requirements	Need to ensure compatability with latest MS software as caused issues in past.	Compatibility detail released annually	on-going	

This is Civica's own breakdown. However, it does not include the following: Monthly Data



Issues by Calculation Type (LGPS)



Known Issues Log – September 2021

Commercial in Confid



ience - Customer

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Life Certificate Outcomes 2021

Member	Age at 31/03/2022	Country	Date last Certificate received	Date last payment made	Action Taken
1	75	spain	03/11/20	31/03/22	suspended- 3 letters 1 email reminder
2	63	pakistan	15/09/20	28/02/22	suspended - 2 letter 1 email reminder
3	61	portugal	N/A member retired sep 2020	28/02/22	suspended- 2 letters 1 email reminder
4	75	Australlia	Nov-20	31/03/22	suspended - 2 letter 1 email reminder
5	68	US	21-Oct-20	31/03/22	pending. Reminder sent 01-04-2022
6	72	Gambia	Aug-20	31/03/22	suspended-email returned, 3x letter reminders
7	65	thailand	05-Nov-20	31/03/22	suspended - 2 letter 1 email reminder
8	58	germany	04/09/20	31/03/22	pending. Reminder sent 01-04-2022
9	80	spain	19/04/21	31/03/22	suspended 3 letters 1 email reminder
10	68	malaysia	N/A	31/03/22	suspended- 3 letters 1 email
11	79	barbados	17/11/20	31/03/22	suspended- 3 letters and 1 email reminder
12	87	Ecuador	12/04/19	30/10/20	suspended- 3 letters and 1 email reminder
13	75	spain	18/11/20	31/03/22	suspended- 2 letters 1 email reminder
14	75	spain	21/10/20	31/03/22	suspended- 2 letters 1 email reminder
15	64	New Zealand	08/03/21	31/03/22	suspended- 4 letters 1 email over 2 records
16	64	ireland	25/11/20	31/03/22	pending- husband passed member wasn't happy, reminder issued 01/04
17	72	spain	23/03/21	28/02/22	Suspended- 3 letters sent
18	59	SPAIN	03/09/20	28/02/22	Suspended- 4 letters sent

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Subject	Review of Breaches, Complaints and Appeals	Status	For Publication
Report to	Local Pension Board	Date	28 April 2022
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 breaches and provide details of complaints and appeals for the period from 1 January 2022 to 31 March 2022.

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 and appeals handled 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 4 has seen just one data breach (which occurred in Q1 of 2022/23) where a set of individual queries on a Monthly Data Collection (MDC) file were incorrectly sent to the normal payroll contact for the wrong Council. The data was correctly encrypted and the Council confirmed they have deleted the email issued in error. This was simply human error with the wrong contact selected. Once Civica have made some corrections to the MDC process we will be moving to a system where MDC queries are issued directly via the online portal which should reduce the risk of this issue recurring.
- 5.2 Separately, one of our AVC providers, Prudential, reported to us at the end of March 2022 (see copy of letter at **Appendix B**) that they had been unable to meet the 12-month statutory deadline for issuing member AVC statements for the 2020-21 year. The administration problems with Prudential have been well documented over the last 12-18 months and Prudential have already reported themselves to The Pensions Regulator (TPR) in relation to performance issues on AVC administration. The Scheme Advisory Board (SAB) have also been undertaking engagement with Prudential on behalf of LGPS funds.
- 5.3 Prudential did not feel able to share details of their specific correspondence with TPR in terms of reporting breaches so, as a precautionary measure, SYPA has prepared a report to TPR to ensure they are aware of the AVC breach specifically in relation to our fund. The performance of Prudential will be included as part of the wider review of AVC provision being undertaken by the actuarial firm, Barnett Waddingham, on behalf of SYPA. Prudential have indicated they expect to issue the 2020-21 statements by the end of April 2022.
- 5.4 The breach report also includes reference to the late issue of Pension Savings Statements for 2020-21 which are detailed in an accompanying report.

Cyber Security Incidents

- 5.5 To improve visibility for the Board, the breach report now includes details of cyber security incidents. There was just one incident in the quarter which was a result of the not uncommon issue of phishing emails. Fortunately, the email was directed to possible Spam and was not opened by the members of staff to whom it was addressed.
- 5.6 All staff undertook an e-learning training session recently which focused on spotting this type of communication from hackers and the ICT team will continue to test staff periodically in this area to ensure that awareness levels remain high.

Complaints

- 5.7 **Appendix C** 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.

- 5.8 The total number of complaints received in the Quarter was five, which is representative of the volumes received in previous quarters. Of these though, four were outside of SYPA control as they were a result of either delays from third-party providers, regulatory requirements or actions not taken by the member.
- 5.9 The one complaint that was possibly within SYPA's control related to a retiring member who had maintained she had posted in original certificates (birth and marriage) along with her claim forms, but these had not been traced. We strongly discourage members from sending in original certificates for exactly this reason. In the event we were able to pay the benefits having received a scanned copy of passports and we have offered to reimburse the member for the costs of a replacement certificate if required. Longer term, we are interested in ways of using other electronic forms of ID verification and have included this in our Corporate Strategy. Our initial investigations suggest the options currently available in the market are not yet sufficiently secure, though we expect this to change in due course.

Formal Appeals

- 5.10 There were no formal appeals determined in Quarter Four.

Ref	Reason for Appeal	Stage	Upheld?	Response within IDRP timescales?

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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SYPA Record of Breaches

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		31/03/22	Compliance	Prudential have confirmed they have failed to meet 12 month deadline for issuing AVC statements.	Prudential have already notified TPR but SYPA also issuing report for completeness.	Red	28/04/2022 (LPB)	YES	NO	Wider review of AVC provision being undertaken by external provider.	Open pending any Board comments
2020/21			Compliance	Pension Saving Statements were issued late for 2020/2021	See separate report at 28/4/22 Board meeting.	Amber	28/04/2022 (LPB)	?	NO	See separate report at 28/4/22 Board meeting.	Open pending any Board comments
2022/23	59	08/04/22	Personal Data	Set of data queries on MDC file were sent encrypted to wrong Council payroll department.	Recipient requested to delete data and supervisory discussion with member of staff.	Green	28/04/2022 (LPB)	NO	NO	Further development required by Civica (by Sept 22) and then routine queries will be sent via portal instead.	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	CS15	04/03/22	Phishing email sent to two members of SYPA staff containing a link to a fake Microsoft login page.	Emails were blocked by Mimecast as Spam and not released. The sender was blocked and URLs also blocked.	28/04/2022 (LPB)	NO	NO	NCSC cybersecurity elearning course previously undertaken by all staff. Further phishing email testing is planned as part of IT work programme to check users remain vigilant.	Closed

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Mr J Bailey
South Yorkshire Pensions Authority
Floor 8 Gateway Plaza
Sackville Street
Barnsley
S70 2RD

Scheme number
L034
Scheme name
South Yorkshire Pension
Fund

Date
29th March 2022

Dear Jason

Our service performance

Further to our conversation last week I confirm that we have been experiencing delays in issuing Annual Benefit Statements and annual revision information for your scheme. We expected to have this completed by the end of March 2022.

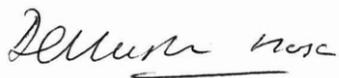
Unfortunately, I now expect there to be a further delay in the issuing of statements and revision information. Our operations team have indicated this work will be complete by the end of April 2022.

The service recovery programme that's in place has delivered improvements in day to day servicing. Unfortunately, the complexities associated with the annual revisions process in the first year after the system migration, have been more complicated than was originally anticipated.

The delay will mean the regulatory date for the issue of statements will be breached. We have already informed The Pensions Regulator to ensure they are aware of the delay.

I apologise for this delay and will keep you informed as the work progresses.

Yours sincerely



Alastair Hogg
Head of Corporate Pensions

Calls may be monitored or recorded for quality and security purposes.

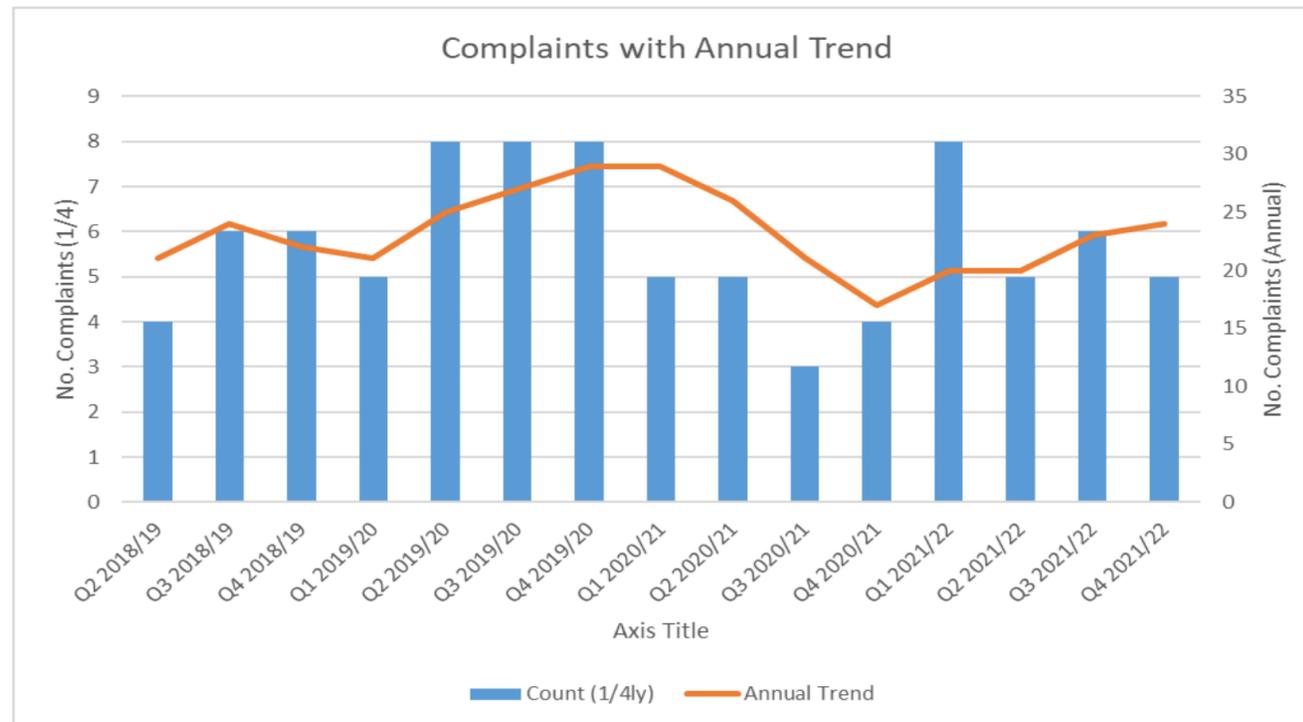
"Prudential" is a trading name of The Prudential Assurance Company Limited which is registered in England and Wales. Registered office at 10 Fenchurch Avenue, London EC3M 5AG. Registered number 0000333. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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COMPLAINT SUMMARY

1 January 2022 to 31 March 2022

Reference	Complainant	Nature of Complaint	Response issued within target response time?	Responsible party	Follow up actions required/taken?
C82	Retired Member	Member unhappy he was not allowed to transfer out of the scheme.	Yes	N/A	Explanation of regulations provided to member, together with information on appeals process.
C83	Beneficiary Member	Member unhappy at delay in paying arrears for child's pension. Additionally believed she hadn't been informed this would cease when she reached age 23.	Yes	Third Party	Apology and explanation of delays issued (member hadn't supplied ID, education institution chased multiple times for confirmation of attendance). Reissuance of information concerning child pensions. Arrears paid in next available payroll run.
C84	Retiring Member	Member maintains she sent in original certificates and these have not been traced leading to a delay in payment of benefits.	Yes	SYPA?	Benefits settled on next available payroll run, apology issued and offer to pay for replacement certificates.
C85	Active Member	Member unhappy an interfund payment was requested without her consent.	Yes	N/A	Explanation of regulations provided to member, additional cancellation form supplied. Monies repaid to former employer. Process to be reviewed to allow members additional period to opt out of interfund transfer. Correspondence to be reviewed to make transfer position explicit.
C86	Deferred Member	Member unhappy that transfer out had not been completed	Yes	Member	Letter to member explaining they had requested 2 transfer value quotations, both provided inside KPI measures, but no transfer forms had been completed. Explanation of where and how to obtain appropriate forms provided.
Total for Three Months	5				



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Subject	Benchmarking Investment Costs and Performance	Status	For Publication
Report to	Local Pension Board	Date	28 th April 2022
Report of	Director and Head of Investment Strategy		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	George Graham Director	Phone	01226 666439
E Mail	ggraham@sypa.org.uk		

1 **Purpose of the Report**

- 1.1 To provide an update for the Board on the results of benchmarking work undertaken on the Authority's investment performance and costs.
-

2 **Recommendations**

- 2.1 Members are recommended to:
- a. Note and comment on the results of the investment benchmarking exercise.**
-

3 **Link to Corporate Objectives**

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

Investment Returns

To maintain an investment strategy which delivers the best financial return, commensurate with appropriate levels of risk, to ensure that the Fund can meet both its immediate and long term liabilities.

Effective and Transparent Governance

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

4 **Implications for the Corporate Risk Register**

The actions outlined in this report relate to identified risks in relation to investment performance and the effectiveness of the pooling process.

5 **Background and Options**

- 5.1 As part of efforts to establish the success of the pooling process in improving both the cost efficiency and performance of the Local Government Pension Scheme (LGPS) the Government at the beginning of the process encouraged LGPS funds to participate in investment benchmarking exercises. SYPA along with most other LGPS funds and

pools has for the last 7 years participated in a benchmarking exercise undertaken by CEM a global provider of such services. The particular advantages of this form of benchmarking are the provision of comparisons both with a universe of 35 similar LGPS funds involved in other pools but also with a group of 10 large global pension funds. This and the fact that the comparison examines not just cost but performance and the level of risk adjusted return provide significant added value to users.

- 5.2 By the nature of these exercises results are not necessarily available particularly quickly after the end of a reporting year and the results being commented on here relate to the year ended 31st March 2021.

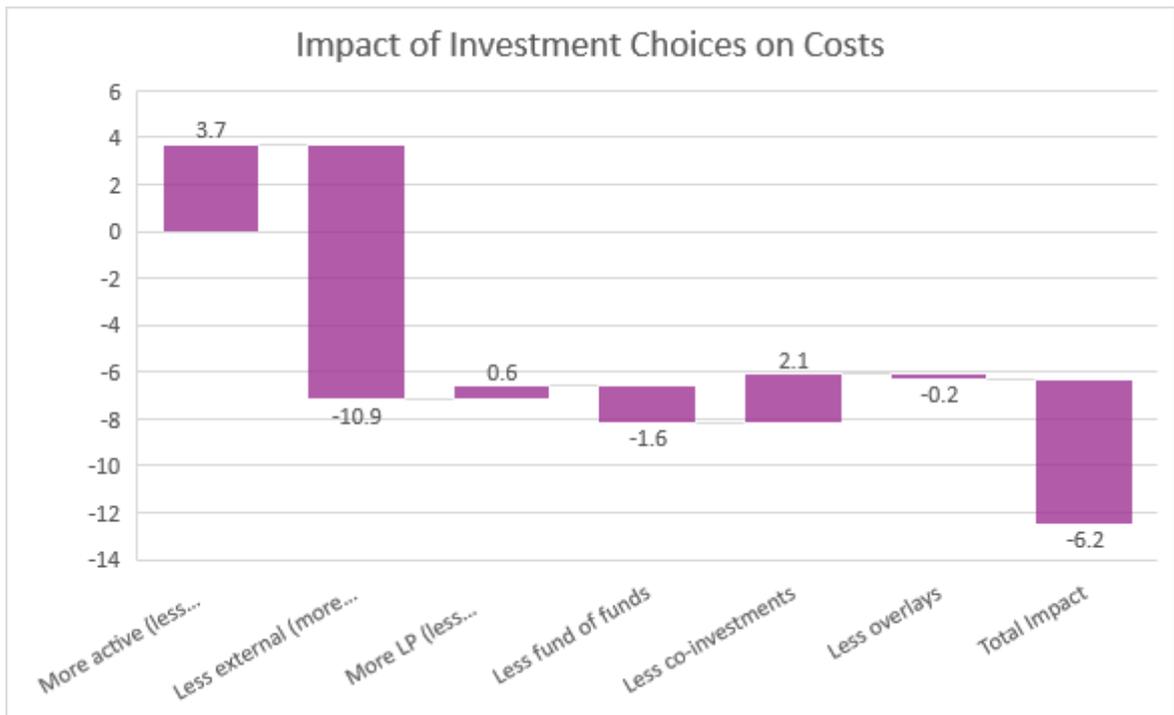
Cost Comparison

- 5.3 CEM make their cost comparisons using the absolute costs expressed in basis points (bps) relative to the assets being managed. 10 basis points = 0.1%. This allows the easy elimination of currency differences. Comparisons are made with a benchmark that represents the median of the peer group adjusted to reflect differences in asset mix to provide the fairest possible comparison. The table below shows the headline comparison. Please note that throughout the following analysis figures may not sum due to rounding.

	£000	bps
<i>SYPA Cost</i>	60,669	68.6
<i>Benchmark Cost</i>	60,332	68.2
<i>Difference</i>	336	0.4
<i>This difference is explained by two factors</i>		
	£000	bps
<i>Implementation Style</i>	-5,500	-6.2
<i>Paying More for Similar Assets</i>	5,837	6.6
<i>Difference</i>	336	0.4

- 5.4 What this tells us is that the positive differences in cost are accounted for by a number of choices made by the Authority about how it invests money, which largely flow from the Authority's investment beliefs. These can be seen in the graph below, the key takeaways from which are:

- The additional cost of active management is substantially outweighed by the lower costs of internal management.
- Using fewer fund of funds in the alternatives portfolio largely offsets the difficulty of making more co-investments due to both the resources available and the scale of the individual investments within the alternatives portfolio prior to pooling.



5.5 In essence this reinforces what was said when SYPA embarked on the pooling process which is that internal management maintains lower costs providing the opportunity to use the available budget to do a bit more in higher cost areas such as alternatives. This is borne out when the choices made by SYPA are compared both with the LGPS Group and the global group where:

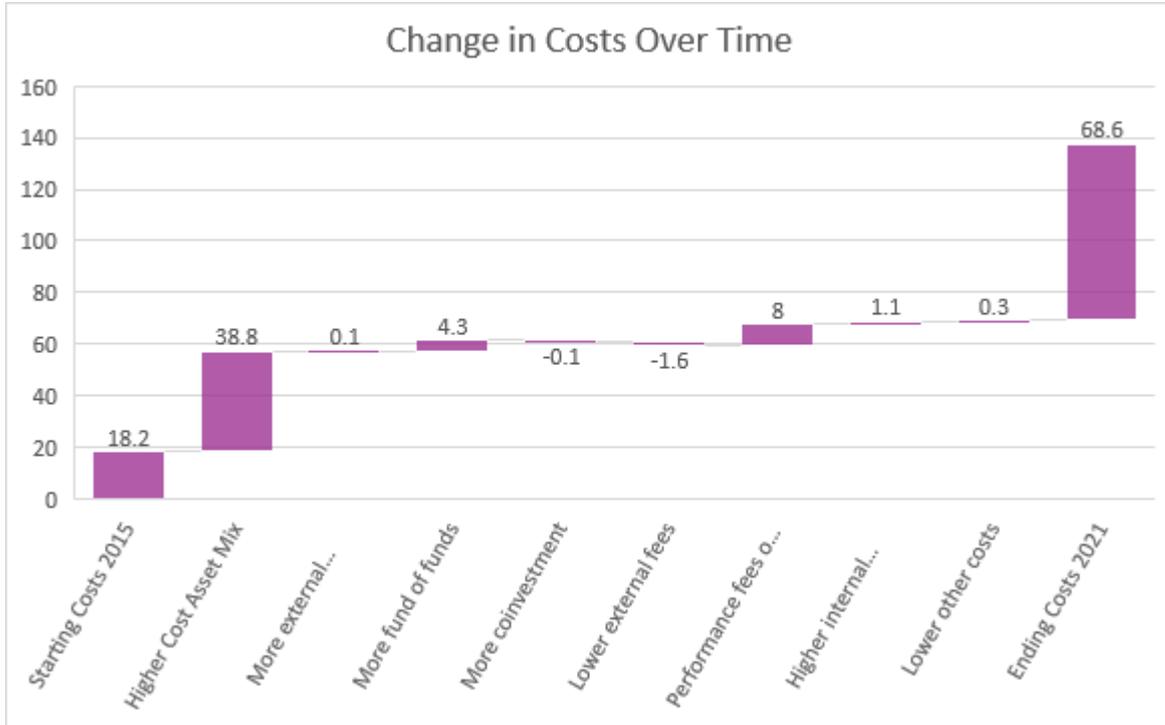
- SYPA invests very materially less through expensive fund of funds than the LGPS group and significantly less than the global group.
- SYPA invests nothing passively compared to over 23% in the global group and 20% in the LGPS group.
- SYPA invests very materially less through external managers than either comparator group. This is significant as the comparators include some large North American funds which have internal capabilities.

5.6 If we look at the areas of cost comparison which are concerned with the price paid as illustrated in the chart below the following are the key takeaways:

- The costs of the pooled products for listed assets are below the benchmark reflecting the internal management approach. Better conclusions will be able to be drawn on this in future when products like the MAC fund are included in the comparison.
- Direct holding of property is a less expensive way of holding the asset class.
- The legacy alternatives portfolio may be higher cost because the scale of individual investments was smaller.
- The pooled alternatives costs are distorted by the fact that fees are paid on commitments but the comparison involves actual fees measured against invested cash so fees may appear overstated until investments are fully drawn.
- The lower costs of custody etc reflect a residual in house operating model which is in need of review given the fact we no longer run money directly.



5.7 It is possible to look at the way in which costs have moved over the 7-year period since we started participating in the CEM survey. This is illustrated in the chart below



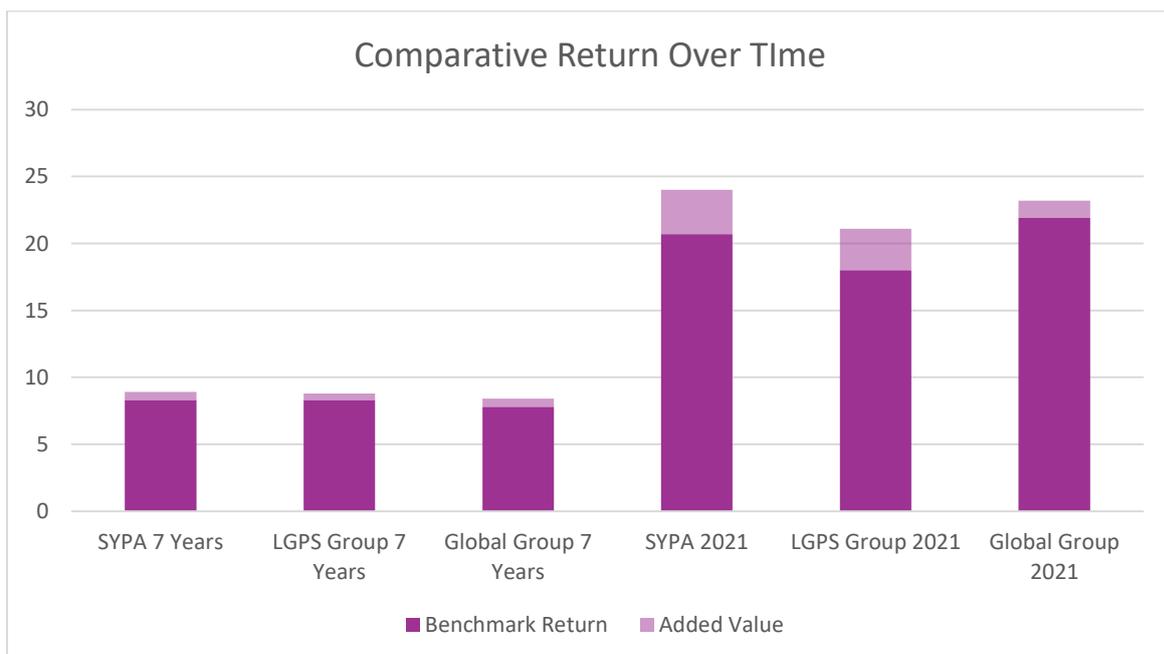
5.8 This does represent a very substantial increase in costs although the major driver is the strategic shift to invest a greater proportion of the fund in alternatives including infrastructure rather than in traditional listed assets, with alternative assets growing by from 15% to 26% of the Fund in the period. The impact of this on costs in isolation was always known to be negative. On the other hand the increase in performance fees paid on the alternatives portfolio should be regarded as a positive as it indicates success by managers in achieving their performance targets. Similarly, it was known that delivering internal management through the Pool was always likely to be more expensive than maintaining the previous, probably unsustainable in house business model, and at 1.1 bps this is not material in the overall scheme of things particularly when considered against the increased resilience provided for this cost.

Performance Comparison

5.9 While costs are important they need to be seen in the context of the performance that has been delivered in return for the costs invested. CEM break performance down into two components:

- Benchmark return: The return from strategic asset allocation decisions if implemented passively. These decisions are typically made in SYPA by the Authority.
- Value added: A function of active management decisions, including tactical asset allocation, manager selection, stock selection, etc. These 'implementation' decisions tend to be made by management. In simple mathematics this is the total return minus the benchmark return.

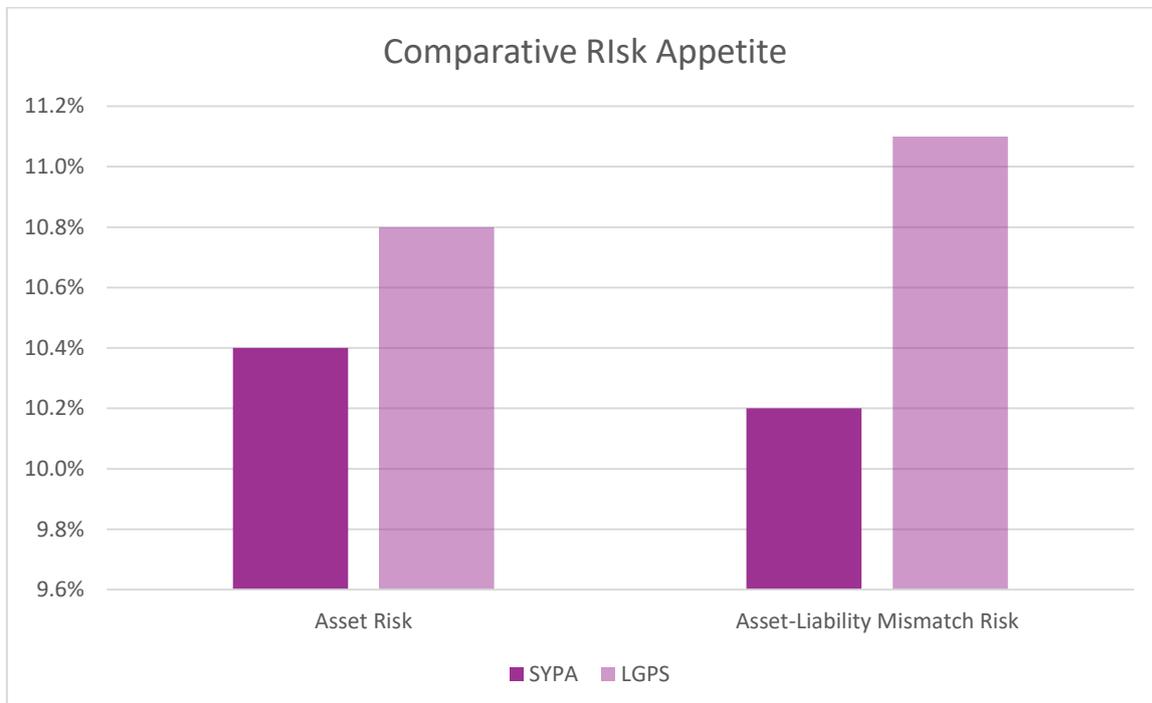
5.10 Looked at for 2021 and the whole of the 7 year period then the comparison between SYPA and both the LGPS and Global comparator groups is shown below:



- 5.11 The key message in this is that over the longer term SYPA has delivered more added value than the LGPS average although less in the last year, likely due to the fact that our equity holdings are a smaller proportion of the Fund than average and they are not operated to achieve the higher performance targets of many external managers. The comparison with the global group over both periods is also favourable. The particular contributors to value added were listed equities and private equity, with index linked bonds and property making relatively small negative contributions. Over the 7 years CEM estimate that the added value delivered has added £411m to the value of the Fund which is a material amount. The % value added is almost twice the LGPS average and more than twice the global average, again representing material outperformance.
- 5.12 Return is a function of strategic asset allocation and over the 7 year period as part of the conscious approach to reduce exposure to market volatility and to seek different sources of return the Fund has moved out of equities where in 2021 we held 45% of the Fund compared to the LGPS average of 53% with 31% in alternatives (including property) compared to an average of 28% and with more assets held in bonds than the average (25% compared to 19%), although with a different and higher return focussed mix than the average. This would seem to be paying dividends in terms of the overall picture of consistency of return.
- 5.13 The strategic asset allocation broadly reflects the Fund's appetite for risk which is described in our investment beliefs as "moderate". Risk can be looked at in two ways
- Asset Risk – A higher asset risk is indicative of a higher weighting to more volatile assets and/or more concentration in the portfolio (and vice versa), and
 - Asset – Liability mismatch risk- A lower asset-liability mismatch risk means the fund is closer to a "fully matched" position. A higher asset-liability mismatch risk is indicative of a willingness to take more risk relative to liabilities.
- 5.14 In general terms the Fund's strategy in recent years has been to reduce risk exposure as it has come closer to and/or achieved a fully funded position, while recognising that risk has to be taken in order to achieve the returns required to meet future liabilities. The chart below shows how the two metrics described above have moved over time.



5.15 What this shows is that the level of risk being taken has moved down showing that the moves in the strategic asset allocation have achieved their intended purpose. However, it is also worth examining whether we are taking more or less risk than our peer group in order to achieve our return which in the longer term is somewhat better than the LGPS average. The position for 2021 is illustrated below



5.16 Thus SYPA would based on this analysis seem to be taking materially less risk than the average across LGPS while achieving comparable short term returns and superior longer term returns. This would seem to support the very long term consistent approach to the investment strategy which has been based on “slow and steady wins

the race”, rather than aiming to achieve top quartile returns on every asset class every year. Compared to other LGPS funds this puts us in the better funded less risk group of funds with above median funding (using the Scheme Advisory Board standard basis) combined with lower than median risk. This is clearly a desirable position and one that we will seek to maintain.

- 5.17 CEM’s overall conclusion is that the Fund is delivering positive value add at low (tending towards median) cost. This is clearly where we would want to be but we do need to keep an eye on whether the continuing changes to the asset mix are delivering both the required performance and risk at reasonable cost.

6 Implications

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

Financial	None directly
Human Resources	None
ICT	None
Legal	None
Procurement	None

George Graham
Director

Sharon Smith
Head of Investment Strategy

Background Papers	
Document	Place of Inspection
CEM Benchmarking Report	Oakwell House



Subject	Pension Savings Statements 2020/21 – Lessons Learnt	Status	For Publication
Report to	Local Pension Board	Date	28 April 2022
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 results of the 2020/21 Pension Savings Statements exercise and set out the actions being taken to ensure the success of the 2021/22 exercise.

2 **Recommendations**

- 2.1 Members are recommended to:
- a. **Note the actions taken to address the late delivery of the 2020/21 Pension Savings Statement exercise and ensure successful completion for 2021/22**
 - b. **Advise whether any further action is required in relation to the 2020/21 breach.**

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). It is important members are given comprehensive information in relation to the Annual Allowance to understand their own liabilities and reporting requirements.

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 and acting to put things right when issues are identified.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report relate to actions to mitigate risk O2 in the Corporate Risk Register which relates to the Authority meeting its statutory requirements for the disclosure of information to scheme members.

5 Background and Options

Annual Allowance

- 5.1 The Annual Allowance (AA) was introduced by HMRC in April 2006 and in practice represents the maximum amount of tax-free growth an individual's pension "pot" can benefit from in any tax year (i.e., from 6 April to the following 5 April). This includes all pension arrangements (apart from the State Pension) and is currently set at £ 40,000 per year. For the LGPS and other defined benefit schemes, the AA is measured by calculating the difference between the capital value of a member's benefits at the beginning and end of the tax year (after allowing for inflation). For these purposes, any actuarial reductions that might otherwise apply (e.g., if a member had left the scheme at the end of the tax year) are ignored. The following is a simplified example: -

Yearly Pension at 6 April 2021: £ 10,000 x 16 (factor) = £ 160,000 capital value

Yearly Pension at 5 April 2022: £ 13,000 x 16 (factor) = £ 208,000 capital value

£ 208,000 - £ 160,000 = £ 48,000 i.e., in Excess of Annual Allowance

- 5.2 If a member exceeds the AA the legislation does allow them to carry forward any unused allowance from the previous three tax years. If, after allowing for carry forward, a member still has an excess over the AA then they are required to pay tax on the excess at the marginal rate. The legislation also allows members to elect for SYPA to pay the tax charge (this is known as "scheme pays") and recover this from the member by means of a permanent reduction to their benefits when they eventually retire.

Pension Savings Statements

- 5.3 As the AA tax is a personal tax liability, scheme members themselves are responsible for assessing their own position in relation to the AA and reporting this to HMRC where required. Separately, HMRC asks schemes to provide information on members who have exceeded the AA.
- 5.4 For individuals to work out their own assessments, schemes are required under the Registered Pension Schemes (Provision of Information) Regulations 2006 (as amended) to issue Pension Savings Statements where members have exceeded the £ 40,000 limit. The statement should be issued within six months of the end of the tax year (i.e. by 6 October).
- 5.5 The provision of a Pension Savings statement means that a member has exceeded the AA limit for that specific tax year in respect of their SYPA membership – it does not necessarily mean they will face a tax charge (as they may have carry forward for example). Similarly, a member may also face a tax charge if they have benefits in more than one scheme and the sum of these benefits exceeds £ 40,000.

Lessons Learnt from 2020/21 exercise

5.6 For the 2020/21 year, a total of 105 Pension Savings statements were issued where members had exceeded the £ 40,000 limit. Unfortunately, only 5 of these were issued within 6 months of the end of the tax year.

5.7 **Appendix A** provides a high-level summary of the issues that led to the late production of Pension Savings statements in relation to the 2020/21 exercise. In brief terms these can be summarised as follows: -

Resourcing: Under legacy arrangements, the exercise had traditionally been carried out by one of the small specialist teams (the Support and Engagement Team). This team was under-resourced last year (primarily through the absence of a team manager for six months) which led to delays in completing the exercise.

Process: The processing of monthly MDC files means that it is possible to estimate the AA liability for the year ending 31 March and this estimate is included in the Annual Benefit Statements that are issued to each member. However, for members who exceed the AA they require an accurate calculation to 5 April tax year end and this means additional data is required from the employer. The process of identifying affected members, issuing data requests and ensuring individual employer responses were received in a timely manner was not sufficiently robust for 2020/21.

Systems: We had been due to receive an upgrade from Civica ahead of the 2020/21 exercise which would allow automation of the calculation process (to 5 April instead of 31 March) but in the event this was not available in time for 2020/21 and the actual calculations had to be performed “manually” using spreadsheets.

5.8 **Appendix A** summarises the Action (Improvement) Plan which has been put together to rectify the issues experienced during the 2020/21 exercise and to ensure successful and timely completion of the 2021/22 and future exercises. The status column on the Action Plan highlights that the exercise is currently on target and a further update will be provided to the next meeting of the Board to provide assurance that the statements will be issued on time for 2021/22.

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

Theme	Issue Identified from Previous Year Exercise	Action Required for 2021/22 exercise	Timescales for Completion	Team(s) Responsible	Current Status (RAG)	Comments
Resourcing	Legacy arrangement was that the exercise was completed by the Support and Engagement Team. For 2020/21, due to vacancies and other pressures there were insufficient experienced resources available in the S & E Team to complete the exercise on time.	Processing of routine individual cases to be migrated from smaller Support and Engagement Team (approx. 6 FTE) to Benefits Team (approx. 35 FTE)	Final Quarter of 2021/22	Benefits Team	Completed	
Resourcing	Lack of knowledge within Benefits Team to assist with exercise	Training to be delivered.	Final Quarter of 2021/22	Support and Engagement Team	Completed	Training videos also compiled to assist with reference/refresher training.
Resourcing/Process	Identification of affected members and requests for additional individual data requirements to employers beyond the monthly MDC files (i.e. pay information for period ending 5 April rather than 31 March) were delayed	Identify members likely to be impacted based on 2020/21 exercise and current salary information	End of April 2022 to identify impacted members.	Systems Team	In progress	
			End of May 2022 to issue data requests to employers.	Support and Engagement Team	In progress	
		Identify any "sweep-up" cases following completion of 2022 ABS exercise	Jul-22	Systems Team	Not Yet Due	
Process	Delayed responses from some employers to additional data requests	Monthly Reporting to HoPA to identify outstanding responses to follow up with employers/payroll providers	End of May 2022 onwards	Support and Engagement Team	Not Yet Due	
Process	Lack of effective monitoring of completed cases	Monthly Reporting to HoPA to identify progress and any issues arising	End of May 2022 onwards	Benefits Team	Not Yet Due	
Systems	Expected UPM development not in place and tested to allow system to calculate and write back values as at 5 April instead of just 31 March. Individual calculations performed in Excel outside of UPM.	Systems upgrade has now been delivered but requires full testing and training.	End of May 2022	Systems Team/Support and Engagement Team	In progress	
Systems		Upload of legacy data to UPM to allow future exercises to be fully automated.	Ongoing once upgrade has been tested.	Systems Team/Support and Engagement Team/Benefits Team	Not Yet Due	
Communications		Review of Existing Annual Allowance documentation to ensure member responsibilities are clear	Ahead of 2021-22 exercise	Head of Pensions Administration	Completed	

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**South Yorkshire Local
Pension Board
ANNUAL REPORT 2021/22**

Foreword

Welcome to the annual report of the South Yorkshire Local Pension Board ('the Board').

The Board seeks to assist the South Yorkshire Pensions Authority to maintain effective and efficient administration and governance. It comprises equal numbers of representatives of scheme members and employers.

We have also continued to engage with other Local Pension Boards on matters of mutual interest through meeting with the Chairs of the other Boards within the Border to Coast Partnership.

On behalf of the Board, I would like thank the staff at the Authority for continuing to deliver the pensions service throughout the pandemic. Your efforts are very much appreciated by the Board.

Thank you to members of the Board for your continued diligence, support and commitment

Garry Warwick, Chair



Role of the Local Pension Board

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

- Secure the effective and efficient governance and administration of the LGPS for the South Yorkshire Pension Fund;
- 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;
- 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.

Membership during the Year

There were no changes to the Board's membership over the year. Membership was as follows:

Name	Date of joining	Nominated by / Representing:
Employee Representatives		
Nicola Doolan-Hamer	July 2015	Unison
Garry Warwick (Chair)	July 2015	GMB
Daniel Gawthorpe	June 2020	Unite
Andrew Gregory	July 2019	Selected from active, deferred and pensioner members
David Webster	October 2019	
Employee Representatives		
Nicola Gregory	January 2018	Academies
Steve Loach	October 2019	Local Authority (Senior Manager)
Rob Fennessy (Vice Chair)	April 2019	Other Large Employers (South Yorkshire Police)
Councillor Mike Chaplin	July 2019	Local Authority
Vacancy		Local Authority
Independent Adviser		
Clare Scott	October 2019	

Meeting Attendance

Member and employer representatives giving their time freely. Attendance at the Board's meetings through the year was as follows:

	15 July 2021	14 Oct 2021	27 Jan 2022	22 Mar 2022 (Informal)	28 Apr 2022	% Att
Employee Representatives						
Nicola Doolan-Hamer	✓	x	✓	✓		
Garry Warwick	✓	✓	✓	✓		
Daniel Gawthorpe	✓	✓	x	✓		
Andrew Gregory	✓	✓	✓	✓		
David Webster	✓	✓	✓	✓		
Employer Representatives						
Nicola Gregory	✓	x	✓	x		
Steve Loach	x	x	x	x		
Rob Fennessy	x	✓	✓	✓		
Mike Chaplin	✓	✓	✓	✓		
Independent Adviser						
Clare Scott	✓	✓	✓	✓		

Work of the Board 2021/22

The Board held four formal meetings during the year. A Work Programme provides the basis for the agendas for meetings and includes a range of issues covering both pensions administration and governance:

Pensions Administration:

- **Pensions Administration Performance** – The Board received quarterly administration performance reports.
- **Breaches Complaints and Appeals** - The Board received quarterly reports on breaches, complaints and appeals.
- **Data Quality Improvement** – The Board monitored progress on the Data Quality Improvement Plan.
- **Actuary** – The Board were updated on the appointment of a new Actuary for the Fund and the impact on service to employers.

Governance:

- **Decisions of the Authority** - Members of the Board receive all agenda papers issued to Members of the Pensions Authority and Board members are able to observe meetings of the Authority.
- **The Constitution** – The Board approved revisions to its Constitution following the annual review.
- **The Pensions Regulator** – The Board was updated on current levels of compliance with TPR Code of Practice 14 and discussed the regulator’s consultation on a single combined code.
- **Risk Management** – Considered the Risk Register and the wider risk management framework.
- **Annual Report and Accounts** – Reviewed the Authority’s Annual Report and Accounts.
- **Governance Compliance Statement** – Reviewed the Authority’s revised Governance Compliance Statement.
- **Governance Review** –The Board considered updates on the actions from the governance review undertaken in 2020 and welcomed the decision to establish a dedicated governance team within the Authority.
- **Investment Pool Governance** - The Board considered a review of the Border to Coast Pensions Partnership.
- **Regulatory Changes** – The Board has been kept informed of the potential impact of regulatory changes such as the McCloud Judgement and the exit cap.

Learning and Development:

- During the year, the Board welcomed the Authority's new Learning and Development Strategy including its extension to Board members and the commitment to progress knowledge and training needs assessments for individual members. Early in 2022, all Board members completed a knowledge assessment.
- The Board have requested that training records of both the Authority and Board members should be reported to the Board on a regular basis to demonstrate compliance with the Learning and Development Strategy.
- During the year, Board Members have attended the following training events:

Training Session	Date	Attendees
PLSA Local Government Conference	18-19.05.21	
Barnett Waddingham/CIPFA LPB Members' Annual Event	23.06.21	N Doolan-Hamer, R Fennessy, A Gregory, N Gregory, G Warwick
Border to Coast Seminar – Investment Issues	06 & 13.09.21	R Fennessy
LGPS Seminar (SYPA)	16.09.21	G Warwick, D Webster, R Fennessy, N Doolan-Hamer, D Gawthorpe, M Chaplin
Barnett Waddingham Governance Update	28.09.21	D Webster
CIPFA LPB Members Seminar	Sept/Oct 2021	G Warwick, R Fennessy, D Webster, N Doolan Hamer
Barnett Waddingham – Overview of the LGPS	28.10.21	A Gregory, R Fennessy
Understanding Impact	28.10.21	M Chaplin, R Fennessy, G Warwick
Valuation Training	11.11.21	D Webster
Breaches of the Law & Responsible Investment	22.03.22	M Chaplin, N Doolan-Hamer, R Fennessy, D Gawthorpe, A Gregory, G Warwick, D Webster
Hymans Robertson Online Learning Academy		All members registered

Review of Effectiveness

During March 2022, members of the Board completed a survey and held a workshop to agree potential changes in the way the Board works to improve its effectiveness. This was the second time the Board had undertaken such a review. The survey included questions on the way meetings are conducted and knowledge, skills and capacity.

The results of the survey were positive in a number of areas and were broadly consistent with the results from 2021. All (or a significant majority of) members of the Board agreed that:

- Board papers are timely, relevant and focused on priorities.
- Discussions are facilitated to allow all Board members to contribute in order to seek opinion and develop ideas.
- Board members are not afraid to ask obvious or simple questions to ensure collective understanding.
- Board discussions are not unduly influenced by an individual's views, experience or expertise.
- Meeting minutes are accurate and record decisions made and actions agreed.
- The Board works in an open and transparent manner.
- All Board members act with integrity, declaring and managing any personal conflicts of interest.
- The Board's independent adviser helps to Board to fulfil its responsibilities.

The Board agreed that the ongoing improvements from the Board's review in 2021 continue to be relevant including improving communication between with the Authority and requesting that the tenure of councillor membership be extended from the current 2 years. Further improvements were agreed this year including overseeing the Authority's meetings/governance, training and dealing with vacancies on the Board. The Board will work with the Authority to put these improvements in place.

Future Plans

Over the coming year, the Board will continue to consider issues covering pensions administration and governance included in its Work Programme and specifically will work with the Authority to:

- Assess compliance with, and the potential requirements of the Pensions Regulator's consolidation of its Codes of Practice;
- Develop training plans based on the recent knowledge and training needs assessment, in line with the new Learning and Development Strategy;
- Oversee the 2022 actuarial valuation.

Local Pension Board Spending for 2021/2022

Expenditure	2021/22 Budget	2021/22 Forecast Outturn £	2021/22 Outturn Variance £	2021/22 Outturn Variance %
Independent Adviser	6,090	7,300	1,210	19.9%
Room hire and catering	660	370	(290)	-43.9%
Training and Development	6,000	3,540	(2,460)	-41.0%
Member travel expenses	500	110	(390)	-78.0%
Printing and Postage (Agendas etc.)	750	0	(750)	-100.0%
Total	14,000	11,320	(2,680)	-243.1%

The forecast outturn against the budget for 2021/22 is £11,320 which represents an under-spend of (£2,680).

The expenditure in relation to the Independent Adviser includes fees for additional services in relation to the work on member learning and development, and travel and subsistence expenses for the latter half of the year following the return to meetings being held in person.

The remaining under-spends reflect reductions in various running costs arising from things such as holding meetings online in the first half of the year, the continuing move to paperless, and the new office accommodation enabling meetings to be held in our own venue.

Local Pension Board – Review of Effectiveness 2022

Introduction

In March 2022, members of the Local Pension Board ('Board') independently completed a survey which aimed to assess the effectiveness of the Board. This is the second such review of effectiveness.

Members also attended a workshop to discuss the results of the survey and agree potential changes in the way the Board works to improve its effectiveness. This note summarises improvements discussed at the workshop.

The Board is asked to agree the actions to improve its effectiveness as outlined below.

Actions from 2021 Review of Effectiveness

The Board discussed the progress on the actions from the Board's review in 2021, some of which have been completed and others are outstanding. The outstanding actions include:

- Developing communications with the Authority.
- Allowing councillor members to remain on the Board for more than 2 years.
- Better forward planning of meeting agendas.
- Records of informal actions to be maintained.

The Board agreed that the outstanding actions remained relevant and noted that the new governance team are expected to take them forward.

Survey Results

The survey included questions on the way Board meetings are conducted and knowledge, skills and capacity. The survey was completed by 4 of the 9 members of the Board.

The results of the survey were positive in a number of areas and were broadly consistent with the results from 2021. All (or a significant majority of) members of the Board agreed that:

- Board papers are timely, relevant and focused on priorities.
- Discussions are facilitated to allow all Board members to contribute in order to seek opinion and develop ideas.
- Board members are not afraid to ask obvious or simple questions to ensure collective understanding.
- Board discussions are not unduly influenced by an individual's views, experience or expertise.
- Meeting minutes are accurate and record decisions made and actions agreed.

- The Board works in an open and transparent manner.
- All Board members act with integrity, declaring and managing any personal conflicts of interest.
- The Board's independent adviser helps to Board to fulfil its responsibilities.

Proposed actions for improvement are as follows:

Meetings

Whilst oversight of the Authority governance and their meetings is included in the Board agenda, members agreed that Board members should observe Authority meeting(s) periodically to keep knowledge of current issues up-to-date, as well as overseeing the governance of the Fund.

However, members also felt that the necessary time to review all the Authority papers and to watch meetings was very onerous and would welcome assistance in making this less resource intensive. Options to do this should be explored e.g. members would welcome being included in communications regarding meetings.

Members were unsure as to whether they were being provided with any private papers for the Authority meetings.

The Board noted that on occasion the risk register considered by the Board can be out-of-date and they agreed to request that the most up-to-date register (or indeed any other papers) are tabled at the Board, irrespective of whether they have been considered by the Authority.

The Board agreed to:

- *Consider options to reduce the time needed for Board members to oversee Authority governance/meetings.*
- *Request that up-to-date risk register (and other papers) are tabled at the Board, irrespective of whether they have been considered by the Authority beforehand.*

Knowledge, Skills and Capacity

Consistent with last year's survey, Board members are generally unclear whether they have the right skills, knowledge and expertise. The increased emphasis on the Board's knowledge in the new Learning and Development Policy as well as the recent knowledge progress assessment were influential factors.

The results of the knowledge progress assessment were discussed. It was noted that individual board members had received their personal results. The Board noted that whilst all Board members had completed the assessment, it was disappointing that only 6 of the 17

Authority members had completed the assessment. Board members agreed to use their individual results to determine priorities for personal on-line learning. The Board also looks forward to seeing proposals for training sessions to be delivered and also the plans to increase engagement with, and the level of knowledge of, members of the Authority.

Pensions and investment are very technical areas and Board members felt that a glossary of technical terms might be helpful to interpret reports.

Some members are also concerned about their ability to commit the necessary time. Some have faced problems ensuring their employers allow time to attend meetings/training and some members would welcome assistance from the Authority in managing this.

The Board agreed that the following changes would be helpful:

- *Individual members to prioritise on-line learning based on their personal knowledge progress assessment.*
- *Plans for further training sessions from the fund.*
- *Plans to increase engagement with, and the level of knowledge of, members of the Authority.*
- *Development of a glossary of technical terms.*
- *Assistance in working with Board members' employers to ensure they are allowed time to undertake their role.*

General

The Board noted the vacant role for a councillor member and were concerned at the length of time of the vacancy had existed.

The Board agreed to request that the Constitution is changed so that vacant roles are offered to other employers/trade unions, as appropriate, if they are not filled within a reasonable time.

Clare Scott

Independent Adviser

April 2022

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Subject	Decisions Taken By the Authority	Status	For Publication
Report to	Local Pension Board	Date	28 th April 2022
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	George Graham Director	Phone	01226 666439
E Mail	ggraham@sypa.org.uk		

1 **Purpose of the Report**

- 1.1 To update the Board on decisions taken by the Authority at its February and March meetings.
-

2 **Recommendations**

- 2.1 Members are recommended to:
- a. **Note the various decisions taken by the Authority.**
-

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.

4 **Implications for the Corporate Risk Register**

- 4.1 The provision of this report addresses the identified corporate risks relating to effective governance and the control environment.

5 **Background and Options**

- 5.1 This report presents an update for the Board on the decisions taken by the Authority at its meetings held during February and March 2022. The full agendas and papers are available through the Authority's website.

- 5.2 The February meeting focussed on corporate and organisational matters and made the following decisions

- Approved the updated Corporate Strategy (incorporating the rebased Risk Register) and Medium Term Financial Strategy together with the three yearly reviews of the other elements of the Corporate Planning Framework including the HR and ICT Strategies and the Equality and Diversity Scheme.

- Approved the Authority's budget for 2022/23 which includes the Board's budget at the level previously agreed by the Board.
- Approved the appointment of Jason Field as Monitoring Officer following Garry Kirk leaving Barnsley MBC.
- Approved the extension of the contract of one of the Independent Investment Advisers for 4 years and agreed to undertake a process to appoint a further adviser for an initial 3 years as the other current adviser will have served the maximum allowed term.
- Agreed that the Authority should support the Border to Coast Strategic Plan for the next three years.
- The Authority also received a confidential update on progress with Project Chip.

5.2 The March meeting received the usual updates on corporate and investment performance and on Responsible Investment activity and made the following decisions:

- As part of considering the latest budget monitoring information agreed to the allocation of the forecast underspend to reserves and to adjustments to the establishment of the Finance Team.
- Approved the annual review of the Authority's Responsible Investment and Climate Change policies.
- Approved the first update of the Net Zero Action Plan.
- Approved recommitment to the Impact Investing Principles for Pension Funds, while also receiving the first assessment of the overall impact of the Authority's investments.
- Approved the initial assumptions and delivery plan for the 2022 valuation.
- In confidential session the Authority approved the writing off of a number of irrecoverable debts and the Director's appraisal and objectives for the coming year.

5.3 The Board are asked to note the various decisions taken.

6 **Implications**

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

Financial	As detailed in the various individual reports
Human Resources	As detailed in the various individual reports
ICT	As detailed in the various individual reports
Legal	As detailed in the various individual reports
Procurement	As detailed in the various individual reports

George Graham
Director

Background Papers	
Document	Place of Inspection