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Date: 26 January 2023

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, 2 February 2023

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, 2nd February, 2023 at 10.00 am.**

The agenda is attached.

Yours sincerely



Sarah Norman
Clerk

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Distribution: Garry Warwick (Chair), Nicola Doolan-Hamer, Rob Fennessy, Danny Gawthorpe, Andrew Gregory, Nicola Gregory, Riaz Nurennabi, Minesh Parekh, Ken Richardson 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, 2 FEBRUARY 2023 AT 10.00 AM, OAKWELL HOUSE, 2 BEEVOR COURT, PONTEFRACT ROAD, BARNSELEY, S71 1HG

AGENDA

	Item	Page
1	Welcome and Apologies	
2	Announcements	
3	Urgent Items	
4	Items to be Considered in the Absence of the Public and Press	
5	Declarations of Interest	
6	Minutes of the meeting held on ... and Actions and Matters Arising	5 - 18
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13	Agenda for next meeting	
*14	Update from Border to Coast and staffing matters (Exemption Paragraph 1, 3)	To Follow
*15	Border to Coast Strategic Plan (Exemption Paragraph 3)	To Follow

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SOUTH YORKSHIRE PENSIONS AUTHORITY

LOCAL PENSION BOARD

3 NOVEMBER 2022

PRESENT:

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), R Nurennabi (Sheffield Hallam University), Councillor K Richardson (Barnsley MBC) and D Webster (Scheme Member Representative)

Officers: J Bailey (Head of Pensions Administration), J Stone (Corporate Manager - Governance), G Graham (Director), R Green, A Palmer (Governance and Risk Officer) and Webster

C Scott (Independent Advisor to the Board)

Apologies for absence were received from G Warwick and G Richards

1 WELCOME AND APOLOGIES

Apologies for absence were received from G Warwick and in his absence R Fennessy chaired the meeting

The Chair welcomed everyone to the meeting and introduced two new members to the board. K. Richardson and R. Nurennabi

2 ANNOUNCEMENTS

G. Graham advised that the Authority had been nominated for four awards. Two in the Pensions for Purpose awards and two in the LAPF awards.

3 URGENT ITEMS

None.

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

Review of Border to Coast position, Organisational Resilience and Sustainability and any discussion resulting from Head of Pensions report on the current Pensions Administration system in use at the Authority.

5 DECLARATIONS OF INTEREST

G. Graham is now a Governor at Barnsley College who are an employer in the Fund and declared this for the record.

6 MINUTES OF THE MEETING HELD ON 04/08/2022 AND ACTIONS AND MATTERS ARISING

RESOLVED – That the minutes of the meeting of the Board held on 4th August 2022 be agreed as a true record.

7 QUARTERLY ADMINISTRATION UPDATE Q2

J Bailey presented an update on administration performance and issues for the period from July 2022 to September 2022. The case work performance was unavailable for distribution with the report and on this occasion was provided separately.

Main Points:

Staffing - The Authority has been successful in recruiting to existing vacancies, including a key appointment of a Benefits Team Manager following the incumbent obtaining a promotion externally.

The organisational resilience report recently presented to the Staffing Appointments and Appeals Committee will result in a number of new vacancies over time which will be reported in future updates.

Sickness Absence - sickness absence has increased significantly for both short-term and long-term absence this quarter. Absence for Covid related illness is no longer reported separately, but records suggest over 50% of the short-term absences were Covid related, with a spike in July.

The incidence of long-term absence mainly represents two staff on long-term absence, both are now on phased returns and are being managed and supported in line with the Attendance Management arrangements, so a reduction is expected in Quarter 3.

Employer Performance – No concerns in respect to employers submitting their Monthly Data Returns.

Employer individual query reporting - ongoing dialogue between SYPA and Rotherham MBC payroll services in relation to the volumes of outstanding queries for employers for whom they provide a payroll support service and Rotherham MBC attended the last Board meeting to report on their improvement plans. There has been an increase in clearance rate, although not to the extent that had been planned, and additional resources are being allocated.

Members sought reassurance both that other employers receiving services from Rotherham were aware of these issues and about potential consequences by the end of the financial year if the situation had not been resolved.

J. Bailey advised that other employers had been briefed by Rotherham MBC but he will also write to them and provide reassurance.

The overall position is being kept under review and if necessary, further action could be taken in January if the situation is not acceptable and currently there were only 10 outstanding queries for the 30 other employers served by Rotherham Members were assured that a further review will be conducted at the end of December to allow the additional resources assigned to take effect.

If the position reached at that point is unacceptable, it will be for the Board to discuss what the next step would be and they may be asked to attend the next Board meeting.

R Nurrenabi noted a perception of employers of a deterioration in service for employers. J Bailey acknowledged this and noted that there had been a lack of understanding with some staff regarding monthly data submissions. Staff training has addressed the matter.

Contribution Payments – No issues to advise the Board on.

Scheme Member Engagement - The percentage of members satisfied has dropped below 90% so some further analysis was carried out to identify the root causes. There were 11 members who were dissatisfied and feedback was sought from them.

In response the following actions have been actioned:

An update to the retirement process is in hand so that each time a case is put on hold an e mail is sent to the scheme member to keep them updated on the situation responding to the criticism that members are not aware on progress with their case.

There were inconsistencies between the advertised response time for on line queries and the agreed performance standards along with some resource pressures within the Customer Services Team. Both issues have been addressed.

A considerable number of issues had been raised about tax codes and in particular the approach of applying a so-called “emergency code” when a pension comes into payment and staff do not have access to P45 information.

Work is in hand to change this approach which should lead to fewer members having to contact HMRC directly on this issue.

J. Bailey confirmed a trend analysis will be included in the next quarters report.

N. Dolan-Hamer asked about the specific comment received “When I contacted you regarding my underpayment, I was referred to payroll who no longer hold my full employment records. So unfortunately, I lost 2 years of my pension.”

J. Bailey confirmed that particular case had been followed up with the member. It was a misunderstanding on behalf of the member.

A return had not been received from a previous employer and this was resolved, so the member had not lost two years pension, it was an administration error on behalf of the employer that was resolved. In addition the monthly data collection process now in operation makes this scenario extremely unlikely in the future.

Scheme Member Engagement – Customer Centre - Feedback for the Customer Centre continues to be reasonably positive overall, satisfaction levels were slightly below 90% this quarter. An electronic survey was issued to 3,662 members with an email address who had contacted us by phone over the months of May, June and July 2022 to ask about their experience of our service delivery and for ideas on service improvements.

The 11% who were dissatisfied represented 51 individuals. Many do not leave specific comments it is often difficult to identify any recurring concerns but there are some clear themes that continue to emerge in relation to the accessibility of the online portal as well as some comments around offering face to face appointments.

Face to face appointments are again being offered to members. Appointments are also being offered throughout December and January for members who are struggling to access the Mypension site.

Member communication by e-mail - As with the telephony survey, the ratings have dropped slightly below 90% for this quarter. The response rates are relatively low and not all members provide information. Follow ups are undertaken separately with those who leave contact details. From the information received, a number of members continue to be unhappy with the use of the secure email system (Egress) for sending personal information.

Much of this seems to relate to a reluctance to create an Egress account. A project is underway to review the information currently being sent via secure email with a view to redirecting as much of this traffic as possible via the portal (albeit we have to recognise that some members would prefer not to use the portal either).

New Joiner Survey - As part of wider engagement with scheme members, feedback was sought into how members who had recently joined the scheme rated our service.

A survey was issued to 701 members who had joined the scheme in May, June and July 2022. The new joiner survey specifically asks about the welcome email/letter, including registration for the online portal. Only 55% of new joiners who responded were satisfied which needs to be improved and a project to address this will be led by the new Communications Officer.

One issue identified from this survey was delays in contacting new members after they have been automatically enrolled by their employer at their first pay day. This is a result of the way in which monthly data submissions are processed and this is

being addressed both through the reorganisation of their resources devoted to data submissions and through process changes to allow earlier dispatch of joiner packs.

Annual Benefit Statements (ABS) and the triennial valuation – Statutory deadlines for the issuing of statements was met. The data was also submitted to the actuary for the triennial valuation exercise.

Indicative results for employers have been received from the actuary. For employers joining the scheme post April 2019, the former actuary worked differently so their starting position was not set in a way the new actuary would have preferred. As a result, it has led to a short delay in informing employers of the outcome of the review in order to ensure that results are fully verified.

Workload Performance - Overall case volumes completed in the Quarter increased slightly compared with the previous quarter, this reflects a return to normal processing levels following a drop in Quarter One when the Projects Team were focusing on data quality work ahead of the 2022 valuation submission.

The overall number of non-priority cases completed has increased slightly but completion on target has dropped this quarter. The main issue causing this is the number of aggregations and unprocessed leavers which are being completed out of time. The Board had previously requested clarity on timescales for addressing the long-standing backlog in aggregations and J Bailey had explained that with workload pressures in other areas, this had been difficult to predict but would continue to be looked at.

Performance levels remained static for the individual subject areas when compared with Quarter One. There was a significant increase in the volumes of general enquiries and this was due to the concentration of annual benefit statements issued in the quarter.

The processing time figure for Active retirements are slightly misleading, in that when a query is passed to the employer by the authority, there is currently no way to remove that time from the processing time figure. While acknowledging that the length of time is a concern for members, some of the delay is due to factors outside the Authority's control.

The Projects team focus for the next six months will be on clearing outstanding Aggregation cases. This has been delayed from the previously proposed timescale due to other commitments for that team.

Statutory Disclosure Reporting - 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 gives some indication to areas where further engagement with, and training for, employers could be beneficial. A verbal update was provided on the number of Pension Saving Statements still to be issued for 2021/22 with a plan in place for them to be completed by the end of November. Given that this was a second occurrence of this issue Management had decided that it was appropriate for the Authority to report itself to the Regulator in relation to this.

RESOLVED –

- a. That the report as presented be noted;
- b. That a copy of the report to the Regulator related to Pensions Savings Statements be made available to the Board for consideration.

8 DATA QUALITY, IMPROVEMENT PLANS AND PROGRESS UPDATES

J. Bailey delivered a report to update members on the latest iteration of the Data Quality Improvement Plan and the data scoring likely to be provided to the Pensions Regulator.

Incremental progress has been made in this area. As the figure approaches the 100% accuracy mark, it becomes more difficult to make significant improvements. The Authority currently stands at 97%.

SYPA will need to be connected to the Pensions Dashboard which is a national initiative designed to allow all individuals to access a summary of all their pension scheme arrangements in one place. The staging deadline for the LGPS is 30 September 2024.

The Pensions Administration Standards Association has published detailed guidance in relation to data accuracy. SYPA has a Data Integrity tool developed in-house and plans to further develop this over the next few months to measure the quality of the data held.

This will form part of the future reporting of the Data Quality Improvement Plan.

RESOLVED – That the report be noted.

9 BREACHES, COMPLAINTS AND APPEALS

J. Bailey presented a report to update members on the latest available record of reported breaches and provide details of complaints and appeals for the period from 1 July 2022 to 30 September 2022.

Cyber Security Incidents - There were three incidents in the quarter, two of which were the common issue of phishing emails. Fortunately, the relevant members of staff identified the emails as such and these were reported to ICT in line with our incident reporting process.

The third incident was a result of a member of staff accidentally clicking on a notification purporting to be from an anti-virus provider.

An additional course for staff has been identified and will be added to the mandatory training.

The Authority has had its security tested by a third party and achieved accreditation under the Cyber Essentials Plus scheme.

Complaints – Four complaints received in the Quarter, this is a reduction from those received in recent quarters. Two 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.

Of the two complaints directly attributable to SYPA, one was from a member who was unhappy with the delay in processing his aggregation. This is a known issue.

The second was a member who experienced a delay with the payment of their retirement benefits which was compounded by SYPA after an initial employer delay. This was a training issue with an individual member of staff who did not correctly assign a workflow task and has been addressed.

Formal Appeals - Three formal appeals determined at Stage One of the IDR process. The first was a member who had initially been incorrectly provided with a transfer value quotation even though she was above the age limit to transfer and wanted this to be honoured. SYPA systems have since been updated to prevent a transfer being calculated in these circumstances but the member was compensated for the error.

The second case related to a member who had been overquoted on an estimate of benefits because of the Final Pay estimate given by the employer. This was primarily an error on the part of the employer but it would have been prudent for SYPA to have identified this when checking the case so the member was given a modest compensation award.

The final case related to a member who had been overquoted on an estimate of benefits because the service history was showing full-time and not part-time service.

This had been corrected by the employer but SYPA had not updated the records in a timely manner so, a modest compensation award was given. Arrangements have been put in place to ensure any service history corrections are actioned much sooner than happened in this case.

Future reports to include information regarding compliments received by the Authority for balance of reporting.

RESOLVED

- 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

10 REVIEW OF KEY COMMUNICATIONS

J. Bailey provided a report to provide members with the opportunity to comment on the content of scheme communications and provide suggestions for improvement.

In line with the Communication Strategy, SYPA issues newsletters to all current and past scheme members at least annually and the newsletters for active members and for pensioners are currently being drafted.

SYPA also communicates quarterly with employers in the fund.

Some changes to the format of the newsletter has been made in response to member feedback. Particularly around having white text on black background. This has been altered.

A separate communication is being prepared to advise members of the 50/50 scheme. This is in response to data suggesting members are considering opting out entirely due to the cost of living.

Also, the usual message around the CPI pensions uplift has been removed. This is due to the Government not yet confirming the increase.

RESOLVED – That the report be noted.

11 COMPLIANCE WITH PENSIONS REGULATOR CODE OF PRACTICE UPDATE

J. Stone presented a report to provide members with an update on current position of compliance with the Pensions Regulator Code of Practice.

Significant progress has been made in strengthening the Authority's Governance structure.

The anticipated new Single Code had not yet been published but it does contain a greater emphasis on cyber security and as outlined elsewhere on the agenda SYPA are already taking steps to address this.

In response to a query it was stated that SYPA does gather information regarding a Register of Interest for members of the board, but it is currently not published in a particularly accessible way and work is being undertaken to try to address this.

RESOLVED – That the report be noted.

12 FUNDING STRATEGY STATEMENT CONSULTATION AND RELEVANT POLICIES

J. Bailey delivered a report to seek the Board's views on the Funding Strategy Statement and associated policies as part of a wider consultation with stakeholders.

A draft new FSS will shortly be issued to employers for formal consultation.

The main substantive change is a proposal to move to Pass Through arrangements for contractors, which has already been discussed by the Board. Beyond this significant work has been undertaken to make the document more comprehensible and user friendly.

In response to a query confirmation was given in the FSS that individual academies within multi academy trusts, can retain their individual contribution rates if they wish to do so, although the default position is for multi academy trusts to have pooled rates.

The consultation period is usually 6 weeks, but this can be extended in certain circumstances.

G. Graham advised the Board it was the intention to take the final version to the Authority meeting in December.

RESOLVED – That the report be noted and members would pass any comments directly to officers.

13 AUTHORITY GOVERNANCE UPDATE

J. Stone presented a report to provide members with an update on current Authority governance related activity. To update Members on the actions being taken in response to audit findings by both internal audit and external audit during the current financial year and in previous financial years. Finally, to provide members with an update on recent decisions made by the Authority.

Considerable activity has taken place to enhance the Authority's governance arrangements since May 2022. This has included monitoring and managing elected and Board members' knowledge and skills to ensure mandatory training compliance and expertise across the organisation.

A software system has been identified and a business case is to be presented to SMT in January with the intention of embedding and enhancing risk management arrangements and providing relevant tools and guidance for managers to be responsible for risk identified in their teams. Also to implement a second layer of assurance across the business at middle management roles level providing a tier of escalation to SMT.

Work is underway to transition the Monitoring Officer role from an external to an internal function.

A full review of the Constitution will take place. This activity will include engagement with Members of the Authority, the Director and SMT, the Independent Adviser, Auditors and Monitoring Officer to review the document and ensure a current version is ready for approval by the Authority at the first meeting of the 2023/24 municipal year in June 2023.

SYPA is also looking at the option of retaining a solicitor for help with legal matters. This process will continue throughout November.

Training sessions have been delivered to all members to increase knowledge and skills.

In response to a query J Stone indicated that there would be some involvement of Board members in the review of the Constitution, however it was emphasised that this was an exercise to ensure that the document was legally compliant and proportionate and thus of a more technical nature.

RESOLVED –

- a. That the report be noted.
- b. That members be provided with copies of the recent confidential reports on the Annual Review of Border to Coast and Organisational Resilience and Sustainability.

14 LPB MEMBERSHIP & TRAINING UPDATES

J. Stone delivered a report provide members with an update on current information governance activity and to report a reportable data breach to the Information Commissioners Office.

Considerable activity has commenced to enhance LPB members' knowledge and skills in addition to that of the wider SYPA Authority members. In June 2022 a full training needs analysis activity was undertaken by all members and the following results recorded. Only two members of the LPB had fully completed the mandatory training requirements and one member of the Authority. LGPS on-line modules should be completed within the first six months of joining SYPA.

The training needs analysis report showed an overall knowledge of 50.05% for Authority members and 40.21% for LPB members. The areas identified for urgent support of training were, investment, actuarial and funding matters also administration/funding matters.

Members continue to work with the new governance team, supported by a hybrid training model of on-line, face to face and Teams facilities to ensure training is supported and completed timely.

Current position shows 7 of 12 Authority members have completed all six training modules and 5 of 10 LPB members are fully compliant. One LPB member is currently not compliant in completing the initial 3 modules identified for completion by the end of September 2022.

The remaining three modules are scheduled for delivery on 10 November 2022 and 06 December 2022 to ensure all members are fully compliant by December 2022.

Moving forward, the intention is to review training and development needs of individual members on an annual basis.

RESOLVED – That the report be noted.

15 INFORMATION GOVERNANCE UPDATE REPORT

J. Stone delivered a report to provide members with an update on current information governance activity and to report on a data breach that has been reported to the Information Commissioners Office (ICO), along with the actions taken.

A data breach occurred on 19 September 2022, a bank holiday when the office was closed. The external letter box was tampered with post stolen and thrown outside the building. The documentation retrieved identified 17 scheme members documentation was tampered. Through CCTV footage it is evident that the assailant's intentions were to seek cash, and therefore the documentation was discarded. It is not known whether any further post was taken from site.

Investigation revealed documentation such as birth certificates, passport numbers and marriage certificates were damaged but not removed from site.

All internal protocols were followed and reported to the Data Protection Officer. The incident was low risk and pertained to a small number of data subjects, the decision was taken by the DPO, Corporate Manager–Governance and the Governance and Risk Officer to report the incident to the ICO. No communication or recommendations have been received by the ICO to date.

All 17 subjects have been informed of the breach and assurance provided that documentation was retrieved. Each data subject has been informed any damaged documentation will be replaced and/or costs reimbursed by the Authority. The external letter box was immediately taken out of use and post is now only accepted during office hours when it can be handed to a member of staff.

J. Bailey said SYPA does discourage members from sending original certificates to us and are pushing for more retirements to move online.

A long term solution to the issue of post being left is being worked on.

Members requested that the issue be kept open on the Breaches Record until a response is received from the ICO.

RESOLVED – That the report be noted.

16 LPB BUDGET 2023-24 (DRAFT)

G. Graham delivered a report on the Board's proposed budget for 2023/24.

The current year budget for the Board is currently expected to be underspent, although by in less than previous years.

The budget proposed for 2023/24 includes an inflationary increase for adviser costs and other running costs.

During this financial year, the Governance team have brought a renewed focus to the training requirements for members making more use of the training budget on items such as the Hymans Robertson Online modules, knowledge progress assessments and additional support and time from the Board's Independent Adviser, and the proposed budget was based on continuing this approach

RESOLVED – That the proposed budget be noted and recommended to the Authority for approval.

17 RISK REGISTER (UPDATE AND ACTIONS)

A. Palmer delivered a report to provide members of the Board with the opportunity to review the updated risk register which supports the corporate strategy.

The Board's workplan requires it to regularly review the Authority's Corporate Risk Register. The latest version of the Register, was considered by the Authority at its meeting on 8th September 2022. The latest review found no changes to the previous one.

Work is progressing on a new Risk Management Software system. A preferred option has been identified, and the Governance and Programmes & Performance teams are currently working with the provider to submit a proposal and develop a draft business case to present to SMT during January 2023.

As part of the setup of the new risk management system, training will be delivered to existing risk owners and the new system piloted with middle managers to enable the rollout of the next stage of the action plan.

This will identify next level operational risks which will be regularly reported to SMT. Subject to approval to proceed, this is planned to take place early in 2023.

D. Webster asked when the new Risk system will be brought to the board.

A. Palmer replied discussions were still ongoing and a business case was being prepared for submission to SMT. If all goes to plan, a demonstration could be given to the board after that.

J. Bailey suggested it would be at least six months as staff will need to be trained and the system imbedded in the organisation.

R. Fennesey asked how close SYPA was from moving the risks identified at level Red to Amber?

G. Graham replied as the issues are investment related. Due to the current market situation, it is unlikely the outlook will improve in the short term.

J. Bailey added Cyber Security is at Red as the threat is so voluminous. It will continue to be a significant risk for the foreseeable future.

RESOLVED – That the report be noted.

18 LOCAL PENSION BOARD WORK CYCLE 2022-23

Members reviewed the meeting cycle.

CHAIR

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Subject	Quarterly Administration Update - Q3 2022-23	Status	For Publication
Report to	Local Pension Board	Date	2 nd February 2023
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	George Graham – Director Lindsay Grayson – Service Manager – Benefits John Ronson – Service Manager – Support and Engagement Joanne Webster – Service Manager – Customer Services	Phone	01226 666439 01226 666399 01226 666380 01226 666510
E Mail	ggraham@sypa.org.uk lgrayson@sypa.org.uk jronson@sypa.org.uk jwebster@sypa.org.uk		

1 Purpose of the Report

- 1.1 To update Members on administration performance and issues for the period from 1st October 2022 to 31st December 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.

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 for the most recently completed quarter. On this occasion due to unplanned staff absence the report while covering the key areas of performance is not as comprehensive as is usual, and a number of service managers will be present at the meeting to ensure that questions from the Board can be properly answered. A review of the format and presentation of all performance reporting across the organisation is about to commence and future reports will evolve to reflect the changes brought about by this review.

Staffing

- 5.2 The following table is a summary of joiners and leavers for the administration service over the last three months. The Authority has been successful in recruiting to some existing vacancies, although it has not been possible to fill vacancies in the Pensions Systems Team.

Starters	Comments
1 x Benefits Team Manager	Vacancy filled
1 x Customer Services Officer	Vacancy filled
Leavers	
None	
Vacancies in Administration	
1 x Senior Systems Officer	No suitable candidates not filled
1 x Systems Officer	Entry level
2x Team Leaders- Benefits	New roles internal recruitment by 31.3.23
1x Team Leader – Systems Development	New roles internal recruitment by 31.3.23
1x Senior Practitioner – Benefits	New role internal recruitment by 31.3.23
1x Senior Practitioner – Customer Services	New role internal recruitment by 31.3.23

- 5.3 The above table includes a number of new roles created as a result of the recently approved resources and resilience review which will be filled through internal recruitment during the current quarter. This will result in an inevitable cascade effect where lower-level roles then need to be filled through external recruitment. This is likely to be a more significant feature than normal for the next two or three quarters as we work through the process of filling these new roles.
- 5.4 It is apparent that external recruitment to roles in the Pensions Systems Team is challenging and subsequent to the quarter end internal recruitment has resulted in an additional vacancy at Senior Systems Officer level. Before going back out to recruit to these roles we will re-examine the role profile and consider the balance of roles at different levels within the Team given the addition of the new Team Leader role. This is a fairly specialist area where we are competing for skills that are in short supply in addition to the generally tight labour market conditions and we may need to consider more creative approaches to filling these roles if we are unsuccessful in the next round of recruitment. Given the level of vacancies within this team a small number of key priorities has been agreed for the period up to the end of the financial year in order to maximise the benefit from the resources that are available.

Sickness Absence

- 5.5 In terms of sickness absence, the table below shows the annualised absence levels for the administration service for the last two years and the current year based on the year-to-date position together with the absolute levels of absence in days per FTE for the last two quarters. This is a slightly simplified presentation which should make it easier to discern trends.

Average Days per FTE (Admin Service only)	2020-21	2021-22	2022-23 YTD Annualised	2022-23 Q3	2022-23 Q2
Short-Term	1.50	3.27	3.60	0.99	1.25
Long-Term	3.00	5.48	4.88	0.31	1.98
Total	4.50	8.75	8.48	1.30	3.23

- 5.6 While there has been some improvement in the overall position and one of the long-term sickness cases has now completed a return to work a further case has commenced, although as predicted the overall level of long-term absence has reduced. Short-term absence while lower than the previous quarter is predicted to be higher than last year which presumably reflects the impact of the increased incidence of “winter cold” type bugs over latter part of the quarter and running into this quarter. All of these issues are managed through the Authority’s managing attendance policy and where individuals hit a trigger level of absence over a rolling 12-month period then a formal process is instigated. There is a degree to which 2020-21 reflects an abnormally low level of absence due to lockdowns etc and we do appear to be returning to more normal levels of absence, however, the level is higher than is desirable and we will be continuing our overall efforts in terms of staff health and wellbeing alongside the formal policy to seek to address this.

Case Work Performance

5.7 The data below summarises the performance of the administration service over the quarter measured against the performance standards agreed by the Authority. 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	
	Q3 Previous Year	Q2 2022-23	Q3 2022-23	To Q3 Previous Year	To Q2 2022-23
Priority	1,620	1,605	1,430	-190	175
Non-Priority	13,139	13,815	17,124	3,985	3,309
Overall	14,759	15,420	18,554	3,795	3,134

5.8 Overall completed case volumes increased slightly by 202 cases. Incoming work volumes have also increased significantly mainly due to an additional 2,616 Joiner Checks being received this quarter reflecting a seasonal impact from changes in school staffing in September which is received by SYPA in October.

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

Priority Performance					
Q2 2021-22	Q3 2021-22	Q1 2021-22	Q1 2022-23	Q2 2022-23	Q3 2022-23
76%	86%	88%	82%	82%	71%

Non-Priority Case Performance					
Q2 2021-22	Q3 2021-22	Q4 2021-22	Q1 2022-23	Q2 2022-23	Q3 2022-23
72%	74%	73%	71%	65%	71%

5.10 Priority performance has reduced by 11% which is a material decline in performance over the quarter. Further investigation of the causes for this found that the main reason was waiting for further information to enable retirement cases to be processed. This meant staff were having to chase members for information which prolonged the end-to-end process. Non-Priority performance has seen a slight improvement.

5.11 The table below provides a summary of performance against the main transaction types. The reduction in performance for Death Payments requires further investigation as there is no obvious reason for this reduction in service levels other than completion of some older and perhaps more complex cases. This will be a focus for the team in Q4. Retirements also saw a significant drop in the level of service however long overall end-to-end times contributed to this and was mainly due to waiting for information. The Service Manager - Benefits has sample checked 100 of these cases and found that on each occasion when action was required on the case action was taken within 1-5 days. Service is recovering for General Enquiries as we see a reduction in volumes.

Case Type	Target Days	Q1 22-23 Volume	Q1 22-23 % on time	Q2 22-23 Volume	Q2 22-23 % on time	Q3 22-23 Volume	Q3 22-23 % on time	Comment
Priority								
Retirements	5	850	71%	884	73%	719	52%	See 5.11 & 5.12-5.13
Deaths - Acknowledge	5	286	90%	294	83%	154	85%	
Deaths - Payment	5	423	99%	468	98%	449	75%	See 5.11
Non Priority								
New Joiners	10	2132	99%	1989	91%	4284	89%	
Deferreds	20	1014	72%	957	56%	1204	57%	
Refunds	9	195	95%	132	89%	169	89%	
Transfers In	7	398	48%	283	47%	335	41%	
Transfers Out	5	299	66%	319	66%	351	72%	
Divorce	10	90	80%	104	80%	89	97%	
General enquiries	5	1113	56%	1322	44%	1144	63%	See 5.11
Estimates	5	1469	78%	1090	76%	1484	60%	
Aggregations	20	1025	62%	871	36%	1182	79%	See 5.17 & 5.18

5.12 Quarter 3 is the third quarter where the functionality for deferred members to retire online was available via the member portal. The introduction of this new functionality allows us to provide a further breakdown of the performance in relation to different retirement types and this is shown in the table below.

Retirement Case Type	Target Days	Number of cases Completed	Percentage Completed Within Target
Settlements			
Active Members (inc. Flex)	5	324	35%
Deferred Members (Online)	5	144	53%
Deferred Members (Offline and inc. Special Conditions*)	5	251	67%
Total		719	52%

* Special conditions in this context are members with a separate AVC fund (where retiring online is not possible) or those expressing an interest in trivial commutation.

5.13 The table above illustrates the service improvements available for deferred members if they use the online functionality and we will be continuing to promote this route for deferred members. The table also demonstrates that performance in processing active member retirements clearly needs to be an area of focus. The table below is a further breakdown of the total time taken to complete these cases. These are pure extracts from the administration system and a more detailed investigation into the cases recorded as taking greater than 11 days above the target time of 5 days is currently being undertaken. A verbal update will be provided to the Board on the progress with these investigations in anticipation that further reporting might be helpful in future.

Retirement Case Type	Total Cases	Completed In Time	Completed 0-5 days over	Completed 6-10 days over	Completed 11+ Days over
Settlements					
Active Members (inc. Flex)	324	112	41	23	148

5.14 At the last meeting, members of the Board were provided with a summary of cases outstanding at the end of Quarter Two of 2022/23. The tables below update these to 31 December 2022. The first part of the table shows a summary of 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 Q1 2022-23	Volumes of cases pending (awaiting external parties) End Q2 current year	Variance to prior reporting period	
Priority					
All cases	493	459	420	481	61
Non Priority					
All cases	10,580	10,912	10,818	10942	124
Case Type	Volumes of cases to be processed/in processing End Q1 2022-23	Volumes of cases to be processed/in processing End Q2 2022-23	Volumes of cases to be processed/in processing End Q3 2022-23	Variance to prior reporting period	Number of active cases currently outside KPI measures
Priority					
Retirements	42	75	87	12	
Deaths	91	96	66	30	
Non Priority					
New Joiners	78	59	53	6	
Deferreds	809	1575	1532	43	Linked to unprocessed leavers
Refunds	13	13	25	12	
Transfers In	161	193	217	24	
Transfers Out	78	71	21	50	
Divorce	12	5	2	3	
General enquiries	120	90	199	109	
Estimates	408	456	442	14	
Aggregations	3,856	4,960	4938	22	
Unprocessed Leavers	1,159	1,534	2026	492	

5.15 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 for the two areas which remain of particular concern remain as highlighted in red in the table above.

- 5.16 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). The first stage of this project was to process these leavers on a bulk basis in a 'cloned' system environment ready to be submitted as part of the valuation extract. The next stage is to introduce additional validation checks to ensure the bulk process can be utilised in the live systems environment. This project has been delayed due to competing priorities within the Systems Teams and the overall availability of Systems Team resources as highlighted elsewhere in this report. Given the need to ensure that these cases are processed consideration is being given to alternative means of clearing this backlog if it is not going to be possible to introduce the automated solution before the end of March. Clearly the automated solution is the best solution and one we will continue to work on but the current number of unprocessed cases of this sort cannot be allowed to continue to build up.
- 5.17 In relation to aggregations, it is important to understand that the process is in two parts:
- The quotation stage where the member is provided with details of the impact of combining their various sets of benefits.
 - The settlement stage which occurs automatically 12 months after the quotation unless the member has expressed a preference prior to this.
- 5.18 While the overall numbers of outstanding cases remains excessive the team have reduced Aggregation Quotes by 1,001 cases however the analysis above also reflects the fact that a number of aggregation quotes completed 12 months ago have recently become active settlements counteracting the progress with quotations. Future reporting will be revised to separate the two stages of the process to allow a clearer understanding of progress to address this issue. Aggregations remain a focus for the Team and there is a plan to complete all quotes by the end of February 2023, which will allow the team to then focus on the settlements.

Statutory Disclosure Reporting

- 5.19 Due to unexpected staff absence it has not been possible to produce this information in time for the agenda deadline for this meeting. If the information is available prior to the meeting it will be circulated as a later addendum.

Employer Performance

- 5.20 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. This continues to be borne out, however, for this quarter due to unplanned staff absence as previously referred to the high-level summary data on timeliness of submissions is not available. If possible, it will be circulated as a late addendum but there are no material changes in the position previously reported.
- 5.21 Fortunately, the vast majority of employers have continued to provide the monthly returns, and this is important because it is now directly linked to the collection of contributions via Direct Debit (see below).

Individual query employer reporting

- 5.23 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.
- 5.24 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 A** therefore shows the performance in recent quarters for the employers or payroll providers with the highest volumes of queries.
- 5.25 Members will be aware of ongoing dialogue between SYPA and Rotherham MBC payroll services in relation to the volumes of outstanding queries for employers for whom they provide a payroll support service and Rotherham MBC attended the last Board meeting to report on their improvement plans. It is clear that there has been progress in reducing the outstanding query volumes since the start of the financial year and regular meetings continue to take place between SYPA and Rotherham MBC to ensure they remain focused on delivering against their target of resolving the backlog by 31 March 2023.
- 5.26 Following the refining of the reporting, two payroll providers (Capita and EPM) 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 Support and Engagement Manager and his team are continuing to liaise with the new contacts provided to ensure they understand their statutory responsibilities and to provide any training/support required.
- 5.27 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

- 5.28 Members may recall that SYPA moved to the collection of contributions via Direct Debit from April 2020. The table below shows 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.

6	Sept Payment Rcvd	Oct Payment Rcvd	Nov Payment Rcvd
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	Oct No.	Nov No.	Dec No.
Employers Paid by Direct Debit	509	509	510
Employers Paid on time by BACS	27	27	26
Payment received late by BACS or Direct Debit	3	2	3
Payment outstanding (see 5.29)	7	9	8

5.29 All of the above outstanding payments relate to new employers who have been processed recently and have yet to make their first data submission. Of the 10 new employers with outstanding submissions, 7 relate to one catering contractor. The numbers of outstanding submissions do not track to 10 exactly as two of the employers have made November submissions but not October, one of the employers only joined the scheme in November without submitting and the others have yet to submit anything from September. Issues of this sort are not uncommon with new employers (particularly contractors) and are being followed up by the Engagement Team.

Scheme Member Engagement – Customer Satisfaction

5.30 The Authority is always keen to improve engagement with our scheme members and to measure the levels of satisfaction with our service. Each month surveys are issued to members who have recently retired to understand their experiences. The table below shows the overall satisfaction levels from respondents to the survey issued to members who retired in August, September, and October 2022, who provided an email address.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	57%	-3%	▼
Satisfied	34%	+5%	▲
Dissatisfied	8%	-1%	▼
Very Dissatisfied	1%	-1%	▼
Total Number of Respondents	97 out of 574 issued		

5.31 The percentage of members in the green category is back above 90% which is encouraging however some further analysis was carried out into the members who were dissatisfied to identify the root causes. The following comments were made:

- The online forms were not working so had to do by post.
- AVC options caused delays.
- I think it was a lack of information from our finance office to SYPA
- Uploading certificates was clumsy - there was no clear explanation if how to upload more than one.
- Reinstate face to face appointments. I only received information over the phone and portal, I would have like face-to-face advice.

5.32 Actions we have taken in response to this, and earlier feedback, are summarised below.

- Comments relating to forms and certificates are referring to our Deferred Retire Online process which is relatively new. It had come to light that some members struggled with the file types they were able to upload within the portal however this has recently been resolved. In addition, we will look at introducing some additional notes around the upload process.
- Face to face appointments are available to book online. Wherever possible we will contact the member by telephone ahead of an appointment to try and resolve their query without the need for a face-to-face appointment.

Scheme Member Engagement – Customer Centre – Telephone Calls

5.33 Members of the Board will be aware that the Customer Centre exists to provide a single point of contact for scheme members and employers. Feedback for the Customer Centre continues to be positive overall, despite the drop in satisfied responses. A survey was issued to 3,438 members, with an email address, who had contacted us by phone over the months of August, September, and October 2022 to ask about their experience of our service delivery and for ideas on service improvements. The results of the survey are shown below.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	53%	-5%	▼
Satisfied	28%	-3%	▼
Dissatisfied	12%	+5%	▲
Very Dissatisfied	7%	+4%	▲
Total Number of Respondents	243 out of 3,438		

5.34 The percentage of members in the green category dropped to 81% which is disappointing, however analysis of the 19%, who were dissatisfied with the service, mainly highlight the issues below.

- Better training for staff, follow up calls to reassure customers that problems are being actively addressed.
- I would prefer paper statements as cannot remember passwords and login details.
- Don't use Western Union.
- We should have the option to opt of online documents. The online portal is extremely temperamental and difficult for SYPA teams to resolve technical issues.

5.35 Again, there are a mixture of comments however in response to the points above the following provides some context and outlines steps being taken to address the issues raised:

- The Customer Centre is staffed with relatively new members of the team. One member of staff with less than 3 months service, and another with less than 6 months. We are continuously building on the support, knowledge, and skills of staff in the team which will improve over time.
- In relation to comments around paper statements - online documents are our default option for all Annual Benefit Statements for active and deferred

members and P60s for retired members. However, members can request a paper copy at any time. We are also aware and understanding of the frustrations with the online portal and are continuously working hard to improve the service for members. One area we have already progressed is getting help online. We also successfully ran a couple of mypension sessions in person to help with the registration process, logging on issues and navigation around the site. Members were invited to bring their mobile devices to the session.

Scheme Member Engagement – Customer Centre Emails

5.36 Email is an important channel for many of our members and, since October 2020, we have been monitoring customer satisfaction levels with our email responses by embedding “click face” surveys into our email signatures. The table below shows the overall satisfaction levels for August, September and October 2022.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Excellent	61%	+7%	▲
Good	18%	-10%	▼
Ok	5%	-1%	▼
Poor	16%	+4%	▲
Total Number of Respondents	62 out of 7,118 emails sent		

5.37 Unfortunately, as always in this area 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:

- Delays with payment of benefits
- Struggling with the online portal.

5.38 After looking into the delay with benefits, this was unfortunately a third-party delay due to the member having AVCs. It took several requests to the AVC provider to receive payment of the fund value which was preventing the calculation of retirement benefits. To prevent any further delay, we offered to bring benefits into payment without the AVC and to re-calculate the benefits when the fund value was eventually received. This is usually the last resort option to avoid any overpayment of lump sum.

Member Engagement – online portal

5.39 We continue to encourage all scheme members (regardless of status) to sign up to use the online portal which was enhanced and expanded in 2019. There was a total of **3,120** new registrations in the quarter to the end of December bringing the total registrations to **81,520** (or 46.6% of the total membership), which based on the limited comparative information available seems to compare favourably with other LGPS funds. **Appendix B** shows how sign up to the portal has progressed over time.

Scheme Member Engagement – New Joiner Survey

5.40 As part of our wider engagement with scheme members, we wanted to gain some insight into how members who have recently joined the pension scheme rated our service. A survey was issued to 1,660 members who had joined the scheme in August, September and October 2022. The new joiner survey specifically asks

about the welcome email/letter, including registration of the online portal. The results of the survey are shown below.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	17%	+4.5	▲
Satisfied	31%	-11.5	▼
Dissatisfied	31%	-6.5	▼
Very Dissatisfied	21%	+13.5	▲
Total Number of Respondents	42 out of 1,660 emails issued		

5.41 Worryingly again this quarter a large number of new members were not satisfied with the process and provided the following feedback.

- The form for transferring pensions could be in an online format rather than PDF.
- Online portal issues.
- It could be made clearer that I'd re-joined rather than joined.

5.42 A high percentage of members completing the survey said they hadn't yet received the welcome notification, which is clearly a concern. However, following similar comments from the last set of results, feedback has already been taken on board and measures put in place to address the issue. In November last year, new starters which are flagged within the monthly data collection files are now re-assigned to a priority work tray to ensure member records are being created and welcome information issued in a timely manner. These results should hopefully reflect in future survey results.

Other Engagement Activity

5.43 A range of other engagement and employer support activity was undertaken over the quarter which is summarised below to give the Board an idea of the range of activity undertaken by the Team in this increasingly important area.

- As part of "Talk Money Week" and Pensions Awareness Week we hosted 6 different employee presentations. These were linked to a range of social media campaigns including a 12 days of pensions campaign in the run up to Christmas.
- 7 employer training sessions were held
- Issue 10 of the Employer Newsletter was prepared (although it was actually published in early January)
- A calendar for future employer training has been published.
- Work has been undertaken to update the EPIC employer portal so that additional information on the progress of queries and the overall performance of employers can be more easily identified.
- Specifications have been completed for amendments to UPM processes for ill health retirement and appeals. While these await systems resources an ill health dashboard has been created.
- A new facility has been created for employers undertaking bulk redundancy exercises to estimate the costs of such exercises,
- A new data form has been created to improve the flow of data around retirements.

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

- 5.44 Previous reports have referred to the challenges experienced in delivering both Annual Benefit Statements and Pensions Savings Statements (required for a subset of members for tax purposes) on time. The last report referred to some particular challenges in regard to Pensions Savings Statements and an action plan to deal with this. While the action plan did result in most cases being assessed within the planned timescale a number of more complex cases particularly those involving inter-fund transfers have continued to be worked on. In addition, there remain some cases from previous years with outstanding issues and queries which need to be resolved. Given that these cases can be isolated into a single work package the Director has commissioned Hymans Robertson to resolve these outstanding cases as a matter of urgency in order to allow the operational teams to concentrate on preparing for the 2023 statements. It is worth noting that we expect to have to assess significantly more cases and issue significantly more statements than in previous years due to the impact of the current high level of inflation on the calculations.
- 5.45 The situation we have experienced while the result of a range of previously reported issues has clearly meant that the level of service we have provided to scheme members has not been what we would have wished although it should be emphasised that staff have made considerable efforts to deal with individual cases. It is expected that a number of complaints will be received in the next quarter which will be dealt with individually as they arrive.
- 5.46 One of the major causes of the issues that we have experienced is the fact that as previously reported the UPM system cannot produce the relevant calculations. A new release currently in testing contains updates which are intended to provide this functionality, and this is one of the two immediate priorities being worked on by the Pensions Systems Team.
- 5.47 Work has already commenced on the project to deliver the Annual Benefit Statements for 2023 which is being supported by the new Programmes and Performance Team. This work will include the process for producing Pensions Savings Statements which is in effect a consequential output of the Benefit Statements. The project brief includes a requirement to provide senior management with weekly management information in relation to key parts of the process which will provide better transparency on the progress being made and allow earlier intervention when problems or issues are identified.

Triennial Valuation

- 5.48 All employer results have now been issued, although largely in early January rather than before Christmas as planned and discussions are taking place with individual employers in order to resolve queries and deal with requests for the phasing of increases or pre-payments. While it had been hoped that discussions of this sort could be dealt with entirely in house unplanned absence means that we are having to rely on the actuary to assist with this which will increase the cost of the process but is unavoidable. The final Rates and Adjustments Certificate will be presented at the Authority's March meeting and the Board will have an opportunity to discuss the results in April.

Implications

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

Financial	None
Human Resources	None
ICT	None
Legal	None
Procurement	None

George Graham

Director

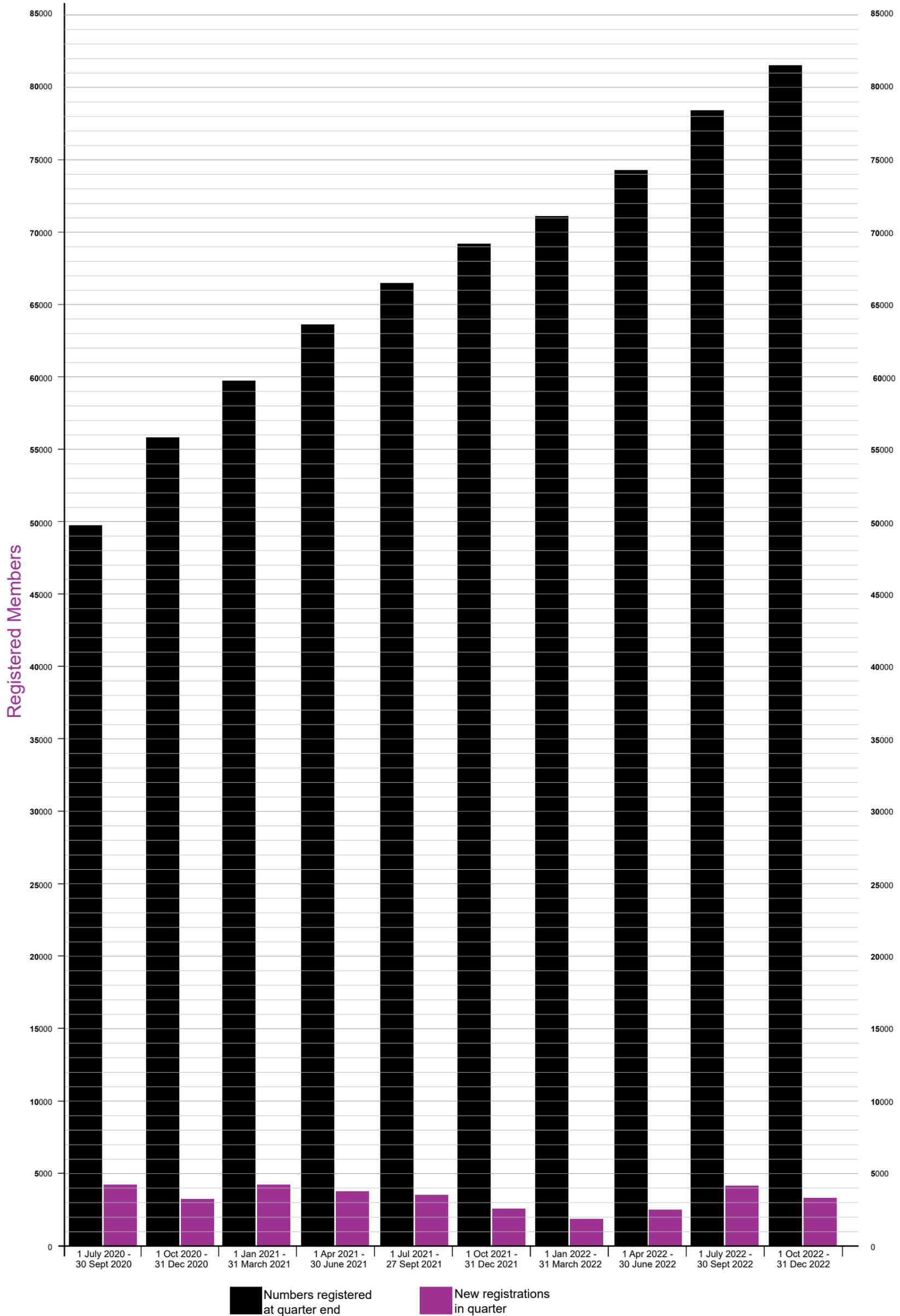
Background Papers	
Document	Place of Inspection

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



Employer	Q4 2021/22			Q1 2022/23			Q2 2022/23			Q3 2022/23		
	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	271	242	816	211	343	684	187	292	579	263	609	233
High	75	68	11	46	52	7	60	51	16	54	65	5
Standard	196	174	805	165	291	677	127	241	563	209	544	228
[00400] Doncaster MBC	286	597	395	219	329	285	187	189	283	169	283	169
High	65	61	5	50	50	5	72	60	17	58	66	9
Standard	221	536	390	169	279	280	115	129	266	111	217	160
[00600] Capita	98	73	353	57	58	352	55	39	368	26	119	275
High	16	9	31	11	11	31	11	10	32	8	29	11
Standard	82	64	322	46	47	321	44	29	336	18	90	264
[00600] Sheffield CC	219	228	141	147	196	92	221	253	60	259	178	141
High	74	69	11	78	89	0	78	78	0	80	60	20
Standard	145	159	130	69	107	92	143	175	60	179	118	121
[00600] EPM	75	19	240	17	16	241	22	23	240	14	26	228
High	1	6	9	4	5	8	14	13	9	4	2	11
Standard	74	13	231	13	11	233	8	10	231	10	24	217
[00473] Doncaster Childrens Services	71	98	101	26	39	88	27	95	20	0	18	2
High	15	14	1	12	11	2	3	4	1	0	1	0
Standard	56	84	100	14	28	86	24	91	19	0	17	2
[00300] Barnsley MDC	105	90	80	102	126	56	109	122	43	81	93	31
High	28	29	2	40	36	6	43	45	4	32	32	4
Standard	77	61	78	62	90	50	66	77	39	49	61	27
[00372] Greenacre Academy	14	12	73	9	10	72	3	3	72	6	7	71
High	3	2	1	5	3	3	1	1	3	2	0	5
Standard	11	10	72	4	7	69	2	2	69	4	7	66
[00222] The Sheffield College	16	7	59	24	8	75	25	21	79	13	30	62
High	4	0	5	7	3	9	14	9	14	6	12	8
Standard	12	7	54	17	5	66	11	12	65	7	18	54
[00295] The Chief Constable	56	50	54	34	53	35	35	39	31	39	29	41
High	16	17	2	6	8	0	16	15	1	7	7	1
Standard	40	33	52	28	45	35	19	24	30	32	22	40

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Subject	Review of Breaches, Complaints and Appeals – Quarter 3 2022/23	Status	For Publication
Report to	Local Pensions Board	Date	
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 members on the latest available record of reported breaches and provide details of complaints and appeals for the period from 1 July 2022 to 30 September 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**

- 5.1 This report provides the regular update on Breaches Complaints and Appeals for the Board. On this occasion because of unplanned staff absence the report is in a slightly different format but should include all the information usually provided.

Breach Reporting

- 5.2 The table sets out the breaches identified by the Authority in the quarter.

Ref	Date	Type	Description	Action
62	24/10/22	Data Loss	Details of a change of address were incorrectly entered into the system resulting in a retirement quote being sent to the wrong address.	The details sent to the wrong address were retrieved and the information sent to the member at the correct address.

- 5.3 This incident is human error and while we have taken steps to reduce the likelihood of the wrong paperwork being put into an envelope our reliance on the manual transfer of data (in this case from an e mail) into UPM where members do not use the on line facilities does mean that it is extremely difficult to eliminate this particular risk, although emphasis is put on the need for staff to check their own work in these circumstances and this will be re-emphasised. This case was not reported to the relevant regulator having been reviewed in line with the relevant policies.
- 5.4 Members will recall the breach related to the theft of post reported to the Information Commissioner last quarter. The Commissioner has subsequently determined that no further action is required.

Cyber Security Incidents

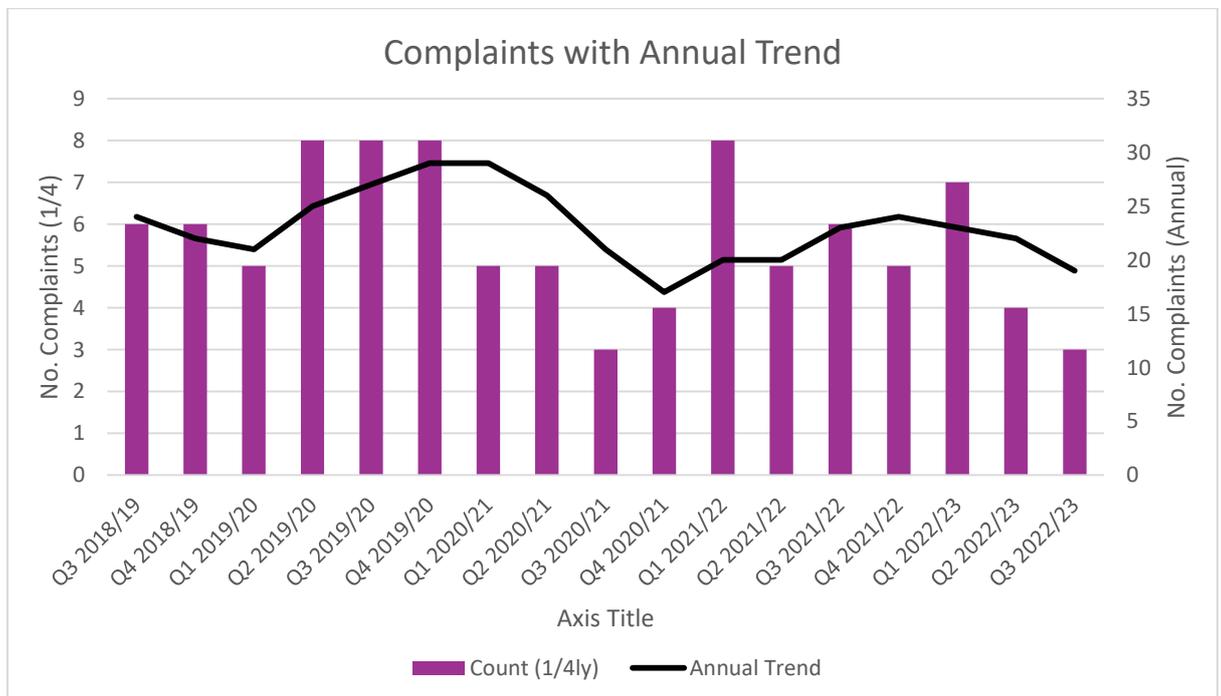
- 5.5 In addition to the more routine breaches there were 4 cyber security incidents during the quarter all of which stemmed from phishing attacks. In two of the cases staff clicked on links which could have been harmful, however, in both cases the Authority's security software stopped damage occurring. In both these cases the staff involved were given individual advice about how to identify potential phishing attacks (and one of these staff members subsequently identified one of the other potential attacks). In all cases following the incident the ICT Team circulated details to all staff to highlight the type of e mails that could be a phishing attack and blocked the originating e mail address.
- 5.6 As previously reported all staff have been undertaking an online course to enable them to recognise and address phishing attacks. At the time of writing 68 staff (58%) have successfully completed this course, with two weeks remaining before the date on which all staff are required to complete the course.

Complaints

5.7 The table below provides a summary of the three complaints received in the reporting period and an indication of whether the causes of complaint indicate a wider process issue which may need review/improvement.

Reference	Complainant	Nature of Complaint	Response issued within target response time?	Responsible party	Follow up actions required/taken?
C98	Active Member	Member was unhappy with the amount of time it took to process her ill health retirement. There was some initial confusion between the Customer Team and herself as she had originally started an early retirement request.	Yes	SYPA/Employer	Miscommunication with Customer team added a minor delay to processing time however the Employer caused longer delays as they didn't notify us of the ill health retirement or send the termination notice in a timely manner which led to further delays with forms etc
C99	Retiring Member	Member wasn't aware the timeframe for Ben10 protection hadn't been extended	Yes	Employer	Member thought Employer was extending the 10 year period however we haven't received any notification of this
C100	Retiring Member	Member unhappy due to delays with processing retirement request	Yes	Employer	This was caused by long delays with obtaining the correct information from the Employer
Total for Three Months	3				

5.8 The graph below shows the trend in numbers of complaints over time.



5.9 None of the complaints this quarter raise systemic internal issues. However, there is an underlying theme about the timeliness of responses which will be followed up.

Formal Appeals

5.10 During the reporting period one appeal was determined.

Ref	Reason for Appeal	Stage	Upheld?	Comments
AB	Appeal against level of award of ill health benefits	2	No	In this case the employer delayed resolving the case after a medical reassessment and compensation was awarded for the distress and inconvenience caused although the appeal itself was not upheld.

5.11 There are no particular learnings from this case as all training for employers in relation to the ill health process emphasises the need for cases to be dealt with promptly and this will continue to be reinforced with employers through ongoing engagement activity.

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

George Graham

Director

Background Papers	
Document	Place of Inspection

Subject	Updated Risk Register	Status	For Publication
Report to	Local Pension Board	Date	2 nd February 2023
Report of	Director		
Equality Impact Assessment	Not Required	Attached	App A Risk Register
Contact Officer	Annie Palmer Team Leader Governance	Phone	01226 666404
E Mail	apalmer@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 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 all the corporate objectives because the corporate risk register is focussed on assessing and managing the range of risks to the organisation in meeting any of these 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 The Board's workplan requires it to regularly review the Authority's Corporate Risk Register. The latest version of the Register, which was considered by the Authority at its meeting on 8th December 2022, is at Appendix A. The latest management review of the Register resulted in a number of changes to the risk scores in both Investment and Governance risk areas.
- 5.2 Commentary is provided within Appendix A that outlines details relating to each risk, setting out the mitigations currently in place, and the results of the latest review including the reasoning for not changing the scores. The following risk were assessed to have reduced:

G3 Governance– overall score reduced from 8 to 6
G4 Governance – overall score reduced from 16 to 12
I1 Investment and Funding – overall score reduced from 15 to 12
I4 Investment and Funding – overall score reduced from 10 to 5

The rationale for these reductions are set out at Appendix A.

- 5.3 The procurement of the new Risk Management Software system has been completed, following SMT approval of the business case in January. The system to be implemented is the Ideagen Pentana Risk Management Software System and three modules have been opted for:

Risk Management
KPI Management (Performance)
Action Management (Projects)

The core of the system will enable us to build our strategic objectives as set out the Corporate Strategy and then link these across the three modules to relevant risks, performance standards and projects.

- 5.3 The Governance and Programmes & Performance teams are currently working with Ideagen to develop the implementation programme and training plan and will update SMT with the training programme during February 2023.
- 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

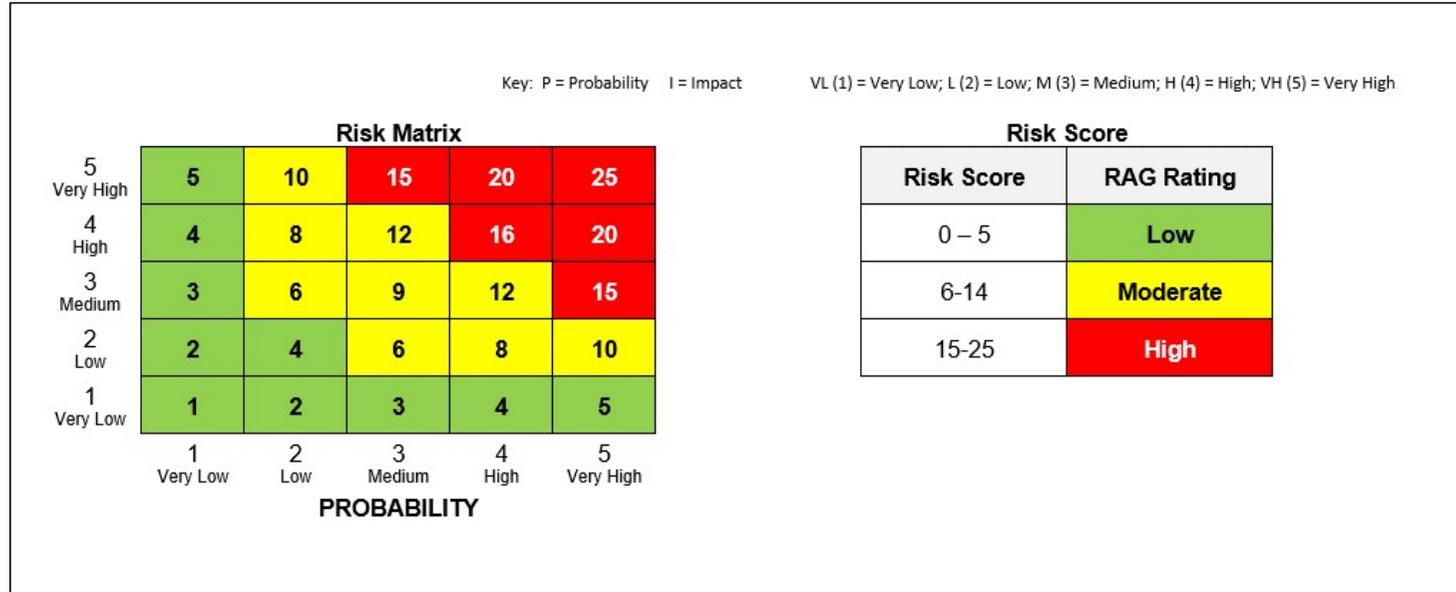
Director

Background Papers	
Document	Place of Inspection
None	N/A

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**South Yorkshire Pensions Authority Risk Register As At
16 November 2022**

Key:



Risk scores changed since last review:

Risk No	Risk Type	Risk Title	Prev Score	New Score	Risk Change at Review
G3	Governance	Breakdown of the control environment	8	6	↓
G4	Governance	Weak or ineffective project management arrangements	16	12	↓
I1	Investment and Funding	Material changes to the value of investment assets and/or liabilities due to major market movements	15	12	↓
I4	Investment and Funding	Imbalance in cashflows	10	5	↓

SOUTH YORKSHIRE PENSIONS AUTHORITY RISK REGISTER

Risk No	Risk Type	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Probability & Impact	Target Score	Probability & Impact	Risk Mitigation Action	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. Additional support to complete knowledge assessments for all members. Examination of additional bite size learning options.	12	P=M I=H	6	P=L I=M	Provide further internal seminars and examine options for more individualised "tuition". Members to have completed the majority of mandatory training required by December 2022. <i>Comment 16/11/2022 :</i> <i>Significant progress made against members mandatory training. 7/12 Authority members and 5/10 Local Pension Board members have completed all six modules.</i> <i>Remaining module training is scheduled for 10/11/2022 and 06/12/2022 to ensure all modules completed and full compliance achieved by 16/12/2022.</i> <i>Further training has been delivered in the following areas: Risk,Investments, Actuarial Matters/Valuations and Climate Change</i> <i>Additional activity will commence in January 2023 to develop individual performance and learning plans for members to identify bespoke training requirements.</i> <i>At this stage there is no justification for any change in risk score however once all members are compliant this will be reviewed.</i>		16/11/2022
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	9	P=M I=M	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". <i>Comment 16/11/2022:</i> <i>Si gnificant progress made against members mandatory training. 7/12 Authority members and 5/10 Local Pension Board members have completed all six modules.</i> <i>Remaining module training is scheduled for 10/11/2022 and 06/12/2022 to ensure all modules completed and full compliance achieved by 16/12/2022.</i> <i>Further training has been delivered in the following areas: Risk,Investments, Actuarial Matters/Valuations and Climate Change</i> <i>Additional activity will commence in January 2023 to develop individual performance and learning plans for members to identify bespoke training requirements.</i> <i>At this stage there is no justification for any change in risk score however once all members are compliant this will be reviewed.</i>		16/11/2022
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.	Head of Finance and Corporate Services	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	6	P=L I=M	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 <i>Comment 16/11/2022:</i> <i>Internal audit work in the year and other sources of assurance such as the actuary's review of valuation data indicate that any potential control failure is unlikely to fundamentally destabilise the organisation.</i> <i>This justifies a reduction in Impact from high to medium with a revised risk score of 6 down from 8.</i>		16/11/2022

Risk No	Risk Type	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Probability & Impact	Target Score	Probability & Impact	Risk Mitigation Action	Risk Change at Review	Last Review Date
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. Appointed to redefined role of Project / Programme Manager.	12	P=M I=H	6	P=L I=M	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. <i>Comment 16/11/2022:</i> The Corporate Strategy has a target date of Mar 23 to "Determine a stripped down and appropriately scaled project management process" The Programmes and Performance Team are currently working on this. A tracker for all corporate projects has been compiled and, in addition, the Projects and Performance officer is conducting a mapping exercise of projects, either planned or underway, being undertaken across all teams. Progress against plans will be monitored and the Team Manager - Programmes and Performance will be reporting on this quarterly to SMT. The progress already made in this area has resulted in the risk score reducing to 12.		16/11/2022
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.	12	P=M I=H	9	P=M I=M	Ability to implement protection strategies if market circumstances indicate they are appropriate. <i>Comment 16/11/2022:</i> Markets remain uncertain and while movement in gilt yields may have a positive impact on liabilities, there remains very considerable downside risk to asset values The resilience of the fund to recent market events makes it reasonable to reduce the potential impact of significant market fluctuations. In view of this the impact score has been reduced from very high to high.		16/11/2022
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. Analysis of end of year climate data to gain a detailed understanding of the current emissions trajectory. <i>Comment 16/11/2022:</i> There remains no basis for adjusting this score down however, in line with the last update, in the last quarter targets for the main listed portfolio have been set and the latest estimated trajectory for the achievement of net zero in these indicates a date of around 2045. Whilst not in line with the 2030 goal this does represent an improvement on our previous position.		16/11/2022
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 Programme of specific risk mitigations agreed as part of the 2022 - 2025 Strategic Plan and Budget	9	P=M I=M	6	P=L I=M	Ongoing monitoring of Programme of specific risk mitigations set out in 2022 - 2025 strategic plan. <i>Comment 16/11/2022:</i> Further proposals are to be considered by shareholders over the period up to February when the next version of strategic plan is to be approved. There continues to be evidence that the mitigations already put in place are having some positive impact however there is no justification for a reduction in the risk score at this stage.		16/11/2022
I4	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	5	P=VL I=VH	5	P=VL I=VH	Further improvements in cashflow forecasting,. Implementation of strategies to more regularly harvest income from investments. <i>Comment 16/11/2022:</i> This risk is now at an even level. Processes are in place for monitoring cashflow and this is now considered stable, with all mitigations implemented and no further actions that can be put in place. The probability is now very low and the risk score reduced to the target of 5. The risk will however remain on the register as the position can fluctuate.		16/11/2022

Risk No	Risk Type	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Probability & Impact	Target Score	Probability & Impact	Risk Mitigation Action	Risk Change at Review	Last Review Date
I5	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 <i>Comment 16/11/2022:</i> There is no justification for reduction of the risk score at this stage. The triennial valuation results will be issued to employers in November and could potentially give affordability issues, primarily for the academy sector.		16/11/2022
O1	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. Cyber Security Essentials Plus Certification	16	P=H I=H	12	P=M I=H	Additional testing of disaster recovery arrangements <i>Comment 16/11/2022:</i> There is no justification for reduction in the risk score at this stage however additional measures have been taken in relation to phishing. A phishing protection review was undertaken in October 2022 and following this a new phishing attack prevention solution is to be implemented in December 2022		16/11/2022
O2	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 <i>Comment 16/11/2022:</i> The valuation and annual benefits statement projects have been completed but data issues linked to the system provider remain. An overriding review of system provision will be completed in February 2022. There is no justification for a change in risk score at this stage.		16/11/2022
O3	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 <i>Comment 16/11/2022:</i> Data Protection Training is now complete. The DPIA and ISA are drafted and with Internal Audit for review with the expectation of SMT approval December 2022. The Information Governance action plan has been developed and agreed with Internal Audit. Work has commenced on enhancements to data breach process with a view to completion in December 2022. Work will commence on DSAR enhancements during December 2022 along with the review of the Data Protection Policy. There is no change in the risk score at this stage however it is likely that the next review will see a reduction following the completion of elements of the action plan.		16/11/2022
O4	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=M 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. <i>Comment 16/11/2022:</i> There is no justification to change the risk score at this stage. TPR Single Code continues to be delayed and will be reviewed once received		16/11/2022
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. <i>Comment 16/11/2022:</i> The work on the pay and benefits review has commenced and the staffing committee has approved proposals which when implemented should significantly reduce the number of areas where there is a potential single point of failure. The score remains unchanged until the actions contained within resilience plan have been implemented.		16/11/2022

Subject	Governance Update Report	Status	For Publication
Report to	Local Pension Board	Date	02/02/2023
Report of	Head of Governance		
Equality Impact Assessment	Not Required	Attached	Na
Contact Officer	Jo Stone Head of Governance	Phone	01226 666418
E Mail	jstone@sypa.org.uk		

1 Purpose of the Report

- 1.1 To provide members with an update on current Authority governance related activity. To update Members on the actions being taken in response to audit findings by both internal audit and external audit during the current financial year and in previous financial years. To provide members with an update on recent decisions made by the Authority. Finally, to review and approve the LPB meeting cycle for 2023/24.
- 1.2 A report will be provided regularly to provide assurance and monitoring of Authority governance across many areas of the business.

2 Recommendations

- 2.1 Members are recommended to:
 - a. **Note the current Authority governance position, including decisions made between meetings.**
 - b. **Approve the LPB meeting cycle for 2023/24**

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:
Effective and Transparent Governance
- 3.2 To uphold effective governance always showing prudence and propriety.
- 3.3 The reporting of audit findings and agreed actions in response to these, is a key part of providing assurance on the adequacy of the Authority's corporate governance arrangements, particularly those relating to internal control and financial and risk management.

4 Implications for the Corporate Risk Register

- 4.1 The contents of this report set out the actions being taken in several areas that will contribute to addressing various risks in relation to operations and governance as detailed in the original audit reports.

5 Background and Options

- 5.1 As previously reported, considerable activity continues in order to enhance the Authority's governance arrangements. This has included monitoring and managing elected and Board members' knowledge and skills to ensure mandatory training compliance and expertise across the organisation. The initiation of activities to implement a second layer of risk and audit assurance across the business to enhance governance processes and ensure middle management roles and responsibility for risk and a tier of escalation to SMT. This will require a revision the Risk Management Framework once implemented. To support this work, a software system has now been procured, *Pentana*, which is a risk and performance management software application (formerly known as Covalent). The Governance team, working with the Programmes and Performance team, are currently scoping a plan and timescale for the implementation.

General Governance Arrangements

- 5.2 The appointment of the Head of Governance to be the Monitoring Officer with effect from 1 January 2023 was approved by the Authority on 08 December 2022. The Treasurer role will be transferred to the Assistant Director – Resources from 01 April 2023.
- 5.3 Solicitors have been appointed to undertake a comprehensive review of the Constitution. This work commenced in January 2023 and will be completed by May to ensure the updated Constitution can be presented to the June 2023 Authority meeting. LPB members will be updated on the progress of the review at the next LPB meeting in April.
- 5.4 The Governance team are now undertaking work to procure (through a suitable procurement framework) a legal retainer contract for the Authority to provide legal advice and services in all matters required on an *ad hoc* basis. This will include legal oversight for the Pensions Dashboard, which is a legal requirement for September 2024, with a particular focus on data protection legislation.
- 5.5 Training and Development of members will be reported in a separate report later in the meeting.
- 5.6 There is also a separate report on Information Governance and the large-scale programme of work that is underway to ensure SYPA is fully compliant to the Data Protection requirements under the ICO regulations. This area of work will continue into next year.
- 5.7 There have been no decisions between meetings since the previous meeting of the Authority.
- 5.8 The Authority's Local Code of Corporate Governance sets out the framework in which the Authority complies with the seven principles of good governance; one of which is "*managing risks and performance through robust internal control and strong public financial management*". One aspect of achieving this is having arrangements for assurance and effective accountability in place and ensuring that findings and/or

recommendations made by both external audit and internal audit are addressed and acted upon.

- 5.7 The Audit Committee receives reports of the external auditor and of the Head of Internal Audit at regular intervals throughout the financial year. The agreed management actions arising from Internal Audit reviews are reviewed and updated monthly and progress is reported to all meetings of the Audit Committee. The draft Internal Audit Plan for 2023/24 will be presented to the March Audit Committee.
- 5.8 A new Governance Calendar for the 2023/24 municipal year has been created to improve visibility and attendance to all scheduled meetings, seminars and training. Members are asked to review and approve the LBP meeting cycle for 2023/24 shown at Appendix 1. A central team inbox (governanceteam@sypa.org.uk) has been created to improve the Governance team's service to support members during 2023/24.

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

Jo Stone

Head of Governance

Background Papers	
Document	Place of Inspection
None	-

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Subject	Member Training Progress Update	Status	For Publication
Report to	Local Pension Board	Date	02/02/2023
Report of	Head of Governance		
Equality Impact Assessment	Not Required	Attached	Na
Contact Officer	Jo Stone Head of Governance	Phone	01226 666418
E Mail	jstone@sypa.org.uk		

1 Purpose of the Report

- 1.1 To provide members with an update on current member training activity and to outline the scheduled training for 2023/24.
-

2 Recommendations

- 2.1 Members are recommended to:
- a. **Note the current position of compliance with mandatory training requirements.**
 - b. **Note the scheduled training plans for 2023/24.**
-

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:
Effective and Transparent Governance
- 3.2 To uphold effective governance always showing prudence and propriety.

4 Implications for the Corporate Risk Register

- 4.1 The contents of this report support the actions being taken to address a specific risk in the corporate risk register in relation to maintaining adequate levels of knowledge and understanding of Local Pension Board members.

5 Background and Options

- 5.1 As previously reported, considerable activity has been completed to enhance LPB members' knowledge and skills in addition to that of the wider SYPA Authority members. The requirement is that all LGPS on-line modules should be completed within the first six months of joining SYPA. In June 2022 a full training needs analysis activity was undertaken by all members and the following results recorded. At that time, only two members of the LPB had fully completed the mandatory training requirements and one member of the Authority.

- 5.2 The training needs analysis report showed an overall knowledge of 50.05% for Authority members and 40.21% for LPB members. The areas identified for urgent support of training were investment, actuarial and funding and administration matters. At the LGA conference on 19 and 20 January 2023, Hymans Robertson reported that pensions funds completing the National training needs analysis assessment have an average of 55% knowledge overall. The highest scores nationally were 67.6% governance and 63% actuarial matters. The lowest scores currently are 38% accounting and audit and 48% investment performance and risk management.
- 5.3 Members continuously worked with the Governance team, supported by a hybrid training model of on-line, face to face and Teams facilities to ensure training is supported and completed in a timely manner to provide the organisation and external bodies with assurance of full compliance. It is very pleasing to report therefore that all members of the LPB are now 100% compliant with mandatory training requirements.
- 5.4 Authority members have also completed all six training modules and are 100% compliant against mandatory training requirements.
- 5.7 Training sessions were reported to members at the last meeting. Since October 2022 the following training has been delivered to all members in the following areas to increase knowledge and skills:
- 20 October – Risk Management training
 - 10 November 2022 – Hymans Robertson Online Training Module 2
 - 10 November 2022 – Climate Change Seminar
 - 06 December 2022 – Hymans Robertson Online Training Module 1 and 6
- 5.5 Bespoke training has also been delivered to members of the Audit Committee by the Authority’s internal auditors to increase knowledge of roles and responsibilities regarding risk management. CIPFA will also deliver a bespoke session in February 2023 on the responsibilities of Local Authority Audit Committees to strengthen governance further.
- 5.6 A national training needs and analysis exercise will take place 13 to 27 February 2023 through Hymans Robertson, and it is hoped that this will show a marked increase in the percentage of knowledge and skills compared to the results in June 2022, reflecting the significant progress made since then and that is continuing over the next few months.
- 5.7 Moving forward, the Governance team schedule and deliver training to each committee and board as per the Governance calendar 2023/24. There will be an additional emphasis where required to work with individual members on an annual basis to ensure knowledge and skills are kept up-to-date and enhanced.

6 **Implications**

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

Financial	The cost of training for Authority and LPB members will be met within the budgeted resources.
Human Resources	None
ICT	None
Legal	None
Procurement	None

Jo Stone

Head of Governance

Background Papers	
Document	Place of Inspection
None	-

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Subject	Information Governance Update Report	Status	For Publication
Report to	Local Pension Board	Date	02/02/2023
Report of	Head of Governance		
Equality Impact Assessment	Not Required	Attached	Na
Contact Officer	Jo Stone Head of Governance	Phone	01226 666418
E Mail	jstone@sypa.org.uk		

1 Purpose of the Report

- 1.1 To provide members with an update on current information governance activity and to provide a brief update regarding the response of the Information Commissioner's Office (ICO) to our report of the data breach as set out at the last meeting.
- 1.2 A report will be provided regularly to provide assurance and monitoring of information governance across many areas of the business.

2 Recommendations

- 2.1 Members are recommended to:
 - a. **Note the information governance activity undertaken to enhance processes and procedures.**
 - b. **Note the ICO response to the data breach previously reported.**

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:
Effective and Transparent Governance
- 3.2 To uphold effective governance always showing prudence and propriety.

4 Implications for the Corporate Risk Register

- 4.1 The contents of this report link to the risks around Data Protection and regulatory compliance in the corporate risk register; and set out the actions being taken to mitigate these risks.

5 Background and Options

Information Governance Activity

- 5.1 Considerable activity continues to enhance SYPA information governance. This has included IT and Cyber Security going forward. All staff have undergone refresher awareness training and all members across the LPB, and Authority have completed module 6 of the Hymans online training which includes a module on cyber security. An additional measure to ensure members' knowledge and understanding is enhanced was put in place by circulating a briefing paper from the ICT team on the arrangements in place to mitigate risks in relation to cyber security and provide information about how these risks are actively monitored and managed.
- 5.2 The Governance team are working to enhance information governance processes and procedures throughout the organisation, and regularly liaise on this with our internal auditors in a 'critical friend' capacity. A focused action tracker has been implemented and agreed with the auditors which scopes those areas that the team will focus on during the remainder of 2022/23 and agreed timeframes for implementation. Further work continues prepare a revised suite of data protection processes and procedures with the aim of launching this in early 2023/24.

Data Breach - Update

- 5.3 As previously reported to the November meeting, a data breach occurred in September 2022. Actions were taken in response to this at the time (as fully detailed in the previous report) and the breach was reported to the ICO.
- 5.4 Since the previous meeting, a response has been received from the ICO advising that no further action is required on this occasion. The ICO were content that all action had been taken and processes clearly followed. Three recommendations were suggested which were in line with the actions already planned and carried out, and that we had outlined in our report to the ICO. The ICO case is now closed.

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

Jo Stone

Head of Governance

Background Papers	
Document	Place of Inspection
None	-