

Date: 24 April 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:
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Dear Member

SOUTH YORKSHIRE LOCAL PENSION BOARD
Thursday, 27 April 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, 27th April, 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, 27 APRIL 2023 AT 10.00 AM, OAKWELL HOUSE, 2 BEEVOR COURT,
PONTEFRACT ROAD, BARNSELEY, S71 1HG**

AGENDA

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SOUTH YORKSHIRE PENSIONS AUTHORITY

LOCAL PENSION BOARD

2 FEBRUARY 2023

PRESENT: G Warwick (GMB) (Chair)

R Fennessy (South Yorkshire Police), Parekh (Scheme Member Representative), N Doolan-Hamer (Unison), D Gawthorpe (Scheme Member Representative), A Gregory (Scheme Member Representative), N Gregory (Academy Representative), R Nurennabi (Sheffield Hallam University) and D Webster (Scheme Member Representative)

Officers: G Graham (Director), J Stone (Corporate Manager - Governance), J Webster (Service Manager - Customer Services) and J Ronson (Service Manager- Support & Engagement)

C Scott (Independent Advisor to the Board)

Apologies for absence were received from Councillor K Richardson

1 WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting and introduced a new member to the board Cllr M Parekh from Sheffield City Council.

2 ANNOUNCEMENTS

G Graham placed on record thanks to Councillor Chaplin for his service on the Local Pension Board.

At the LAPF awards held in December 2022, the Authority was successful in the "LGPS Fund of the Year over £2.5bn" category. It was also highly commended in the in two categories at the Pensions for Purpose awards for Impact Investing.

The Director advised that J. Bailey is currently unexpectedly absent from work for an extended period meaning that it might be necessary for officers to take some questions away and respond in writing later.

Chair thanked the Officers for their work in securing the various awards.

Following discussions with Members it has been agreed that future papers that had been considered in private by the Authority meeting, would be circulated to the Pensions Board and vice-versa.

3 URGENT ITEMS

None

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

5 DECLARATIONS OF INTEREST

None

6 MINUTES OF THE MEETING HELD ON 03/11/2022 AND ACTIONS AND MATTERS ARISING

Minutes to be updated to include non-public agenda items.

Correction required on page 8 to amend inaccurate date.

A discussion was held about the current format and content of the minutes.

The Board agreed that their preference was for the minutes to avoid significant repetition of information from the meeting papers, but they should record the discussion and challenge from the Board.

7 PENSIONS ADMINISTRATION REPORT Q3

G Graham introduced J Webster and J Ronson to Members.

Members were 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

The Director introduced a report in the absence of the Assistant Director – Pensions

Key Points highlighted:

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.

In relation to aggregations, it is important to understand that the process is in two parts: 1) The quotation stage where the member is provided with details of the impact of combining their various sets of benefits.

2) The settlement stage which occurs automatically 12 months after the quotation unless the member has expressed a preference prior to this.

Future reporting will be revised to separate the two stages of the process to allow a clearer understanding of progress to address this issue. The Board welcomed the change in reporting to allow monitoring of progress.

While the overall numbers of outstanding cases remain excessive the team have reduced Aggregation Quotes by 1,001 cases.

Performance in processing active member retirements clearly needs to be an area of focus.

Statutory Disclosure information for this quarter is not available at this time. It will be carried forward into the next quarters report.

The percentage of members who have recently retired and are satisfied or very satisfied with their experience of SYPA is back above 90%

Feedback for the Customer Centre continues to be positive overall, despite the drop in satisfied responses.

For new members who have recently joined the scheme, the satisfaction level drops to 48% A new process has been implemented and is now classed as priority work and is expected to show improvement in the next quarter.

A Gregory asked about the reduction in performance in processing death cases.

Officers noted that this 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.

Standard cases are still being processed in line with previous performance levels.

A Gregory followed up asking how disputes regarding complex cases are resolved.

In general, a decision is made by the Benefits Team Manager. More difficult cases are referred to the Assistant Director - Pensions.

C Scott asked a question regarding what information Team Leaders are using to manage resources, as the information presented is lacking.

N Doolan-Hamer sought further clarification on the Aggregations performance and whether it could be being caused by a lack of staff?

Officers responded that a capacity planning exercise is being undertaken which will factor into any decision on staffing levels. Specifically, regarding Aggregations

there are two main contributing factors: 1) A lack of or delayed response from the scheme member about their preferred option.

2) The makeup of the workforce within Local Government also impacts. Within schools for example, one person can have multiple active records that can be aggregated together. They also operate fixed term contracts for an academic year and then rehire the same person the following year. These also create Aggregation work.

A new reporting method will differentiate between those cases waiting for SYPA action and those awaiting a scheme member response.

D Webster questioned why it appeared the process took longer for Deferred members using the online portal as opposed to those who didn't.

N Doolan-Hamer sought clarification on the Retirement cases taking over 11 days to process.

In response officers advised that some cases are held up due to a lack of information from employers. This can be a particular issue with small employers who only deal with retirements infrequently.

R. Nurrennabi brought up the issue of Employer Web Queries not being raised and that scheme members are being advised to chase up the employer themselves.

J Webster confirmed that following this being raised at the last meeting, further training has been given to Customer Services staff to remind them that this should only occur if we have attempted and failed to gather the required data several times.

N. Gregory noted that this process had helped with flagging up issues with outsourced payroll providers that employers would otherwise be unaware of.

C Scott asked for confirmation that J Bailey had sent the agreed letter to employers as per the meeting in November. This relates to informing employers of poor performance where Rotherham provides the payroll service.

G Graham agreed to investigate whether the letter had been sent but he was able to provide assurance that the performance of both Rotherham and Sheffield Councils in handling queries had improved markedly.

N Gregory noted that Capita are mentioned in every 1/4ly report in response to information being delayed.

Officers responded that discussions are held with Capita and performance is kept under review. Due to high turnover of their staff it is often difficult to resolve ongoing problems or have regular contact with the same person.

Ultimately, the responsibility for this falls on the employers who use their services.

A new, more structured escalation process to emphasise these responsibilities for employers is being developed for incorporation into the Pensions Admin strategy and will be presented at the appropriate time.

R. Nurrennabi asked if we could hold AVC providers accountable for delays in providing information as it compromises the Authorities abilities to commence pension payments.

A lack of competition makes this difficult to achieve, although this is a national issue which has been raised with providers by the Scheme Advisory Board. A review is being undertaken by Barnett Waddingham on our behalf and further recommendations will be made following that.

N Doolan-Hamer noted that the data shows only 62 survey replies were received from over 7000 that were issued. This should be taken as positive since members did not feel strongly enough to complain and are less likely to reply if they're satisfied with the service. The Chair concurred with this; the data shows the actual number of dissatisfied responses is very low.

C. Scott asked about the Actuarial Valuation and if staff/resource pressures could impact on this and other areas the Members need to be aware of.

The Director responded that the valuation will be completed on time. The actuary is being used more than is usual and this will incur some cost but is unavoidable due to the current absences.

The main impact of the current absences had been identified as slippage on particular projects such as the work in the Pensions Admin System which will not be ready when expected. There could also be an impact on degree of impetus and leadership that could be provided for other priority work such as the McCloud Judgement and the introduction of the Pensions Dashboard.

The Chair thanked Officers for the report and the responses to questions.

8 BREACHES, COMPLAINTS AND APPEALS

The Director presented the regular report on breaches complaints and appeals.

Members were 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.

Main Points:

One case of data loss. This was the result of manual error and has been resolved.

Four 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.

Three complaints received in the reporting period. These point to a potential issue with how we communicate more complex issues to scheme members.

During the reporting period one appeal was determined. 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.

Members had no questions, so the Chair thanked G Graham for the report.

9 RISK REGISTER

The Head of Governance introduced a report providing members of the Board with the opportunity to review the updated risk register which supports the corporate strategy.

Members were recommended to:

Note and comment upon the revised risk register.

Main Points:

Members attention was drawn to point 5.2 and Appendix A of the report.

This 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

An update was also provided on the procurement and implementation of a new Risk Management system.

N. Doolan-Hamer asked if the mitigation actions that have been put in place for cyber security meant that the risk could come down.

Officers responded that given the frequency and sophistication of these kinds of attacks, it is unlikely that the potential damage of a successful attempt could be mitigated. Therefore, the risk remains high.

R Nurrennabi noted that the efforts to combat and mitigate the problem should be reflected on the Risk Register.

N Gregory asked about the point on Recruitment and Retention. Is this risk being actively reviewed and what steps are being taken?

The Director responded that there were two elements to this building organisational resilience where a review was taken to the Staffing Committee in October and has been previously circulated to the Board. A key aim of this work is the reduction of the single point of failure risk. Separately pay and benefits review has been undertaken by an external consultant and the results are currently being considered by SMT. This is a complex piece of work which is likely to require some further work before proposals can be implemented.

There were however, some encouraging signs that where recruitment is attempted in different ways then it was possible to attract good fields with the response to the recently advertised Investment Manager role generating 20 applications and short list of 6 potential candidates.

The Chair asked what measures are in place were the expected investment returns reduced as a result of the Authorities goal of achieving Net Zero by 2030.

The Director explained that further information on the inter-relationship between expected returns and the delivery of the Net Zero Goal would be included in various reports to be considered by the Authority in March. The indications from the technical work undertaken for the Investment Strategy Review indicated that changes in asset allocation in a direction which will accelerate progress to Net Zero have no material impact on the likelihood of the strategy being successful.

Officers agreed to provide the Board with a demonstration of the new risk system when appropriate.

10 GOVERNANCE UPDATE INC. DECISIONS MADE AT THE AUTHORITY

The Head of Governance presented a report providing members with an update on current governance related activity, actions being taken in response to audit findings by both internal audit and external audit and an update on recent decisions made by the Authority. Finally, to review and approve the LPB meeting cycle for 2023/24.

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

Main Points:

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. In addition the Treasurer role will be transferred to the Assistant Director – Resources from 01 April 2023.

Solicitors have been appointed to undertake a comprehensive review of the Constitution and will be completed by May for presentation to the June 2023 Authority meeting.

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.

There have been no decisions between meetings since the previous meeting of the Authority.

The draft Internal Audit Plan for 2023/24 will be presented to the March Audit Committee.

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.

Resolved: The Governance Calendar was provisionally approved pending a consultation on potentially moving the August meeting.

Officers also noted that training and seminar dates are also being reviewed for future calendar cycles to better align with LPB meetings and to provide more bespoke training based on Member needs.

11 MEMBERSHIP & TRAINING UPDATES

The Head of Governance presented a report providing members with an update on current member training activity and to outline the scheduled training for 2023/24.

Members were recommended to:

- a.) Note the current position of compliance with mandatory training requirements.
- b) Note the scheduled training plans for 2023/24.

Main Points:

It is very pleasing to report that all members of the LPB had completed the mandatory baseline level of training using the Hymans online academy.

A national training needs and analysis exercise will take place 13 to 27 February 2023 through Hymans Robertson, it is hoped that this will show a marked increase in knowledge and skills compared to June 2022.

There will be a bespoke mandatory training session for members of the Audit Committee. This will be recorded and made available to Board members in the Reading Room.

12 INFORMATION GOVERNANCE UPDATE

The Head of Governance presented a report providing members with an update on current information governance activity and the response of the Information Commissioner's Office to our report of the data breach as set out at the last meeting

Members were 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.

Main Points:

Considerable activity continues to enhance information governance including IT and Cyber Security. All staff have undergone refresher awareness training and all members across the LPB and Authority have completed the Hymans online training module on cyber security.

As reported to the November meeting, a data breach occurred in September 2022. Actions were taken in response to this at the time and the breach was reported to the ICO. A response has been received advising no further action is required. The ICO were content 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. The ICO case is now closed.

13 AGENDA FOR NEXT MEETING

The agenda for the next LPB meeting was presented and discussed.

C Scott asked if the Governance Compliance statement would be available for the meeting.

Officers responded that this is not usually presented at the April meeting and will be available later in the year.

14 ITEMS TO BE DISCUSSED IN THE ABSENCE OF THE PUBLIC

Chair sought assurance that sufficient focus was being given to all the upcoming changes, in particular the McCloud Judgement which officers provided

An update was provided on the current position with regard to the Pensions Admin system and a discussion was held to clarify various queries from members of the Board.

Chair thanked everyone for attending and closed the meeting.

15 **AGREED ACTIONS**

Agenda Item	Agreed Action	Responsible Officer
2	Future papers considered in private by the Authority meeting, would be circulated to the Pensions Board and vice-versa.	Governance officer
7	Confirm Assistant Director – Pensions had issued a letter informing employers of poor performance where Rotherham provides the payroll service.	Director

CHAIR



**South Yorkshire Local
Pension Board
ANNUAL REPORT 2022/23**

Foreword

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

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

On behalf of the Board, I would like to thank the staff at the Authority for continuing to deliver a high-quality pensions service and for the support provided to the Board. The establishment of a new governance team for the Authority has been welcomed by the Board.

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

Garry Warwick, Chair



Role of the Local Pension Board

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

- Secure the effective and efficient governance and administration of the LGPS for the South Yorkshire Pension Fund;
- Provide the Scheme Manager with such information as it requires to ensure that any member of the Local Pension Board or person to be appointed to the Local Pension Board does not have a conflict of interest;
- Ensure the South Yorkshire Pension Fund effectively complies with the Code of Practice on the Governance and Administration of Public Service Pensions Schemes issued by the Pensions Regulator and is effectively managed and administered in compliance with the Code.

The Terms of Reference are documented in the Board's Constitution which is available of the Authority's website.

Membership during the Year

The Board's membership over the year was as follows:

Name	Date of joining	Nominated by/ Representing	Term of Office (to)
Employee Representatives			
Nicola Doolan-Hamer	July 2015	Unison	June 2024 (3 rd term end)
Garry Warwick (Chair)	July 2015	GMB	June 2024 (3 rd term end)
Daniel Gawthorpe	June 2020	Unite	May 2023 (1 st term end)
Andrew Gregory	July 2019	Selected from active, deferred and pensioner members	June 2025 (2 nd term end)
David Webster	Oct 2019		September 2025 (2 nd term end)
Employer Representatives			
Councillor Mike Chaplin	July 2019 [1]	Local Authority	2 yr District Council appointment (term extended to 2023)
Councillor Ken Richardson	Nov 2022		November 2025
Councillor Minesh Parekh	Nov 2022		November 2025
Nicola Gregory	Jan 2018	Other employers	December 2023 (2 nd term end)
Riaz Nurennabi	Nov 2022		November 2025
Rob Fennessy (Vice Chair)	April 2019		March 2025 (2 nd term end)
Independent Adviser			
Clare Scott	Oct 2019	n/a	Oct 2025 (2 nd term end)

Meeting Attendance

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

	4 Aug 2022	3 Nov 2022	2 Feb 2023	23 Mar 2023 (Informal)	27 Apr 2023	% Attendance (formal meetings)
Employee Representatives						
Nicola Doolan-Hamer	✓	✓	✓	✓		100%
Garry Warwick	✓	X	✓	✓		75%
Daniel Gawthorpe	✓	✓	✓	✓		100%
Andrew Gregory	✓	✓	✓	✓		100%
David Webster	✓	✓	✓	✓		100%
Employer Representatives						
Mike Chaplin	✓	✓	n/a	n/a	n/a	100%
Ken Richardson	X	✓	X	X		25%
Minesh Parekh	n/a	n/a	✓	X		100%
Nicola Gregory	X	✓	✓	✓		75%
Riaz Nurrenabi	n/a	✓	✓	✓		100%
Rob Fennessy	✓	✓	✓	✓		100%
Independent Adviser						
Clare Scott	✓	✓	✓	✓		100%

Work of the Board 2022/23

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

Pensions Administration:

- **Pensions Administration Performance** – The Board received quarterly administration performance reports.
- **Breaches Complaints and Appeals** - The Board received quarterly reports on breaches, complaints and appeals.
- **Data Quality Improvement** – The Board monitored progress on the Data Quality Improvement Plan.
- **Communications** – The Board periodically reviews and comments on draft communications for members and employers.

Governance:

- **Decisions of the Authority** - Members of the Board receive agenda papers issued to Members of the Pensions Authority and Board members are able to observe meetings of the Authority.
- **Information Governance** – The Board received updates from the new Governance manager and welcomed the additional focus this brings.
- **Actuarial Valuation** – The Board were updated on progress through the year, including the development of and consultation on the Funding Strategy Statement.
- **The Pensions Regulator** – The Board was updated on current levels of compliance with TPR Code of Practice 14 and discussed the regulator's consultation on a single combined code.
- **Risk Management** – Considered the Risk Register and the wider risk management framework. The Board requested that where papers refer to risks, reference to the impact on risk are made clearer.
- **Governance Compliance Statement** – The Authority's Governance Compliance Statement was reviewed.
- **Investment Pool Governance** - The Board considered a review of the Border to Coast Pensions Partnership.
- **Regulatory Changes** – The Board has been kept informed of the potential impact of regulatory changes.

Learning and Development:

- Following the extension of the Authority's Learning and Development Strategy to Board members in 2021/22, all Board members completed a knowledge assessment and the Board welcomed access to on-line learning and the Authority's commitment to progress knowledge and training needs assessments for individual members.
- During the year, all members of the Board completed all modules of the on-line learning and completed a knowledge assessment at the end of the year.
- Results of Knowledge assessment.

Event	Date	N Doolan- Hamer	R Fennessy	D Gawthorpe	A Gregory	N Gregory	R Nurennabi	M Parekh	K Richardson	G Warwick	D Webster
LGPS Module 1	10/01/2023	X	X	X	X	X	X	X	X	X	X
LGPS Module 2	10/11/2022	X	X	X	X	X	X	X	X	X	X
LGPS Module 3	01/09/2022	X	X	X	X	X	X	X	X	X	X
LGPS Module 4	30/06/2022	X	X	X	X	X	X	X	X	X	X
LGPS Module 5	20/09/2022	X	X	X	X	X	X	X	X	X	X
LGPS Module 6	10/01/2023	X	X	X	X	X	X	X	X	X	X
Induction Training	09/06/2022	X									
Actuarial Valuations	15/09/2022	X			X	X		X			

Climate Change Introduction	10/11/2022	X				X		X		X	
Cyber Security Presentation	12/12/2022	X	X	X	X	X	X	X	X	X	X
Briefing on the Emerging Investment Strategy	08/02/2023	X								X	
CIPFA Audit Training	15/02/2023	X									
2022 LGPS National Knowledge Assessment	24/02/2023	X	X	X	X	X	X	X	X	X	X
Effectiveness Review – Briefing on Emerging Investment Strategy revisited	23/03/2023	X	X	X	X	X	X			X	X

Review of Effectiveness

During March 2023, members of the Board completed a survey and held a workshop to agree potential changes in the way the Board works to improve its effectiveness. This was the third time the Board had undertaken such a review. The survey included questions on the way meetings are conducted and knowledge, skills and capacity.

The results of the survey were positive in several areas. All (or a significant majority of) members of the Board agreed that:

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

The Board agreed that the ongoing improvements from the Board's previous reviews continue to be relevant including improving communication between with the Authority and ensuring any actions agreed informally during meetings are recorded and progress reported. Further improvements were agreed this year including:

- Reducing the time spent in meetings on pensions administration and increase the focus on wider Authority matters, for example the corporate strategy.
- Support the Authority in amending the Board's constitution to require rotation of the chair and vice-chair roles.
- Further development of the approach to the attainment of knowledge, learning from the efforts over the past year.
- Ensuring diversity characteristics of Board members are recorded and monitored.

The Board will work with the Authority to put these improvements in place.

Future Plans

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

- Assess compliance with, and the potential requirements of the Pensions Regulator's new General Code of Practice.
- Oversee the Authority's review of its constitution.

Local Pension Board Spending for 2022/2023

Local Pension Board Budget 2022/23				
Expenditure	2022/23 Budget	2022/23 Forecast Outturn £	2022/23 Outturn Variance £	2022/23 Outturn Variance %
Independent Adviser	7,100	8,160	1,060	14.9%
Member Learning & Development	6,000	5,435	(565)	-9.4%
Member Travel Expenses	300	90	(210)	-70.0%
Various - Catering, Printing etc.	250	250	0	0.0%
Total	13,650	13,935	285	2.1%

The forecast outturn against the Board's budget for 2022/23 is £13,935 which represents a small over-spend of £285.

The expenditure in relation to the Independent Adviser is over the budgeted amount mainly because of the impact of having the new Governance team in-house with increased activity requiring additional liaison and input from the Independent Adviser. This increase has been taken into account in setting the budget for the Adviser's fees in 2023/24.

The expenditure on Member Learning and Development is only just under budget for the year, reflecting a positive effect of the increased activity and focus on this area. This expenditure includes the Board's share of costs relating to the LGPS Online Academy and the Knowledge Progress Assessments, in addition to costs of Board members' attendance at the CIPFA LPB Seminar during the year.

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Introduction

In March 2023, members of the Local Pension Board ('Board') independently completed a survey which aimed to assess the effectiveness of the Board. This is the third such review conducted by the Board.

Members also attended a workshop to discuss the results of the survey and agree potential changes to improve its effectiveness. At the start of the workshop, officers from the Authority were invited to feedback to the Board on areas of the its work which they felt were working, and areas to improve. This note summarises the workshop.

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

Actions from previous Reviews of Effectiveness

The Board discussed the progress on the actions from previous reviews and were generally pleased with the progress made, particularly since the Authority's new governance team was established.

Outstanding actions relate to:

- Developing communications between the Board and the Authority.
- Informal actions agreed at Board meetings to be recorded.

The Board is asked to agree that the above outstanding actions remain relevant.

Officer Feedback

Officers provided their views on the effectiveness of the Board, including the increased effectiveness in scrutinising the Authority's work. This has been helped by greater stability of Board membership, albeit councillor members continue to have shorter tenure than other Board members.

Officers felt that the Board should consider the following areas for improvement:

- Reducing the time spent in meetings on pensions administration and increase the focus on wider Authority matters, for example the corporate strategy.
- Introducing rotation of the chair and vice-chair roles.
- Ensuring diversity characteristics of Board members are recorded and monitored.

The Board were supportive of all the suggestions for improvement provided by officers.

The Board is asked to agree the following actions:

- *Support the Authority in recording diversity characteristics and provide feedback on the characteristics which the Board feel are important.*
- *Support the Authority in amending the Board's constitution to require rotation of the chair and vice-chair roles.*

Board Survey Results

The survey of Board members included questions on the way Board meetings are conducted and knowledge, skills and capacity. The survey was completed by 7 of the 10 members of the Board.

The results of the survey were positive in a number of areas. All (or a significant majority of) members of the Board agreed that:

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

Meetings

Members felt that the minutes of the meetings could be more succinct, reducing content included in the papers.

Whilst the report on pensions administration is thorough, the Board would welcome a more succinct report which better highlighted areas of concern. The Board would also welcome more time in meetings to spend on broader Authority matters.

The Board is asked to agree the following actions:

- *Request the Authority attempts to provide a shorter, more succinct report on pensions administration for future meetings.*
- *Request that the Board's chair and vice-chair work with the Authority to better manage the time at meetings to reduce time spent on pensions administration and increase time spent on broader Authority governance matters.*

Knowledge, Skills and Capacity

The Board recognised the Authority's increased focus on developing knowledge and skills for both Board and Authority members. The on-line knowledge library and the knowledge assessment were discussed and the Board looks forward to reflecting on the results of the most recent knowledge assessment when they are available.

Some members of the Board felt that the on-line learning was somewhat isolating and they preferred to learn with others present to benefit from discussions. The Board were generally supportive of having an extended training/development day.

In relation to the knowledge assessment, members felt that there were some questions which were not covered in the training material. Undertaking the knowledge assessment directly after the on-line training could mean that the results may not necessarily reflect the knowledge retained by members in the medium term.

The Board is asked to agree the following actions:

- *Request that the Authority reflects on the Board's feedback on the on-line training and knowledge assessment when planning future activities.*
- *Board to further reflect on the results of the recent knowledge assessment (when available).*

General

The Board discussed the need to develop succession planning for members but acknowledged the difficulties of doing so. The Board discussed options including working with trade unions and increasing its profile with employers.

The Board is asked to agree the following actions:

- *Develop plan to improve succession planning for Board membership.*

Clare Scott

Independent Adviser

April 2023

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Subject	Risk Register Update	Status	For Publication
Report to	Local Pension Board	Date	27 April 2023
Report of	Director		
Equality Impact Assessment	Not Required	Attached	Na
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 16th March 2023, is at Appendix A.

- 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, where relevant, for not changing the scores.

- 5.3 The assessment resulted in a reduction to the score of the following risks:

G1 Governance - Failure of members of the Authority to maintain adequate levels of knowledge and understanding.

Score reduced from 12 to 9

G2 Governance – Failure of members of the Local Pension Board to maintain adequate levels of knowledge and understanding.

Score reduced from 9 to 6

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

- 5.4 The latest review also identified two new risks that have been added to the register:

P2 People – Reduced levels of technical knowledge and senior management capacity during period of vacancy.

This is a new risk and has a high risk score of 20 (red). An interim Senior Manager focussed on delivering key pieces of work has been appointed. In addition, a robust recruitment process will be set up and delivered as soon as practical including use of executive search.

O5 Operational - Change to the CARE Revaluation date to bring it in line with the tax year.

This is a new risk and has a high risk score of 20 (red). The Director is inputting to the LGA response to consultation on change of revaluation date highlighting the regulatory and reputational impacts of this risk materialising. Further mitigation includes the identification of additional resources and/or workarounds to ensure delivery of statutory obligations.

- 5.5 The implementation of the new Pentana risk management system is progressing well. The system development programme and training plan has been agreed with the supplier, *Ideagen*, and key teams have allocated time and resources to ensure data is collated in good time to meet the various milestones. The system is scheduled to go live at the end of August 2023.
- 5.6 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

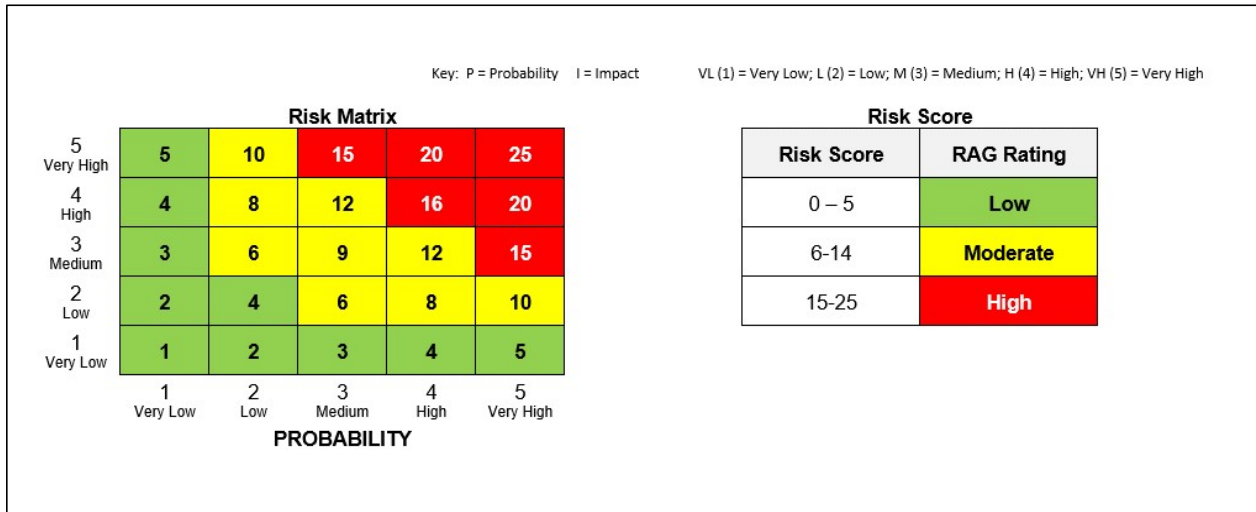
Director

Background Papers	
Document	Place of Inspection
None	N/A

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**South Yorkshire Pensions Authority Risk Register As At
20 February 2023**



Key:



Risk scores changed since last review:



Risk No	Risk Type	Risk Title	Prev Score	New Score	Risk Change at Review
G1	Governance	Failure of members of the Authority to maintain adequate levels of knowledge and understanding	12	9	↓
G2	Governance	Failure of members of the Local Pension Board to maintain adequate levels of knowledge and understanding	9	6	↓
P2	People	Reduced levels of technical knowledge and senior management capacity during period of vacancy	N/A New Risk	20	+
O5	Operational	Change to the CARE Revaluation date to bring it in line with the tax year	N/A New Risk	20	+

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	Owner	Risk Change at Review	Last Review Date
G1	Governance	Failure of members of the Authority to maintain adequate levels of knowledge and understanding	Poor decision making not supported by appropriate advice. Regulatory criticism/action Insufficient challenge being provided to officers	Head of 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. Members have completed the majority of mandatory training required by December 2022.	9	P=M I=M	6	P=L I=M	Provide further internal seminars and examine options for more individualised "tuition". <i>Comment 20/02/2023 :</i> <i>All members of Authority are 100% compliant against mandatory training requirements however given the municipal year changes in members in early spring further mandatory training will be required with new members to ensure the Authority has 100% compliance.</i> <i>2023/24 will focus heavily on enhancing the knowledge and skills of the Authority with many changes expected to the pensions landscape i.e. McCloud, Pensions Dashboard, TPR, Good Gov Code and the Procurement Bill.</i> <i>Changes to the Chair and Vice Chair in 23/24 will require additional support and training with individuals in these roles to ensure a seamless continuation of assurance, monitoring and scrutiny from the Authority.</i> <i>The significant progress made in this area justifies the impact score to be reduced to Medium.</i>	Head of Governance		20/02/2023
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.	Head of 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	6	P=L 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 20/02/2023:</i> <i>All members of LPB are 100% compliant against mandatory training requirements.</i> <i>2023/24 will focus on seeking assurance that the knowledge and skills is improved with the changing landscape detailed below i.e. McCloud, Pensions Dashboard, TPR, Good Gov Code and the Procurement Bill.</i> <i>Bespoke training has been identified to enhance LPB members knowledge;</i> <i>Employer responsibilities and employer risk</i> <i>Responsible investment with the wider framework</i> <i>Administration performance and improving LPB understanding of how to interrogate data</i> <i>Cyber Security/Risk management and measurement of tolerance</i> <i>The significant progress made justifies a reduction to the target level score for this risk</i>	Head of Governance		20/02/2023
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.	Director	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 Internal audit work in the year and other sources of assurance such as the actuary's review of valuation data continue and indicate that any potential control failure is unlikely to fundamentally destabilise the organisation. <i>Comment 20/02/2023:</i> <i>This risk was reduced at the last review, there has been no further change to the last reported position and therefore no justification to reduce the score further.</i>	Assistant Director Resources		20/02/2023

Risk No	Risk Type	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Probability & Impact	Target Score	Probability & Impact	Risk Mitigation Action	Owner	Risk Change at Review	Last Review Date
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	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 06/02/2023:</i> <i>The Corporate Strategy target date for the Project Management Toolkit implementation has been amended to May 23. Work is underway on developing a document called 'Project Management - The SYPA Way' which is outlining a 'right sized' approach to project management depending on the scope and complexity of each project. A suite of supporting documentation and templates are also being designed and tested. 'Critical friend' support is being offered by a Principal Auditor from BMBC.</i> <i>There is no justification at this stage for a further reduction in the score however it is expected that this will reduce at the next full review.</i>	Service Manager - Programmes and Performance		06/02/2023
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	Assistant Director 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> <i>There is still a potential of high impact due to market movements. There is no justification to reduce the risk score further at this stage.</i>	Assistant Director Investment Strategy		20/02/2023
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 20/02/2023:</i> <i>There remains no basis for adjusting this score down however, there is the potential for this to change following outcome of the Investment Strategy review.</i>	Director		20/02/2023
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 20/02/2023:</i> <i>The Authority is due to review the Strategic Plan and next stages in risk mitigation strategy at which point there may be a change to the score. There is no justification to reduce the risk score at this stage</i>	Director		20/02/2023

Risk No	Risk Type	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Probability & Impact	Target Score	Probability & Impact	Risk Mitigation Action	Owner	Risk Change at Review	Last Review Date
14	Investment and Funding	Imbalance in cashflows	Inability to pay pensions without resorting to borrowing or "fire sale" liquidation of investments. Potential negative impacts on individual pensioners.	Assistant Director 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 20/02/2023:</i> <i>The risk is at the target score. It will however remain on the register as the position can fluctuate and requires monitoring</i>	Assistant Director Investment Strategy		20/02/2023
15	Investment and Funding	Affordability of contributions	Negative impact on employer financial viability. Default on the making of contributions by employers.	Director	Investment strategy focussed on less volatile investments. Focus in the valuation process on delivering longer term stability in contribution rates. Retention of elements of any surplus to manage the risks to contribution stability.	9	P=M I=M	6	P=M I=L	Adjustments to balance of the investment strategy between growth and protection according to market circumstances <i>Comment 20/02/2023:</i> <i>There is no justification for reduction of the risk score at this stage. Following the valuation results the impact in the overall funding position has resulted in a number of smaller employers without a guarantee engaging in discussions over exit from the fund. These employers represent those for whom affordability is the most significant issue and facilitating their exit will ultimately reduce this risk.</i>	Director		20/02/2023
01	Operational	Failure to maintain effective cyber defences	Significant disruption to the provision of services. Loss / unauthorised release of key data.	Head of ICT	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 20/02/2023:</i> <i>There is no justification for a reduction in the risk score at this time, despite the recent implementation of a new phishing attack prevention solution.</i>	Head of ICT		20/02/2023
02	Operational	Impact of poor data quality on operational project delivery	Failure to deliver key projects such as McCloud rectification on time. Provision of inaccurate information to members such as Annual Benefit Statements. Inaccurate data impacting the valuation of liabilities during the triennial valuation.	Assistant Director Pensions	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 20/02/2023:</i> <i>Work continues to progress data cleansing work however there is no justification for a change in risk score at this stage.</i>	Assistant Director Pensions		20/02/2023
03	Operational	Data Protection and GDPR	Unauthorised release of personal data. Action by the Information Commissioner.	Assistant Director Pensions	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 20/02/2023:</i> <i>The DPIA and ISA have been approved by SMT The Information Governance action plan is progressing and the Governance Team are working closely with Internal Audit at each stage of review. The Data Protection Policy has been reviewed and this, along with revised Data Breach, DSAR and Data Moderation Panel documents are with Internal Audit for review and will be presented to SMT once comments have been received.</i> <i>There is no change in the risk score at this stage however work over the next 3 to 6 months should see a reduction.</i>	Assistant Director Pensions		20/02/2023

Risk No	Risk Type	Risk Title	Risk Consequences	Risk Owner	Existing Control Measures	Current Score	Probability & Impact	Target Score	Probability & Impact	Risk Mitigation Action	Owner	Risk Change at Review	Last Review Date
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 20/02/2022:</i> <i>There is no change to the risk score at this stage, confirmation of the release date of the Single Code is still awaited.</i> <i>Plans are however being made to ensure that appropriate training for Authority and Board members is available at the appropriate time.</i> <i>External training will be identified and delivered to fully brief members on the changes to the TPR Code of Practice.</i>	Head of Governance		20/02/2023
O5	Operational	Change to the CARE Revaluation date to bring it in line with the tax year	Inability of software suppliers to deliver amended software on time impacting the ability to deliver Annual Benefit Statements (ABS) and Pensions Saving Statements (PSS) in line with statutory deadlines	Director	Management of the ABS and PSS processes as distinct projects subject to detailed planning and resourcing processes Engagement between DLUHC and software suppliers	20	P=VH I=H	4	P=L I=L	Input to LGA response to consultation on change of revaluation date highlighting the regulatory and reputational impacts of this risk materialising. Identification of additional resources and/or workarounds to ensure delivery of statutory obligations.	Director		20/02/2023
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 20/02/2023:</i> <i>Output from pay and benefits review is currently being examined in order to identify specific proposals for consideration by the Authority. In the interim specific risk issues are being dealt with on a case by case basis using existing mechanisms and delegated power.</i> <i>The score remains unchanged at this stage.</i>	Director		20/02/2023
P2	People	Reduced levels of technical knowledge and senior management capacity during period of vacancy	Impact of a period of vacancy at senior management level reducing the ability of the organisation to deliver on key projects and potential inability to address certain technical issues.	Director	Interim management arrangements involving the whole of the Senior Management and other managers making best use of available capacity Identification and prioritisation of key projects	20	P=VH I=H	9	P=M I=M	Appointment of an interim Senior Manager focussed on delivering key pieces of work Set up and deliver a robust recruitment process as soon as practical including use of executive search	Director		20/02/2023

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Subject	Governance Update Report	Status	For Publication
Report to	Local Pension Board	Date	27/04/2023
Report of	Head of Governance		
Equality Impact Assessment	Not Required	Attached	Na
Contact Officer	Jo Stone Head of Governance	Phone	01226 666418
E Mail	istone@sypa.org.uk		

1 Purpose of the Report

- 1.1 To provide members with an update on current governance related activity.
-

2 Recommendations

- 2.1 Members are recommended to:
- a. **Note the current Authority governance position, including decisions made between meetings.**
 - b. **Note the expressions of interest received for the Chair and Vice Chair roles.**
-

3 Link to Corporate Objectives

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

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.

5 Background and Options

- 5.1 Activity continues to enhance the Authority's governance arrangements. All mandatory training was completed successfully by members. The team are now working on plans to ensure mandatory training will be completed by new members joining in the new municipal year and to ensure appropriate and tailored continued training provision for existing members.
- 5.2 Work is progressing on a project plan and timeline for the implementation of the new Risk Management software system, with initial training and testing currently scheduled for June 2023.

- 5.3 The Annual Governance Statement for 2022/23 is currently being prepared for inclusion and publication in the Authority's annual report and statement of accounts.
- 5.4 Work is underway for the Monitoring Officer to undertake coaching and mentoring with the Deputy Clerk to increase knowledge and skills. The Assistant Director – Resources officially assumed the role of Chief Finance Officer (formerly termed Treasurer) with effect from 01 April 2023. Monthly liaison meetings for the Head of Paid Service, Chief Finance Officer, Monitoring Officer and Deputy Clerk have been scheduled to further strengthen governance. The details of holders of the statutory roles from 1 April are shown in the following tables for information.

Statutory Role	SYPA Post Holder	Name
Head of Paid Service	Director	George Graham
Monitoring Officer	Head of Governance	Jo Stone
Chief Finance Officer (S.73 Officer)	Assistant Director - Resources	Gillian Taberner
Deputy Chief Finance Officer (Deputy S.73 Officer)	Head of Finance	Will Goddard

Statutory Role	Held by	Name
Clerk	Chief Executive of Barnsley MBC	Sarah Norman
Deputy Clerk	Service Director Law & Governance at Barnsley MBC	Sukdave Ghuman

- 5.5 Good progress is being made on the work to undertake a full review of the Constitution. Officers are working closely with our contracted legal advisers for this piece of work, Squire Patton Boggs, and are on schedule to present the revised Constitution for approval to the June Annual Authority meeting
- 5.6 On 23 March 2023, the Board completed its annual effectiveness review. Members accepted recommendations from Officers to consider a rotational Chair and Vice Chair to strengthen the governance within the Board. Expressions of interest have been received as detailed below:

Expressions of Interest for role of Chair	Expressions of Interest for role of Vice Chair
Riaz Nurennabi (Employer Representative)	Nicola Doolan-Hamer Employee Representative
	Ken Richardson Employer Representative
	David Webster Employee Representative

- 5.7 Members are asked to consider the expressions above and formal voting to appoint to the roles of Chair and Vice Chair will take place at the next meeting of the Board in July 2023. The current Chair and Vice Chair have both agreed to mentor the newly appointed successors.

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	Training and Development Update	Status	For Publication
Report to	Local Pension Board	Date	27/04/2023
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 training and development of members.
-

2 Recommendations

- 2.1 Members are recommended to:
- a. **Note the current position and welcome progress made in relation to compliance with mandatory training requirements.**
 - b. **Note the initial results of the 2022 National Knowledge Assessment.**
-

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:
- Effective and Transparent Governance
 - To uphold effective governance 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 In the last few weeks, a report from Hymans Robertson on our the results of the 2022 National Knowledge Assessment has been received. This is attached at Appendix A.
- 5.2 The initial results set out in the report show that the overall average score for the Authority of all participating Authority and Local Pension Board members was 57.01%, ranking the Authority as 9th across 17 Funds who participated. The highest score nationally was 62.50% and the lowest 45.34%.
- 5.3 The average score for the Board members was 60%, compared with an average of 55% for Authority members. The report comments positively on the engagement from our Authority and Board members – reflected in the participation rate achieved of 95.65%, the third highest of the 17 participating Funds.
- 5.4 The report and results will now be analysed in further detail by officers and an action plan prepared based on the findings and recommendations. This will be brought to the next meeting of the Board.
- 5.5 Moving forward, the intention is to review training and development needs 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 costs of training for members and costs of participating in the National Knowledge Assessment are met from existing budgets.
Human Resources	None
ICT	None
Legal	None
Procurement	None

Jo Stone

Head of Governance

Background Papers	
Document	Place of Inspection
None	-

HYMANS  ROBERTSON

2022 LGPS National Knowledge Assessment

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South Yorkshire Pension
Authority



Appendix A

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Overview

The LGPS National Knowledge Assessment (NKA) provides LGPS funds with a direct insight into the knowledge and skills of their key decision makers and oversight body.

In addition, funds get a ‘sense check’ of this knowledge position against other participating funds via the benchmarking reports provided.

17 LGPS funds and over 200 members have participated in this National Knowledge Assessment of Pension Committee (‘Committee’) and Pension Board (‘Board’) members.

The findings from this assessment provide a quantitative report of the current knowledge levels of the individuals responsible for running the Authority aiding the development of more appropriately targeted and tailored training plans for both groups.

This report is also a key document in evidencing your Fund commitment to training a key cornerstone to the good governance of your Fund.

Background

The South Yorkshire Pension Authority (“the Authority”) agreed to participate in the NKA using our online assessment.

This report provides an overview of the participants’ results broken down into 8 key areas.

The online assessment for the Authority opened in February and closed in March 2023, and there were weekly progress updates provided to the Fund confirming participation levels.

Each participant received their individual results report following completion of the assessment.

The questions posed in the assessment are split into 3 categories.

- Technical questions
- Roles and responsibilities
- Decision making

Technical questions, made up around two thirds of the questions. The remaining questions were split between the categories of Roles and Responsibilities as well as Decision Making. This helps to provide more in-depth analysis of the results and provides further context to the proposed training plans.

The National Knowledge Assessment is a challenging multiple-choice assessment of participants’ knowledge and understanding of key pension areas. There was no expectation that participants would score 100% on each subject area tested. Rather, the goal was to gain a true insight into members’ knowledge in the areas covered by the CIPFA Knowledge and Skills Framework and the Pensions Regulator’s (TPR) Code of Practice.

Why Does this Matter?

While Authority officers may deal with the day-to-day running of the Authority members of the Committee play a vital role in the scheme as decision makers.

To execute their roles effectively, Committee members must be able to address all relevant topics such as investment matters, issues concerning pension funding, pension administration and governance.

All topics which require a level of knowledge and understanding from the Committee. Similarly, the Pension Board members must have a sound knowledge of these topics in order to be able to offer critical challenge in the oversight of Committee decisions.

The Assessment

The members of the South Yorkshire Pension Authority Committee and Board were invited to complete an online knowledge assessment. In total there were 12 respondents from the Committee and 10 respondents from the Board.

Each respondent was given the same set of 48 questions on the 8 areas below:

Section	Section Names
Section 1	Committee Role and Pensions Legislation
Section 2	Pensions Governance
Section 3	Pensions Administration
Section 4	Pensions Accounting and Audit Standards
Section 5	Procurement and Relationship Management
Section 6	Investment Performance and Risk Management
Section 7	Financial Markets and Product Knowledge
Section 8	Actuarial Methods, Standards and Practices

Under each subject heading, there were 6 multiple choice questions to answer. Each question had 4 possible answers, of which one answer was correct.

Participants were also given the option of selecting “I have no knowledge of this area”, where they were unsure.

This allows us to build a picture of the knowledge levels of each individual member in each of the topics, but crucially to help inform you of the overall levels of knowledge in each area.

Results

The responses for all members who participated have been collated and analysed. For each section we have shown:

- The Authority's overall ranking against other participating LGPS funds.
- The average score for each of the 8 subject areas, for both the Committee and Board.
- Results split by the categories of “**technical**”, “**roles and responsibilities**” and “**decision making**”.
- Each average score benchmarked for both groups against the other NKA participant funds’ Committee and Board for each of the 8 subject areas.
- Each score compared with the results of the previous assessment in 2020, to show growth or regression in each area.
- Engagement levels for both the Committee and Board and how these levels rank against other LGPS funds.
- The most requested topics for training.

Based on the results and the responses received from participants, we have also completed a proposed training plan for the Authority over the next 18 months, as well as some other “next steps” to consider.

Overall Results

The chart on the right shows how the overall average score for the Authority compares with that of all other funds who took part in the Assessment. The “score” shown is the average score of all participating Committee and Board members from each Fund.

The South Yorkshire Pension Authority is in 9th out of 17 Funds.

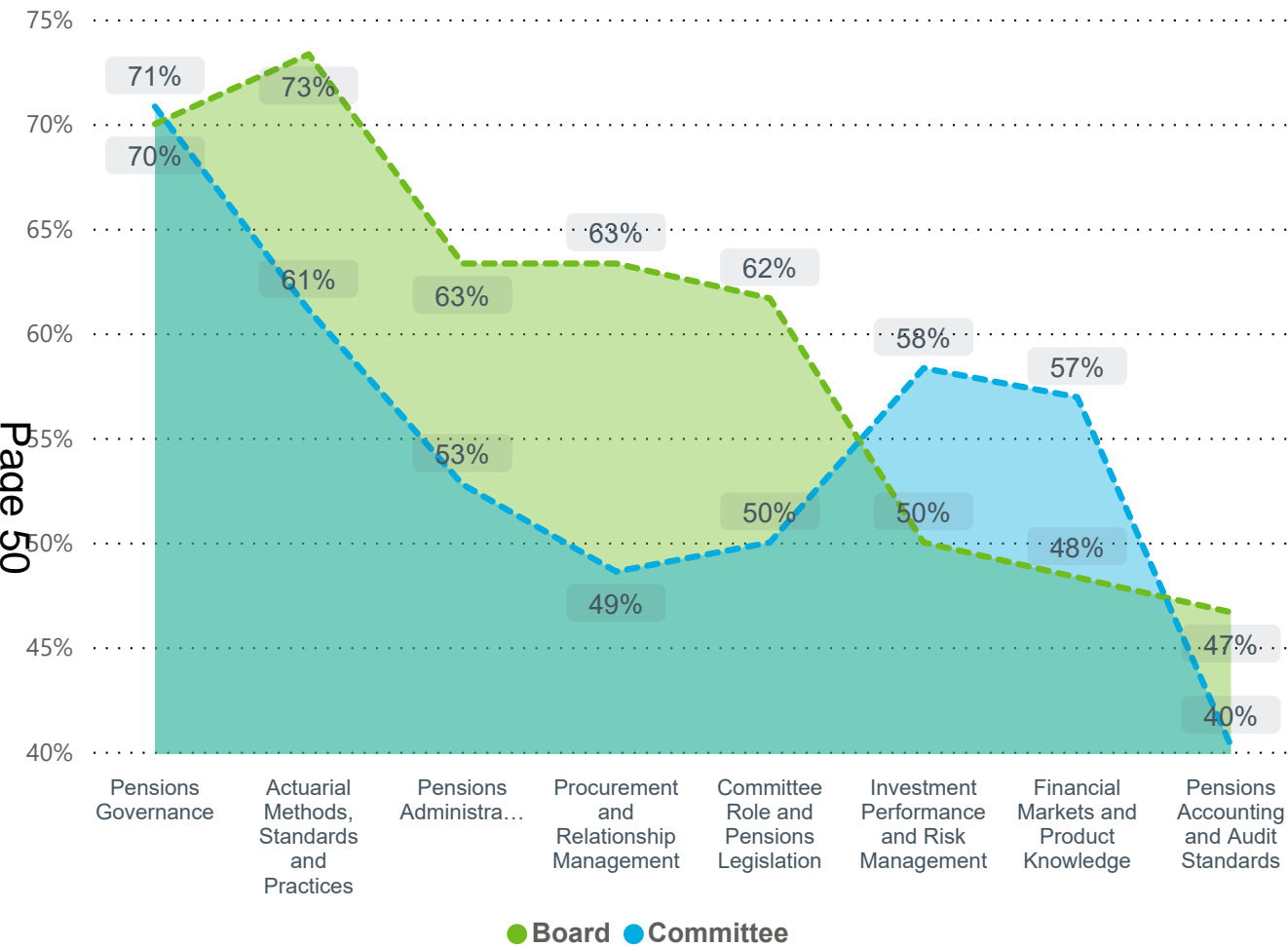
For each of the assessment’s 8 areas we have shown the results of both the Committee and Board.

There is also a summary showing the average scores across all sections for the Committee and Board.

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Average Score for Board & Committee



For each of the assessment's 8 areas we have shown the results of both the Committee and Board.

These have been shown in the order in which the sections appeared in the survey.

There is also a summary showing the average scores across all sections for the Committee and Board.

- The performance of the Board (average overall score of 60%) was stronger than that of the Committee (average overall score of 55%).
- The performance for the Committee and Board diverged the most in the Procurement and Relationship Management section, when Board results were 15% higher than the Committee.
- The Committee performed most strongly in the area of Pensions Governance and Actuarial Methods, Standards and Practices.
- The board's areas of strongest Knowledge were Actuarial Methods, Standards and Practices and Pensions Governance.
- Overall, for both groups, the area with least knowledge was Pensions Accounting and Audit Standards.

Benchmarking

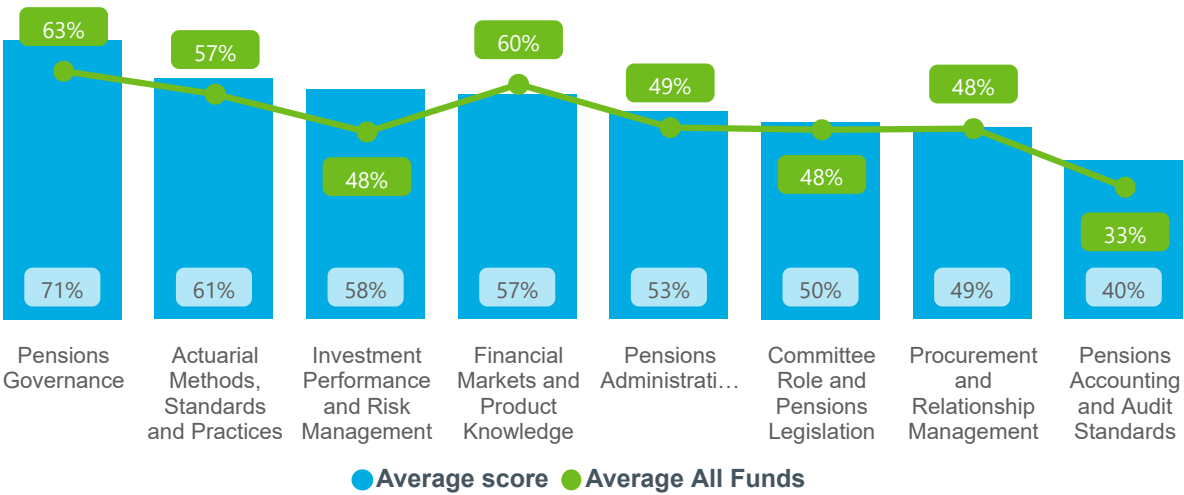
As this assessment is being conducted at a national level across numerous LGPS funds, we are able to provide details of how your Authority's results compare to those across the average of all funds who have taken part to date.

We've provided a comparison of the results for both your Authority's Committee and Board, versus the average scores nationally for each group. This gives an idea of the knowledge levels across these groups, relative to the national average.

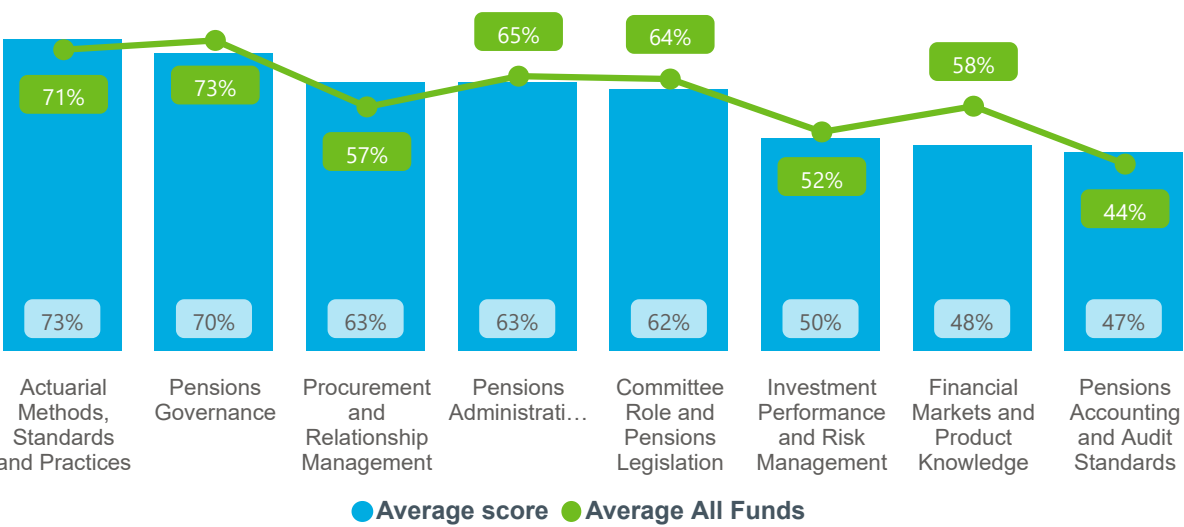
The intention is that training plans and/or timetables can be tailored to focus on the areas of least knowledge, whilst ensuring the Committee and Board maintain the high level of knowledge in the stronger areas.

- Page 51
- It's pleasing to see that the areas of Pensions Governance and Actuarial Methods, Standards and Practices scored well for the Committee.
 - It's clear that there are some areas where knowledge levels are lower than hoped for, and these areas of Procurement and Relationship Management and Pensions Accounting and Audit Standards would be a sensible focus of training for the Committee.
 - Similarly, from the Board chart it can be seen that the highest scoring areas were Actuarial Methods, Standards and Practices and Pensions Governance.
 - The Scores between South Yorkshire Pension Authority and all other Funds diverged the most in the Financial Markets and Product Knowledge, when the Average All Funds was 10% higher than Average score.
 - Across all sections, South Yorkshire Pension Authority Board score ranged from 47% to 73% and the average for all other funds ranged from 44% and 73%.

Pension Committee Average vs. Average All Funds



Pension Board Average vs. Average All Funds



Commentary on results

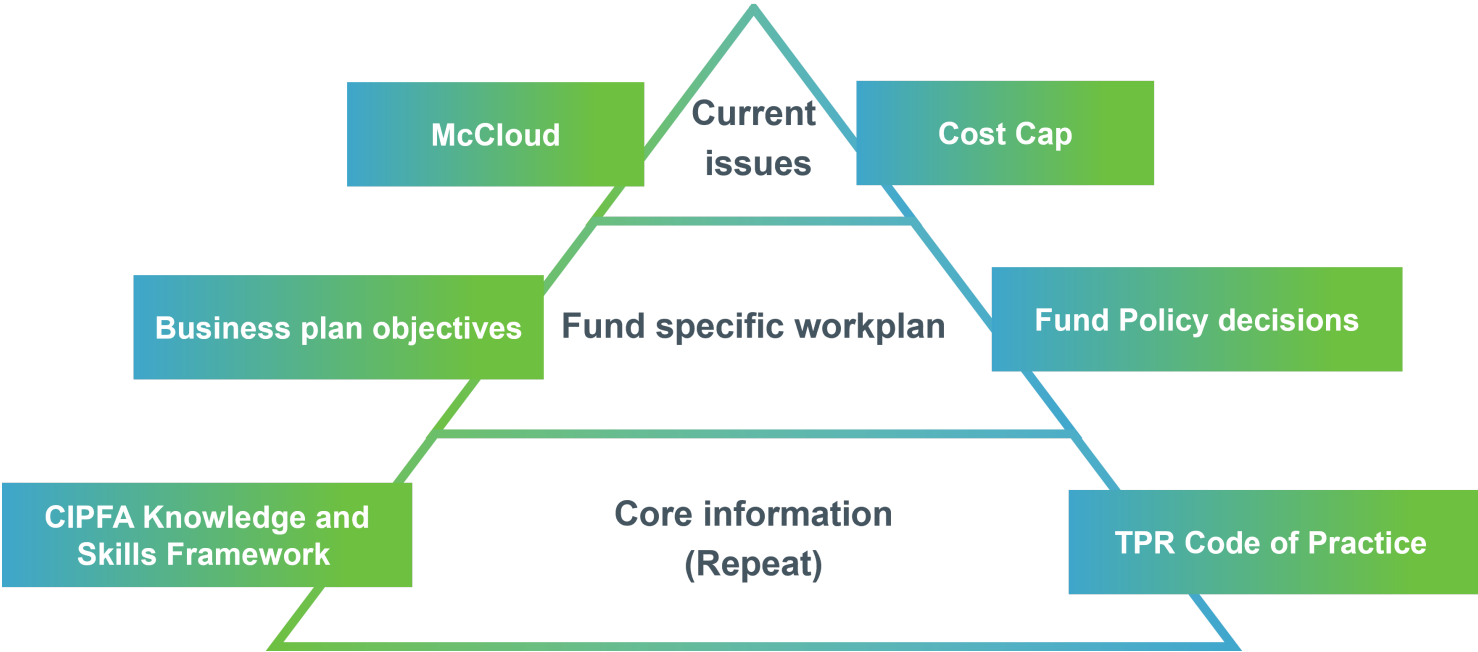
It's very encouraging that 22 participants from your Authority took part in the assessment. Overall, the results were positive and it's clear that there are areas of greater knowledge levels as well as areas in which knowledge should be developed over time.

We would fully expect there to be gaps in the knowledge of all members, no matter their role on the Committee/Board, their tenure or indeed their background in terms of pensions experience.

The most important thing to emphasise is that not everybody needs to be an expert in all areas, rather there should be a spread of knowledge across your Committee and Board which is supported by advice from officers and professional advisors.

Just as important as gaining the relevant knowledge and understanding expected of a Pension Committee or Board, is the application of that knowledge and understanding, including the utilisation of an individual's own background and perspective.

Many funds have implemented training plans that follow the pyramid diagram of LGPS training areas. Fundamentally, a plan based on this example pyramid would provide a LGPS fund with a robust training program for its Committee and Board.



Committee

The results show that Pensions Governance and Actuarial Methods, Standards and Practices have the highest levels of knowledge. But the areas to focus any specific training on might be Pensions Accounting and Audit Standards for the Committee. Across all funds, the lowest scoring area was Pensions Accounting and Audit Standards.

In general, the Committee's performance relative to all other committees was in line with the average.

When looking at the benchmarking results against the other participating funds, the Committee ranked 8 out of 17 Funds' Committee results.

Local Pension Board

The results show that Actuarial Methods, Standards and Practices and Pensions Governance have the highest levels of knowledge, but the areas to focus any specific training on might be Pensions Accounting and Audit Standards for the Board.

Across all funds, the lowest scoring area was Pensions Accounting and Audit Standards. The Board's performance relative to all other committees was weak. In terms of benchmarking results against the other participating funds, the Board ranked 10 out of 17 Funds' Board results.

The next step would be to try and develop the knowledge of the lower scoring areas. You might already have a training plan in place, in which case you could use these results to tailor the specific training and with the knowledge of these results, ensuring it aligns with your priorities.

Further Analysis

In order to gain further insight into the knowledge and understanding, the questions posed covered 3 distinct areas. These were:

- **Technical** – 66% of questions
- **Decision Making** – 17% of questions
- **Roles and responsibilities** – 17% of questions

The purpose of this was to drill deeper into the collective understanding of these categories, and to provide further analysis on which areas to target when creating training plans. The following chart shows the average score for each of these sections, for the Committee and Board combined.



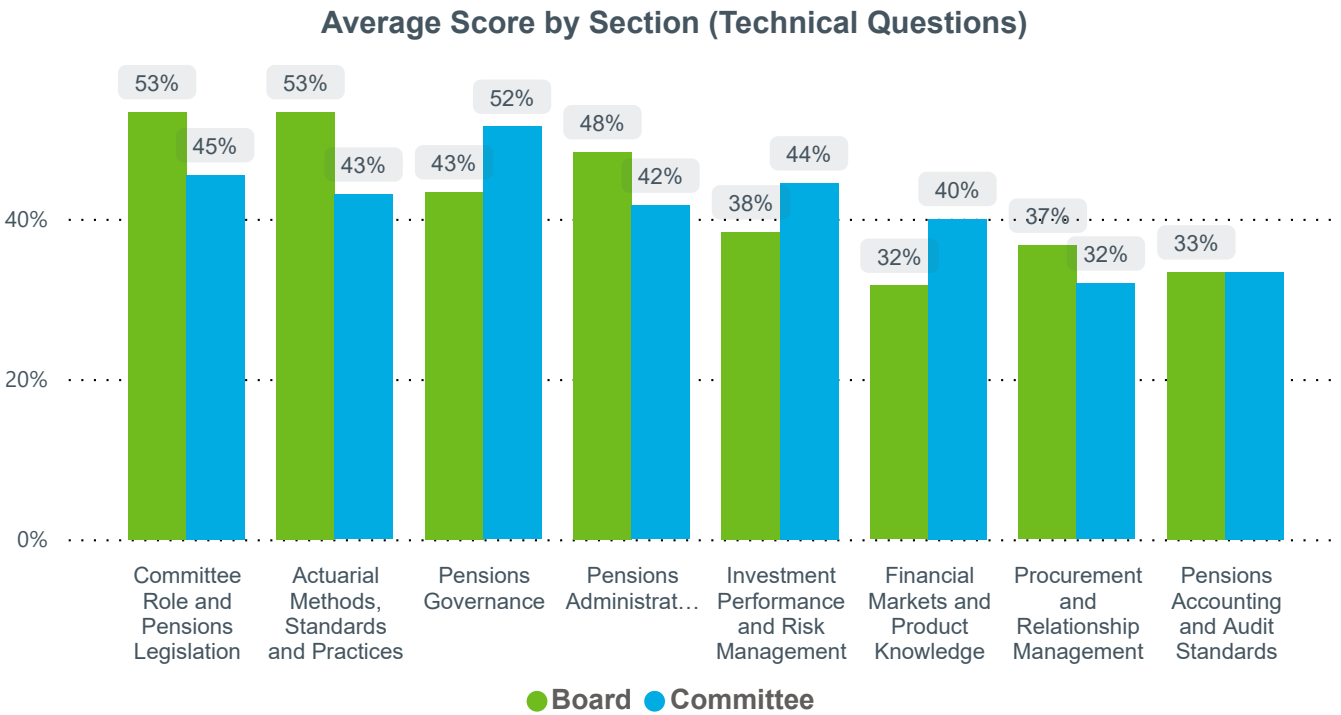
From this chart, the lowest scoring area was Decision Making. Bearing this in mind, a particular focus could be put on this over the coming months.

Some next steps to consider are:

Decision making – A review of the Fund's decision-making procedures, and updating/creating a decision-making matrix, and sharing this with the Committee and Board to ensure visibility of the role of each group in across a broad spectrum of potential decisions.

Roles and responsibility – A specific training session covering the roles and responsibilities of different parties covering different points in the annual cycle of the Fund. This could include preparation of annual report, annual benefit statements, business planning and investment performance reviews for example. It would also be good to cover more niche topics such as the IDRP process, review of suppliers and cyber risk.

Technical – below, we have also included more detail on the technical questions, as these made up the majority of questions in the assessment.



Pensions Accounting and Audit Standards was the lowest scoring section when looking at just the technical questions. This may be an area which is prioritised in terms of more technical training over the coming months.

Engagement

One of the key areas that we recommend funds focus on is Committee and Board training engagement.

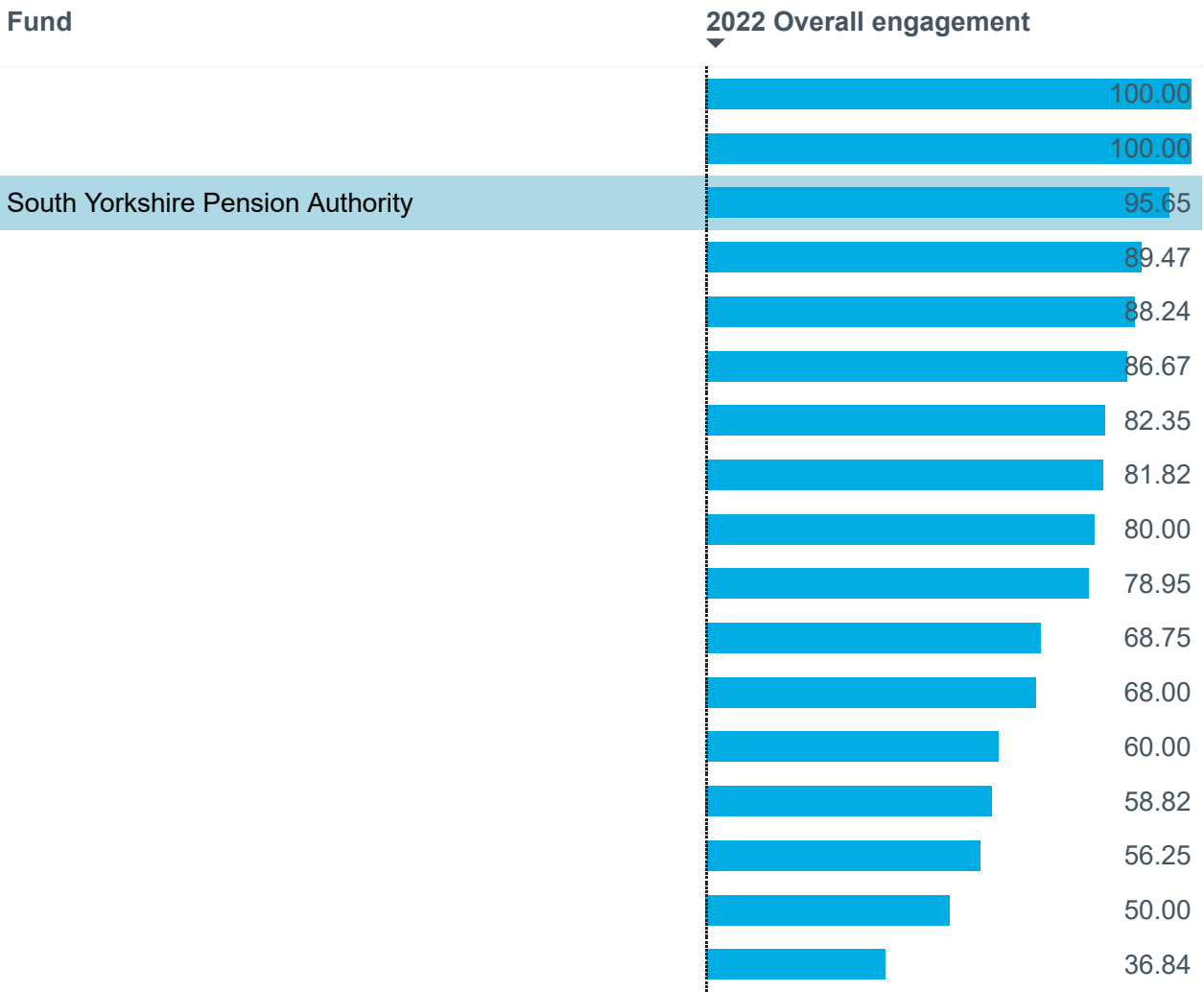
With the ever-increasing pace of change in the pensions and investments world, member engagement is critical to maintaining strong collective knowledge. There is an expectation that they need not only be willing, but keen to develop their knowledge and understanding across the raft of topics upon which they will need to make, or ratify, decisions.

One measure of the engagement of members is their willingness to participate in training. As such, we have used the participation level of this survey to measure the engagement of your Committee and Board members.

The chart below shows the breakdown of the total number of participants from the South Yorkshire Pension Authority, as a proportion of those who could have responded.

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Role	Participants	Total Number	2022 Participation Rate
Committee	12	13	92%
Board	10	10	100%



Engagement

That 22 participants from your Authority took part in the assessment is highly encouraging. With the number of changes to the LGPS in recent years, it is vital that Committee and Board members remain abreast of the latest developments and feel confident that they have the knowledge required to make the decisions required of them.

Their level of engagement is a key driver of this. Overall engagement seems to be at a very good level; however, it is important to maintain this, particularly in the current climate where face-to-face meetings and delivery of training sessions might be in Hybrid format for some time to come.

One of the biggest challenges in this area is how to improve and maintain engagement. The move to online learning and tackling topics in bite-size chunks can help.

The way in which information is shared with the Committee and Board can also promote engagement.

There have been moves by some funds to issuing short timely bulletins and newsletters to increase training knowledge and engagement, which we very much encourage.

Training Feedback from Participants

One of the final sections of the survey asked participants to indicate which topics they would like to receive training on.

There was a list of options available, covering a broad spectrum of the topics we believe are most relevant to allowing Committee and Board members to effectively perform their roles. Members were also given the option to indicate any other areas in which they would benefit from further training.

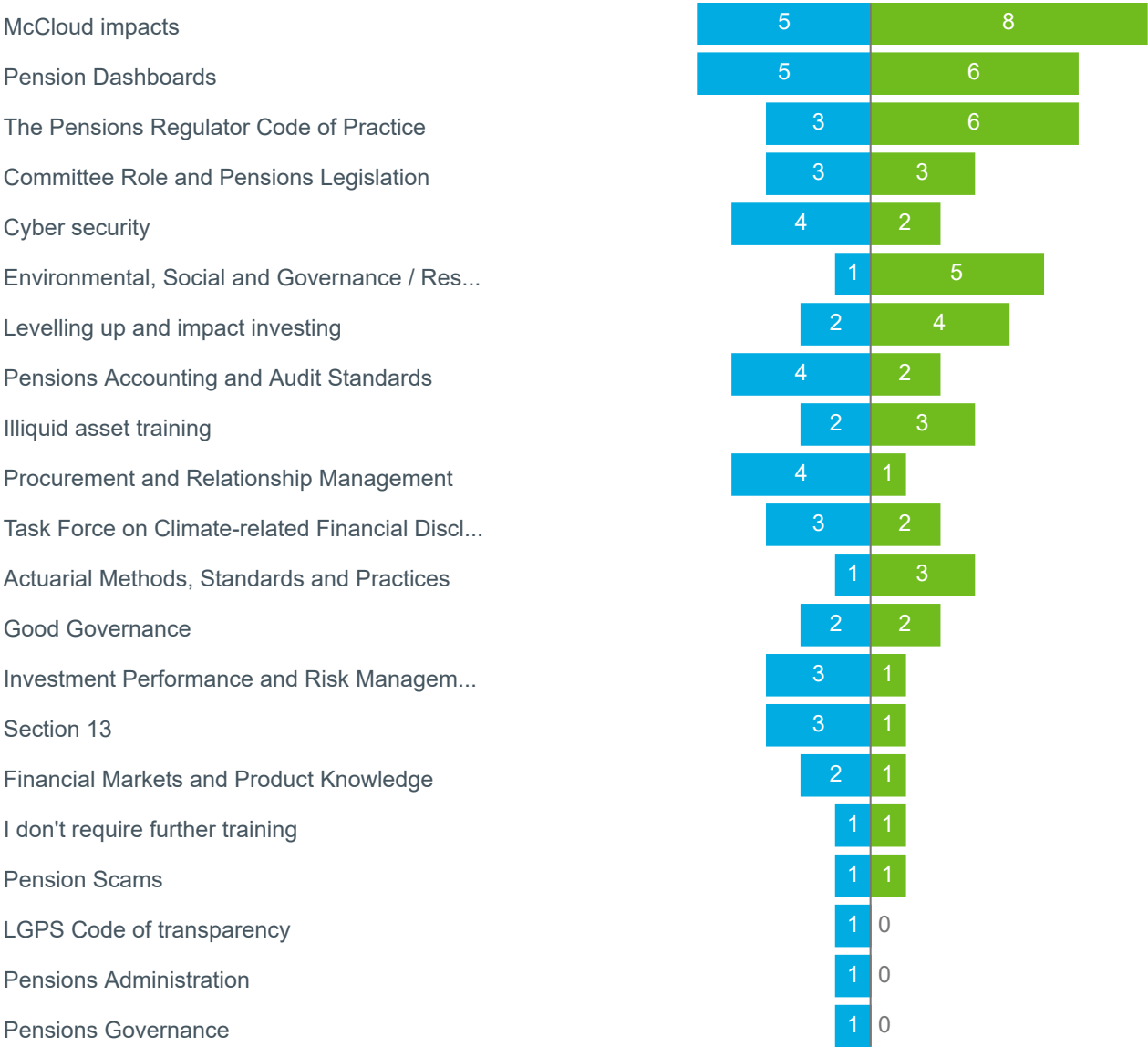
The table on the right summarises the areas in which members indicated training would be beneficial.

A suggested training plan is shown on the next page.

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Training requirements

● Board ● Committee



Training plan

Based on the results from this assessment, we have prepared the adjacent draft ‘core’ training plan which you may wish to adopt.

This has been prepared based on the overall scores of the Board and Committee combined.

The intention is to make the planning and delivery of these sessions more efficient for the Authority.

You may want to create separate plans for the Board and Committee - further *tailoring* the training plan to their distinct priorities.

We would be happy to discuss the options for delivery of any of these training sessions. Hymans can support in the preparation of this suite of sessions.

As detailed on the page ‘**Commentary on results**’, we recommend that training plans include elements on:

- Core information
- Fund specific workplan
- Current issues / Hot topics

The key output for your Fund is to have a clear training plan and the delivery dates (or delivery vehicle i.e. training paper) set aside for these sessions.

Feedback from participants

We also asked the participants to provide comments on the areas they would most appreciate training in. Based on these comments, the most requested areas for training were **McCloud Impacts** and **Pension Dashboards**.

More detail is shown in the chart on the previous page.

Training Plan - South Yorkshire Pension Authority - April 2023 to September 2024

Q1 2023
Core topic: Accounting and Audit Standards
Providing a general understanding of the Accounts and Audit Regulations and the role of internal and external audit
Hot Topic: TCFD, 2023 Valuation conclusion and Fund business plan session

Q2 2023
Core topic: Financial Markets and Product
Providing a general understanding of the risk and return characteristics of the main asset classes, the workings of the financial markets and available investment vehicles and the importance of the Fund's ISS and investment strategy decisions
Hot Topic: Good Governance (expected in this quarter) and McCloud remedy

Q3 2023
Core topic: Investment Performance
Providing a general understanding of the relationship between assets and liabilities, the Myners principles and the structure, operation and purpose of investment pooling arrangements
Hot Topic: Pension Dashboard, Cyber security and Levelling update agenda

Q4 2023
Core topic: Procurement&Relationship
Providing a general understanding of the public procurement requirement as they apply to the LGPS, and how performance of suppliers can be monitored
Hot Topic: Pension scams

Q1 2024
Core topic: Committee Role and Legislation
Providing overview of committee's role and a general understanding of the legislative framework as it applies to the LGPS, in line with CIPFA Knowledge & Skills Framework
Hot Topic: Cost transparency

Q2 2024
Core topic: Administration
Providing a general understanding of best practice in pensions administration, together with Fund policies, resource and discretionary powers
Hot Topic: Good Governance (update)

Next Steps

Based on the results, we would suggest that there should be consideration to the following next steps:

- This report should be **reviewed** by the Authority's officers and results shared with the Committee and Board.
- Set up a **structured training plan** or adjust the existing training plan for the next 18 months covering the main areas highlighted in this report.
- Plan for the **delivery** of training over the immediate 6-month period following these results and communicate that intention with the Committee and Board.
- Consider the most **pressing** training requirements in the coming months. Importantly, look at the **frequency** of training engagement with your Committee and Board.
- **Assess** the tools available to the Authority to assist with training, and whether any new methods should be deployed.
- Consider ways of **maintaining** and **increasing** the engagement of both the Board and Committee. This could include providing them with more information, training materials, briefing notes etc.
- Ensure that the Authority's training strategy is up to date and **appropriate** for purpose.

We will be producing a national LGPS report on the results of these assessment, which will aid Scheme Advisory Board LGPS training discussions.

A copy of this will be made available to the Authority when that report is complete.If

you wish to discuss the contents of this report further, please get in touch.

Prepared by Hymans Robertson LLP.

Andrew McKerns



Senior LGPS Governance, Administration and Projects (GAP) Consultant

Alan Johnson



LGPS Governance, Administration and Projects (GAP) Consultant

Reliances and Limitations

This report has been prepared for the South Yorkshire Pension Authority

This report must not be released or otherwise disclosed to any third party except with our prior written consent, in which case it should be released in its entirety.

Hymans Robertson LLP do not accept any liability to any party unless we have expressly accepted such liability in writing.

This report has been prepared by Hymans Robertson LLP, based upon its understanding of legislation and events as of March 2023.

Subject	Valuation 2022 - Outcome	Status	For Publication
Report to	Local Pension Board	Date	27 th April 2023
Report of	Director		
Equality Impact Assessment	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 outcome of the triennial valuation process and seek acceptance of the Actuary's rates and adjustments certificate.

2 Recommendations

- 2.1 Members are recommended to:
- Note the outcome of the 2022 Triennial Valuation of the Fund.**
 - Accept the Actuary's Rates and Adjustments Certificate subject to the agreement by the Director and the Actuary of any outstanding adjustments as a result of phasing and prepayments.**

3 Link to Corporate Objectives

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

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.

4 Implications for the Corporate Risk Register

- 4.1 This report addresses the various funding risks identified in the Corporate Risk Register.

5 Background and Options

- 5.1 The 2022 Valuation process is now virtually complete and the Actuary's final report and the formal Rates and Adjustments Certificate which set out the contributions due from each employer over the next three years is at Appendix A. While this is intended to be the final version of the Actuary's report a small number of further amendments as a result of requests for phasing and pre-payments may be necessary and the recommendations at the head of this report cater for this eventuality. The Fund's actuary will be present to present the report.

The Valuation Process

- 5.2 This valuation process fell immediately after the transition to a new actuary which while not ideal did, at least, mean that significant work on the preparation of valuation data had already been undertaken as part of the transition process. The initial provision of data worked relatively smoothly although there was some delay in data provision from the Authority due to the need to cleanse data. However, the actuary has commented that South Yorkshire was the first of their final reports to be issued which is a credit both to our team and to the efficiency of the actuary's systems.
- 5.3 There were some issues at a later stage in the process when it became clear from the initial results that for some academies the way in which the previous actuary had calculated starting positions for new academies was causing some distortion to results. This had to be addressed through back tracking membership data to the point of conversion. While not having an impact at whole fund level this has resulted in some improvement in the position for some academies, although with negligible impact elsewhere.
- 5.4 The final element of the process is the distribution of results and discussions with individual employers, including around options for phasing and prepayment. This element of the process did not go as smoothly as would have been hoped partly due to the fact that the work mentioned above delayed the point at which results could be distributed and partly because unexpected absence at SYPA meant that internal resources were not available to support this element of the process in the way originally planned. While this was a one off combination of factors which it is to be hoped will not reoccur it is important to say that the internal team stepped up in relation to this and the actuary was able to provide additional support to discussions with employers at short notice which means that issues have been dealt with, although probably not as slickly as we would have wanted and without the level of broader communication and engagement with employers that we would like to see.
- 5.5 We will be conducting a post valuation review with the actuary to see what lessons can be learnt and what we can do better next time.

Valuation Results

- 5.6 The tables below set out the whole fund position in relation to contribution rates and the funding position as expanded on in the report at Appendix A.

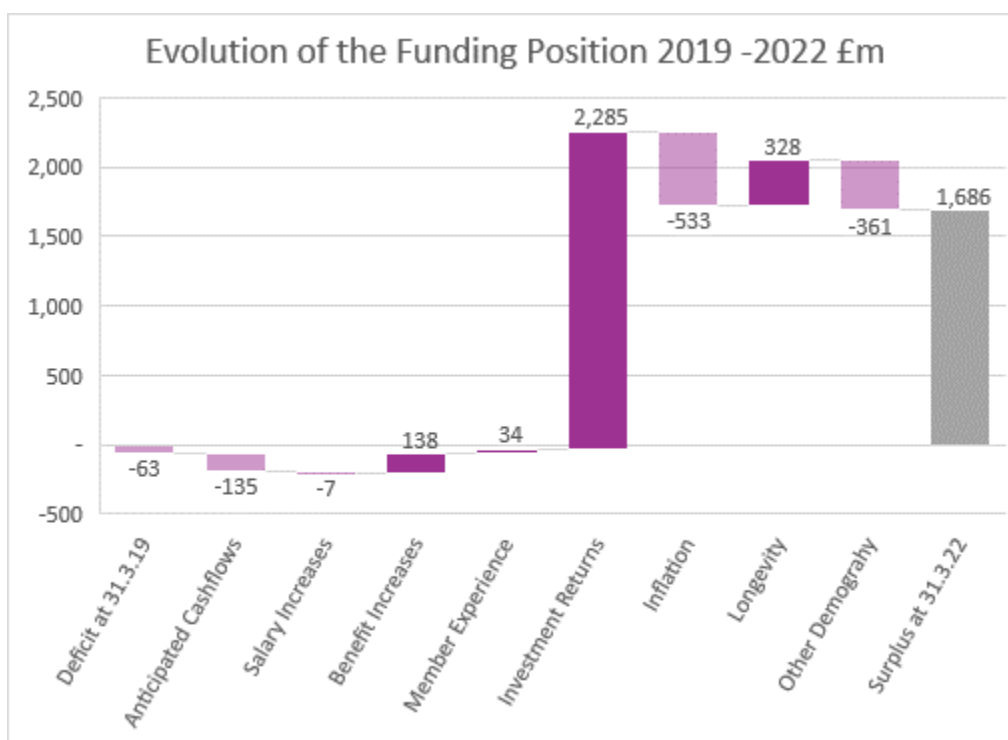
	This Valuation 31 st March 2022		Last Valuation 31 st March 2019	
Primary Rate	20.3% of pay		16.1% of pay	
Secondary Rate	2023/24	-£18.987m	2021/22	£26.675m
	2024/25	-£17.577m	2021/22	£13.475m
	2025/26	-£15.516m	2022/23	£13.881m

5.7 The primary (future service rate) has increased as a result largely of the cost of future benefits being higher than was assessed in the previous valuation. However, this is offset at whole fund level by the distribution of surplus through the secondary contribution rate (commonly although now inaccurately called deficit contributions). It is important to recognise that the experience of each employer will be different, and some will still have deficits to recover.

5.8 The table below summarises the funding position which looks at the past service liabilities (the focus of the secondary contributions) at the two valuations.

	31 st March 2022	31 st March 2019
Past Service Liabilities	£bn	£bn
Active Members	3.060	3.005
Deferred Members	1.712	1.657
Pensioners	4.216	3.841
Total Liabilities	8.988	8.503
Assets	10.674	8.440
Surplus / (Deficit)	1.685	(0.063)
Funding Level	119%	99%

5.9 This is clearly a significant improvement on the position at the last valuation and the graph below shows how the funding level has evolved over the inter-valuation period and a more detailed analysis is at Appendix A. What is clear is that investment returns have driven the improvement in the position more than offsetting a number of other more negative movements.



Employer Experience

- 5.10 The results at whole fund level translate into the experience of individual employers and their funding positions and contribution rates. The table below sets out the funding levels and deficit recovery periods across employer groups comparing the last valuation and this one.

	2019 Valuation		2022 Valuation	
	Funding Level	Recovery Period	Funding Level	Recovery Period
SYPA	103%	16 years	125%	n/a ¹
LA's	100%	16 years	120%	n/a ¹
F/HE	98%	16 years	119%	n/a ¹
Academies	70%	16 years	93%	10 years ²
Other	98%	16 years	130%	n/a ¹
Whole Fund	99%	16 years	119%	n/a ¹

1. The majority of employers are in surplus at the 2022 valuation and so there is no deficit (and so no 'deficit recovery period'). In the small number of cases where employers are still in deficit at the 2022 valuation, the implied deficit recovery period is 10 years. For employers in surplus, recognition of this may have been made when setting the total contribution rate (i.e. by applying a negative secondary rate). In all cases, the period of which any surplus is distributed over future years is greater than the deficit recovery period set at the 2022 valuation (16 years). This is an appropriately prudent approach i.e. deficits are recovered quickly, and surpluses are distributed back to employers slowly. This helps maintain full funding over time and protect the funding position against adverse market events. It is also consistent with the objective of setting stable contributions.
2. A time horizon on 16 year applies the determination of Academy rates at the 2022 valuation, i.e. rates are set to ensure each employer is at least 100% funded by 31 March 2038, with a probability of 70%. The equivalent average deficit recovery period is c. 10 years, i.e. the resulting contributions are expected to lead to full funding, on a best estimate basis, by 31 March 2032.

- 5.11 This illustrates that each employer group has benefitted from the investment returns achieved, although the higher starting funding levels of longer term employers have benefitted more because of the compounding effect of these returns on previous good returns. Importantly overall, where deficits remain, the implied deficit recovery period has reduced by more than the 3 years that have passed which represents an appropriate level of additional prudence for the Fund.
- 5.12 In setting contributions for higher risk employers (those in the other category without some form of guarantee) a contribution level floor of the calculated primary rate has generally been used. This provides downside protection for both the employer and the fund in the event of future investment returns not being as good as previously therefore serving to stabilise contributions for these employers. In addition, as many of these employers are in surplus this approach may make the finances of an exit from the Fund easier where this is appropriate and a number of smaller charities have begun discussions of this sort. A more nuanced approach has been taken with some contractors who have significant surpluses and a relatively short remaining contract life. In these cases to avoid the payment of exit credits (i.e. paying over the surplus on termination) contribution reductions or holidays have been allowed in agreement with the Actuary.

Section 13 and the Comparative Position

- 5.13 In general the funding position across LGPS in England and Wales has improved significantly at this valuation and while SYPA may not be at the top of the funding league table a more mid table approach means that we have not built up an excessive surplus which would arguably mean previous contribution levels had been set too high. Once all the reports have been published the actuarial firms will all be publishing analyses of the results and these will be shared with members when available.
- 5.14 A more reliable test of the valuation outcome is provided by the Government Actuary's section 13 process which looks at all the valuations and examines each set of results against a range of tests to identify any red flags. While the details of this process are not currently available based on the tests used last time it is not anticipated that SYPA would trigger any red or amber flags.

Conclusion

- 5.15 While as with any process of this sort there are lessons that can be learnt for next time the results of the 2022 valuation leave the Fund in a fairly strong position to weather the uncertainties in the wider environment going forward.

6 Implications

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

Financial	The costs of undertaking the valuation are contained within the Authority's operating budget.
Human Resources	None
ICT	None
Legal	It is a requirement of the LGPS Regulations to carry out a valuation of the Fund for the purpose of setting employer contribution rates every three years.
Procurement	None

George Graham

Director

Background Papers	
Document	Place of Inspection

South Yorkshire Pension Fund

Page 67
Report on the actuarial valuation at 31 March 2022
DRAFT

Douglas Green FFA

Steven Scott FFA

02 March 2023

For and on behalf of Hymans Robertson LLP

Hymans Robertson LLP is authorised and
regulated by the Financial Conduct Authority

Use the menu bar above to navigate to each section.

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Executive Summary

The key result of the valuation of the South Yorkshire Pension Fund as at 31 March 2022 are set out below. Further explanation of the outcomes of the valuation are contained in the remainder of this report.

Contribution rates

The contribution rates for individual employers set at this valuation can be found in the [Rates & Adjustments certificate](#). Table 1 shows the combined individual employer rates set at this valuation and the last valuation (31 March 2019).

Table 1: Whole fund contribution rates compared with the previous valuation

		This valuation 31 March 2022	Last valuation 31 March 2019	
Primary Rate		20.3% of pay	16.1% of pay	
Secondary Rate	2023/2024	£19,259,000	2020/2021	£26,675,000*
	2024/2025	£17,858,000	2021/2022	£13,475,000*
	2025/2026	£15,805,000	2022/2023	£13,881,000*

- The Primary rate has increased mainly due to higher inflation
- The Secondary rate has decreased due to good investment performance since the last valuation

*Includes an allowance of 0.7% of pensionable pay

Funding position

At 31 March 2022, the past service funding position has improved from the last valuation at 31 March 2019. Table 2 shows the single reported funding position at the current and previous valuation.

Table 2: Single reported funding position at 31 March 2022 compared with 31 March 2019

Valuation Date	31 March 2022	31 March 2019
Past Service Liabilities	(£m)	(£m)
Employees	3,060	3,005
Deferred Pensioners	1,712	1,657
Pensioners	4,216	3,841
Total Liabilities	8,988	8,503
Assets	10,674	8,440
Surplus/(Deficit)	1,685	(63)
Funding Level	119%	99%

The required investment return to be 100% funded is now 3.5% pa (3.9% pa at 2019). The likelihood of the Fund's investment strategy achieving the required return is 80% (63% at 2019).

Approach to valuation

Valuation Purpose

The triennial actuarial valuation is an important part of the Fund's risk management framework. Its main purpose is to ensure the Fund continues to have a contribution plan and investment strategy that will achieve the objectives set out in the Funding Strategy Statement.

We have been commissioned by South Yorkshire Pensions Authority (the Administering Authority) to carry out a valuation of the South Yorkshire Pension Fund (the Fund) as at 31 March 2022. This fulfils Regulation 62 of the Local Government Pension Scheme Regulations 2013. This report marks the culmination of the valuation process and contains its two key outcomes:

- Page 71
- 1 Employer contribution rates for the period 1 April 2023 to 31 March 2026.
 - 2 The funding level of the Fund at 31 March 2022.

Further information on the valuation process, methodology and strategy is set out in the publicly available Funding Strategy Statement, Investment Strategy Statement and published papers and minutes of the Fund's Pensions Authority. Additional material is also contained in [Hymans Robertson's LGPS 2022 valuation toolkit](#)¹.

Setting employer contribution rates

Employer contributions need to be set at a level which ensures the Fund has a reasonable likelihood of having enough money to pay members' benefits. Identifying the amount of benefits that may be paid is complex as those earned today might only start being paid in 50 years' time. Over that time period, there is significant uncertainty over factors which affect the cost of benefits, eg inflation, investment returns. These uncertainties are allowed for by taking a risk-based approach to setting employer contribution rates. This approach is built around asset-liability modelling and three key funding decisions set by the Fund.

Key funding decisions

For each employer, the Fund determines the most appropriate choice for the following three funding decisions. Further detail is set out in the Funding Strategy Statement.



What is the funding target for each employer?

Will the employer remain in the Fund for the long-term or exit at some point



What is the funding time horizon?

How long will the employer participate in the Fund



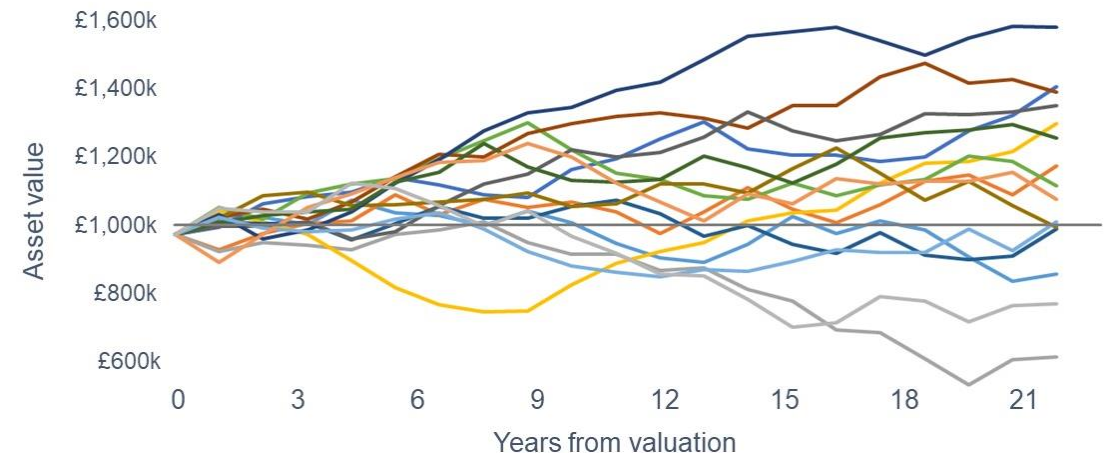
What is the required likelihood?

How much funding risk can the employer's covenant support

Modelling approach

Asset-liability modelling is used to project each employer's assets and benefit payments into the future using 5,000 different economic scenarios. The economic scenarios are generated using Hymans Robertson's Economic Scenario Service (ESS) (further information in [Appendix 2](#)).

Picture 1: sample progression of employer asset values under different economic scenarios



Measuring the funding level

The past service funding level is measured at the valuation. Whilst it is limited in providing insight to a funding plan, it is a useful high-level summary statistic. To measure the funding position, a market-related approach is taken to calculating both the assets and the liabilities (so they are consistent with each other).

- The market value of the Fund's assets at the valuation date have been used.
- The liabilities have been valued using assumptions based on market indicators at the valuation date (these assumptions are detailed in [Appendix 2](#)).

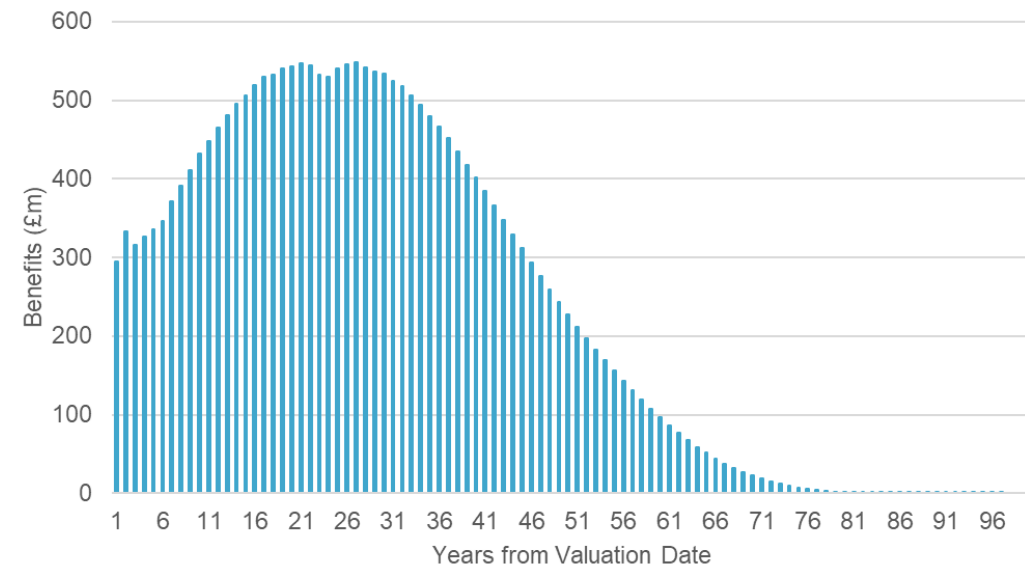
Further detail on the liabilities

The liabilities are the value of all future payments to members based on all benefits earned up to the valuation date, expressed in today's money.

Chart 1 shows the projected payments for all members in the Fund at the valuation date. The projections are based on the membership data provided for the valuation (Appendix 1), the assumptions (Appendix 2) and our understanding of the LGPS benefit structure as at 31 March 2022 (details at www.lgpsregs.org).

To express the future payments in today's money, the projections are discounted with an assumed future investment return on the Fund's assets (the discount rate).

Chart 1: projected benefit payments for all service earned up to 31 March 2022



Valuation results

Employer contribution rates

The primary objective of the Fund is to set employer contribution rates that will adequately cover the cost of benefits which will accrue in the future and any costs related to benefits already earned. A secondary objective is to ensure the rates are as stable as possible. The risk-based approach detailed earlier is used to meet both these objectives.

The employer contribution rate is made up of two components.

1. A primary rate: the level sufficient to cover all new benefits
2. A secondary rate: the costs associated with sufficiently funding benefits accrued up to the valuation date

Each employer has a contribution rate which is appropriate to their circumstances and these can be found in the Rates & Adjustments Certificate. Broadly speaking:

- Primary rates have increased since the last valuation due to rising inflation.
- Secondary rates have decreased due to strong investment performance since the previous valuation.

However all employers will be different and the contribution rate will reflect the membership and experiences of each employer.

Table 3 shows the total of all employer contribution rates to be paid into the Fund over the period 1 April 2023 to 31 March 2026

Table 3: Whole-fund contribution rate, compared with the previous valuation

	This valuation 31 March 2022		Last valuation 31 March 2019	
Primary Rate	20.3% of pay		16.1% of pay	
Secondary Rate	2023/2024	-£19,259,000	2020/21	£26,675,000*
	2024/2025	-£17,858,000	2021/22	£13,475,000*
	2025/2026	-£15,805,000	2022/23	£13,881,000*

The primary rate includes an allowance of 0.5% of pensionable pay for the Fund’s expenses (0.5% at 31 March 2019).

Employees pay a contribution to the Fund in addition to these rates. These rates are set by the LGPS Regulations. The average employee contribution rate at 31 March 2022 is 6.5% of pay (6.4% at 31 March 2019).

*Includes an allowance of 0.7% of pensionable pay

Funding level

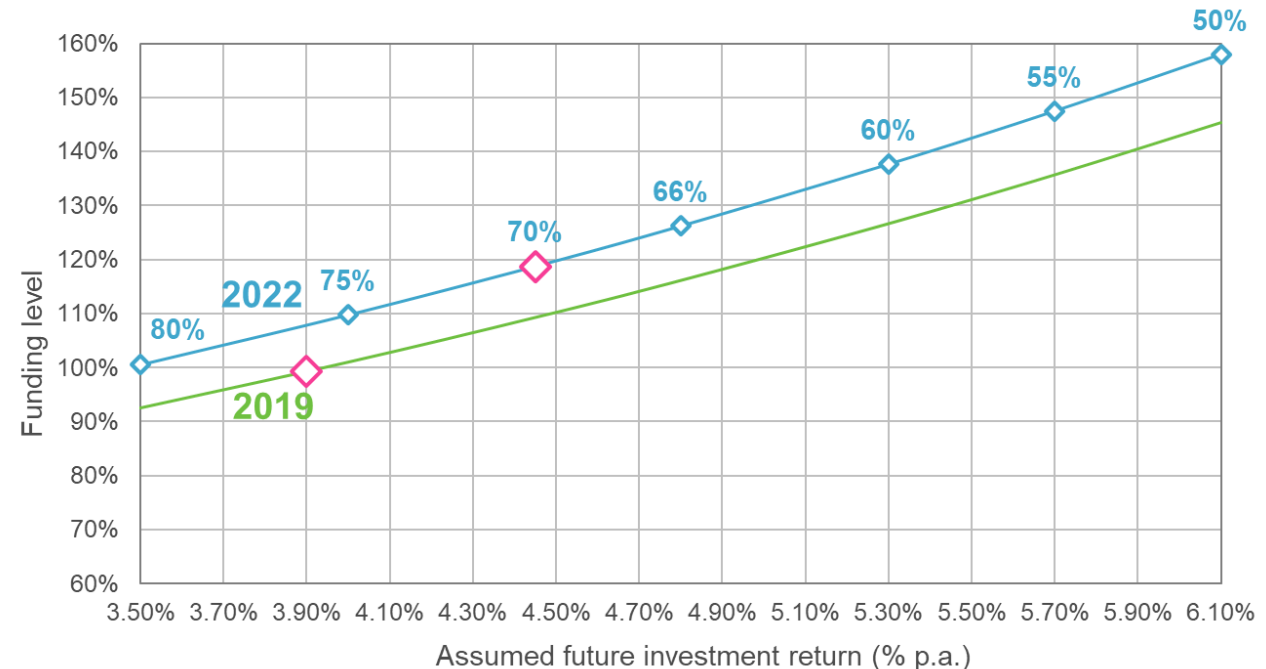
The funding level is the ratio of assets to liabilities. The market value of the assets at the valuation date are known. The value of the liabilities is uncertain given that the level of future investment returns are unknown.

Therefore, the liabilities and funding level have been calculated across a range of different investment returns (the discount rate).

To help better understand funding risk, the likelihood of the Fund's investment strategy (detailed in Appendix 1) achieving certain levels of return has also been calculated.

Chart 2 shows how the funding level varies with future investment return assumptions at 31 March 2022 (blue line). The green line shows the same analysis at 31 March 2019.

- The funding position at 2022 is stronger than 2019.
- The funding level is 100% if future investment returns are c.3.5% pa. The likelihood of the Fund's assets yielding at least this return is around 80%.
- The comparator at 2019 was a return of 3.9% pa which had a likelihood of 63%.
- There is a 50% likelihood of an investment return of 6.1% pa. So the best-estimate funding level is 158% at 31 March 2022.



Figures on each line show the likelihood of the Fund's assets exceeding that return at the valuation date

Single funding level as at 31 March 2022

Whilst the chart on the previous page provides a better understanding of the past service funding position, there is still a requirement to report a single funding level at 31 March 2022.

To report a single funding level and funding surplus/deficit for the 2022 valuation, a discount rate of 4.45% pa has been used. There is a 70% likelihood associated with a future investment return of 4.45% pa.

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Table 4 details the liabilities, split by member status and the market value of assets at the valuation date. The results at the 2019 formal valuation are shown for comparison.

The funding level and surplus/deficit figures provide a high-level snapshot of the funding position of the Fund as at 31 March 2022, however there are limitations:

- The liabilities are calculated using a single set of assumptions about the future and so are very sensitive to the choice of assumptions.
- The market value of assets held by the Fund will change on a daily basis.

The future progression of the funding position is uncertain. If the financial and demographic assumptions made at this valuation actually occur, employers pay contributions in line with the R&A certificate and there are no other changes in the financial or demographic environment, we project that the funding level at the next valuation (31 March 2025) will be approximately 117%.

Table 4: single reported funding level

Valuation Date	This valuation 31 March 2022	Last valuation 31 March 2019
Past Service Liabilities	(£m)	(£m)
Employees	3,060	3,005
Deferred Pensioners	1,712	1,657
Pensioners	4,216	3,841
Total Liabilities	8,988	8,503
Assets	10,674	8,440
Surplus/(Deficit)	1,685	(63)
Funding Level	119%	99%

Important: the reported funding level does not directly drive the contribution rates for employers. The contribution rates consider how assets and liabilities will evolve over time in different economic scenarios and also reflect each employer's funding profile and covenant.

Changes since the last valuation

Events between 2019 and 2022

The most significant external event to occur since the last valuation has been the Covid-19 pandemic. The experience analysis below shows that there has sadly been a higher than expected number of deaths over the period. However, the impact on the funding position has been small. This is likely due to the age profile of the excess deaths and the level of pension.

Other significant factors occurring which affect the funding strategy of the Fund have been the better than expected investment returns. This has had a material positive impact on the funding position and employers' secondary contribution rates.

Financial

Table 5: analysis of financial experience between 2019 and 2022 valuations

	Expected	Actual	Difference	Impact on funding position
Investment returns				
3 year period	12.2%	28.0%	15.8%	+£1,356m
Annual	3.9% pa	8.6% pa	4.7% pa	

Membership

Table 6: analysis of membership experience between 2019 and 2022 valuations

	Expected	Actual	Difference	Impact on funding position
Pre-retirement				
Early leavers	8,822	21,741	12,919	+£52m
Ill-health retirements	231	160	-71	+£8m
Salary increases	3.0% pa	4.2% pa	1.2% pa	-£63m
Post-retirement				
Benefit increases	2.4% pa	1.8% pa	-0.6% pa	+£138m
Pension ceasing	£17.6m	£19.8m	£2.3m	+£23m

Changes since the last valuation

Future outlook

Expectations about the future, which inform the assumptions used to value the liabilities, have changed since the last valuation. The most significant changes are:

- Future inflation: this is expected to be on average higher than at 2019 due to the current level of high inflation.
- Investment returns: due to changes in the Fund’s investment strategy and financial markets, future investment returns are now expected to be higher than at the last valuation.

Table 7: summary of change in future outlook

Factor	What does it affect?	What’s changed?	Impact on liabilities
Future investment returns	The rate at which future benefit payments are discounted back i.e. the discount rate assumption	Future investment returns higher at 2022 than at 2019. The prudent level of returns set for valuing the liabilities is now 4.45% pa vs 3.90% pa at 2019.	Decrease of £929m
Inflation	The rate at which pensions (both in payment and deferment) and CARE pots increase	Significant increase in short-term future inflation expectations.	Increase of £533m
Salary increases	The rate at which future salaries increase which will affect the benefits that are still linked to final salary i.e. accrued before 1 April 2014	No material change since last valuation given competing factors e.g. tighter budgetary conditions vs. strong job market and pressure from National Living Wage increases.	Decrease of £56m
Current life expectancy	How long we expect people to live for based on today’s current observed mortality rates.	Slight reduction in life expectancy based on current observed data (not allowing for Covid-related excess deaths)	Decrease of £197m
Future improvements in life expectancy	How we expect life expectancies to change (increase) in the future.	Uncertainty about effectiveness of mitigations against life expectancy increases in the LGPS i.e. State Pension Age increases and Cost Cap. Need to better reflect wider pension and insurance industry long-term expectations.	Decrease of £130m

Reconciling the overall change in funding position

The tables below provide insight into the funding position change between 31 March 2019 and 31 March 2022. Firstly, the changes we expected to happen (Table 8), which relate mostly to items on the asset side. Then the impact of actual experience (Table 9), which mainly affects the liabilities.

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Expected development

Table 8: expected development of funding position between 2019 and 2022 valuations

Change in the surplus/deficit position	Surplus / Deficit
	£m
Last valuation at 31 March 2019	(63)
Cashflows	
Employer contributions paid in	593
Employee contributions paid in	189
Benefits paid out	0
Net transfers into / out of the Fund*	14
Other cashflows (e.g. Fund expenses)	(15)
Expected changes	
Expected investment returns	1,041
Interest on benefits already accrued	(1,032)
Accrual of new benefits	(925)
Expected position at 31 March 2022	(198)

* We have insufficient data to value the impact on the liabilities as a result of transfers in/out

Impact of actual events

Table 9: impact of actual events on the funding position at 31 March 2022

Change in the surplus/deficit position	Surplus / Deficit
	£m
Expected position at 31 March 2022	(198)
Events between 2019 and 2022	
Salary increases greater than expected	(63)
Benefit increases greater than expected	138
Early retirement strain (and contributions)	(15)
Ill health retirement strain	8
Early leavers less than expected	52
Commutation less than expected	(29)
Pensions ceasing less than expected	23
McCloud remedy	(18)
Other membership experience	13
Higher than expected investment returns	1,356
Changes in future expectations	
Investment returns	929
Inflation	(533)
Salary increases	56
Longevity	328
Other demographic assumptions	(361)
Actual position at 31 March 2022	1,685

Numbers may not sum due to rounding

Sensitivity & risk analysis

Sensitivity and risk analysis: assumptions

There is risk and uncertainty inherent with funding benefit payments that will be paid out many years in the future. The Fund is aware of these and has in place a risk register which is regularly reviewed. Additionally, as part of the valuation, the Fund reviews sources of risk that may impact its funding position and the contribution rates payable by employers.

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This section discusses some of the most significant sources of funding risk (assumptions, regulatory, administration and governance and climate change). Further information of the Fund's approach to funding risk management, including monitoring, mitigation and management, is set out in the Funding Strategy Statement.

The valuation results depend on the actuarial assumptions made about the future. By their nature, these assumptions are uncertain which means its important to understand their sensitivity and risk levels.

Contribution rates

The risk-based approach to setting employer contribution rates mitigates the limitation of relying on one set of assumptions. Therefore, there is no need to carry out additional analysis of the sensitivity of contribution rates to changes in financial assumptions. The contribution rates are sensitive to changes in demographic assumptions. The results in this section in relation to the funding position can be broadly applied to the contribution rates.

Funding level

Financial assumptions

On page 10, we have already set out how the results vary with the assumed future investment return. The table below considers inflation.

Table 10: sensitivity of funding position to inflation assumption

CPI Assumption	Surplus/ (Deficit)	Funding Level
p.a.	£m	%
2.5%	1,952	122%
2.7%	1,685	119%
2.9%	1,409	115%

Demographic assumptions

The main area of demographic risk is if people live longer than expected. The table below shows the impact of longer term longevity rates improving at a faster rate (1.75% pa vs 1.5% pa used in the results)

Table 11: sensitivity of funding position to longevity assumption

Long term rate of improvement	Surplus/ (Deficit)	Funding Level
p.a.	£m	%
1.50%	1,685	119%
1.75%	1,612	118%

Sensitivity and risk analysis: other risks & climate change

Regulatory, Administration and Governance risks

Potential risks in this area include change in central government legislation which changes the future cost of the LGPS and failures in administration processes leading to incorrect data and inaccuracies in actuarial calculations. At this valuation, specific risks include:

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McCloud: the remedy to resolve the McCloud case is yet to be formalised in regulations. However, an allowance has been included for this expected benefit change at the 2022 valuation as directed by the Department of Levelling Up, Housing and Communities [in their letter dated March 2022](#)¹.

- **Goodwin:** the remedy to this issue is still uncertain, it is difficult to identify who it would apply to and its impact is estimated to be very small for a LGPS fund (0.1-0.2% of liabilities). Therefore, no allowance has been made for this case at the 2022 valuation.
- **Cost Cap:** a legal challenge is still ongoing in relation to the results of the 2016 cost cap valuation and no information is known about the outcome of the 2020 cost cap valuation. At this valuation, no allowance has been made for any changes to the benefit structure that may occur as a result of a cost cap valuation.
- **GMP indexation:** it is assumed that all increases on GMPs for members reaching State Pension Age after 6 April 2016 will be paid for by LGPS employers. This is the same approach that was taken for the 2019 valuation.

Post valuation events

Since 31 March 2022, there has been significant volatility in the financial markets, short-term inflation expectations and rises in interest rates by central banks. These events affect the value of the Fund's assets and liabilities.

- The Fund's investment return since 31 March 2022 is estimated to be somewhere between 0% and -5%.
- Liability valuations are likely to be lower now than at 31 March 2022 due to rises in expected future investment returns more than offsetting the higher than expected (10.1%) pension increase at April 2023.

As an open scheme, with a strong covenant, the Fund takes a long-term view when considering the funding impact of such events. For employers who have a very short time horizon, recent volatility may be more immediately impactful, and the Fund has engaged with these employers as appropriate.

No explicit allowance has been made for this volatility in the valuation results or contribution rates detailed in the Rates & Adjustments Certificate. The Fund will continue to monitor changes in the financial and demographic environment as part of its ongoing risk management approach.

Sensitivity and risk analysis: climate change & post valuation events

Background

Climate change is a major source of uncertainty which could affect future investment returns, inflation and life expectancies. Therefore, the Fund has explicitly explored the resilience of its funding and investment strategy to future potential climate change outcomes.

It is impossible to confidently quantify the effect of climate risk given the significant uncertainty over the impact of different possible climate outcomes. Instead, three different climate change scenarios have been considered as a stress-test (instead of trying to predict how climate change affects the funding level in the future).

All the scenarios assume that there will be a period of disruption linked either to the response to climate risk (transition risks) or the effect of it (physical risks). This disruption will lead to high volatility in financial markets, and the later the disruption, the more pronounced it will be.

Further detail on the scenarios is shown on the next page and in our guide 10 of [Hymans Robertson's LGPS 2022 valuation toolkit](#)¹

Outcome of analysis

The Fund has set its funding and investment strategy using asset-liability modelling and considering two main risk metrics:

- Likelihood of success – the chance of being fully funded in 20 years' time
- Downside risk – the average worst 5% of funding levels in 20 years' time

When exploring the potential impact of climate change, the Fund has compared how these risk metrics change under each climate change scenario (against the 'Core' model used when setting the funding and investment strategy). The stress test results for the Fund are shown in Table 12 below.

Scenario	Likelihood of success	Downside risk
Core	72%	43%
Green Revolution	71%	38%
Delayed Transition	71%	45%
Head in the Sand	71%	42%

The results are worse in the climate scenarios. This is to be expected given that they are purposefully stress-tests and all the scenarios are bad outcomes. Whilst the risk metrics are weaker, they are not materially so and not enough to suggest that the funding and investment strategy are unduly exposed to climate change risk. The Fund will continue to monitor this risk as more information emerges and climate change modelling techniques evolve.

Final comments

Final comments

The Fund's valuation operates within a broader framework, and this document should be considered alongside the following:

- The Funding Strategy Statement, which in particular highlights how different types of employer in different circumstances have their contributions calculated
- The Investment Strategy Statement, which sets out the investment strategy for the Fund
- The general governance of the Fund, such as meetings of the Pensions Authority and Local Pensions Board, decisions delegated to officers, the Fund's business plan, etc
- The Fund's risk register

New employers joining the Fund

Any new employers or admission bodies joining the Fund should be referred to the Fund Actuary to assess the required level of contribution. Depending on the number of transferring members the ceding employer's rate may also need to be reviewed.

Cessations and bulk transfers

Any employer who ceases to participate in the Fund should be referred to the Fund Actuary in accordance with Regulation 64 of the LGPS regulations.

Any bulk movement of scheme members:

- involving 10 or more scheme members being transferred from or to another LGPS fund
- involving 2 or more scheme members being transferred from or to a non-LGPS pension arrangement

should be referred to the Fund Actuary to consider the impact on the Fund.

Valuation frequency

Under the LGPS regulations, the next formal valuation of the Fund is due to be carried out as at 31 March 2025 where contribution rates payable from 1 April 2026 will be set.

SIGNATURE

Douglas Green FFA

02 March 2023

For and on behalf of Hymans Robertson LLP

SIGNATURE

Steven Scott FFA

Appendices

APPENDIX 1

Data

Membership data

A summary of the membership data provided by the Fund for the 2022 valuation is set out in Table 13. The corresponding membership data from the previous valuation is also shown for reference.

The results of the valuation are dependent on the quality of the data used. We have carried out a series of validation checks on the data supplied to us by the Administering Authority to ensure that it is fit for purpose.

More information on how we verify the quality of the data used in the valuation has been shared with the Administering Authority in our report ‘Data Report for the 2022 Valuation’.

Asset data

To check the membership data and derive employer asset values, we have used asset and accounting data and employer level cashflow data provided by the Fund.

Table 13: Whole fund membership data as at 31 March 2022 and 31 March 2019

Whole Fund Membership Data	This Valuation 31 March 2022	Last Valuation 31 March 2019
Employee members		
Number	49,643	50,518
Total actual pay (£000)	1,012,765	925,750
Total accrued pension (£000)	195,514	178,103
Average age (liability weighted)	50.6	51.0
Future working lifetime (years)	9.3	11.5
Deferred pensioners (including undecideds)		
Number	81,305	66,488
Total accrued pension (£000)	104,183	90,176
Average age (liability weighted)	51.3	50.5
Pensioners and dependants		
Number	60,075	52,555
Total pensions in payment (£000)	270,230	234,915
Average age (liability weighted)	68.4	67.9

APPENDIX 1

Data

Investment strategy

A summary of the investment strategy allocation used for the calculation of employer contribution rates and to derive the future assumed investment return is set out in Table 14.

This information is as set out in the Fund’s Investment Strategy Statement.

Table 14: Investment strategy used for the 2022 valuation

% allocation	Core Strategy
UK equities	10.0%
Global equities	35.0%
Private equity	7.0%
Infrastructure	10.0%
Property	10.0%
Private debt	5.5%
UK Index-linked gilts	10.0%
Corporate bonds	5.0%
Multi Asset Credit	6.0%
Cash	1.5%
Total	100.0%

APPENDIX 2

Assumptions

To set and agree assumptions for the valuation, the Fund carried out in-depth analysis and review in February 2022 with the final set agreed by the Pensions Authority on 17 March 2022.

Financial assumptions

Setting employer contribution rates

An asset-liability model is used to set employer contributions at the 2022 valuation. This model relies on Hymans Robertson's proprietary economic model, the Economic Scenario Service (ESS). The ESS reflects the uncertainty associated with future levels of inflation and asset returns and the interactions and correlations between different asset classes and wider economic variables. In the short term (first few years), the models are fitted with current financial market expectations. Over the longer term, models are built around views of fundamental economic parameters, for example equity risk premium, credit spreads and long term inflation. The table below shows the calibration of the ESS at 31 March 2022. Further information on the assumptions used for contribution rate setting is included in the Funding Strategy Statement.

Table 15: ESS individual asset class return distributions at 31 March 2022

Time period	Percentile	Asset class annualised total returns									Inflation/Yields		
		Cash	Index Linked Gilts (medium)	UK Equity	Private Equity	Property	Listed Infrastructure Equity	Multi Asset Credit	Global High Yield Debt	All World ex UK Equity	Inflation (CPI)	17 year real yield (CPI)	17 year yield
10 years	16 th	0.8%	-1.9%	-0.4%	-1.2%	-0.6%	-1.1%	1.7%	0.6%	-0.4%	1.6%	-1.7%	1.1%
	50 th	1.8%	0.2%	5.7%	9.4%	4.4%	4.9%	3.5%	3.4%	5.8%	3.3%	-0.5%	2.5%
	84 th	2.9%	2.4%	11.6%	20.1%	9.5%	10.9%	5.2%	5.8%	11.9%	4.9%	0.7%	4.3%
20 years	16 th	1.0%	-1.5%	1.7%	2.4%	1.4%	1.2%	2.8%	2.1%	1.8%	1.2%	-0.7%	1.3%
	50 th	2.4%	0.1%	6.2%	10.0%	5.0%	5.6%	4.4%	4.2%	6.3%	2.7%	1.1%	3.2%
	84 th	4.0%	1.9%	10.6%	17.6%	8.9%	10.1%	6.0%	6.4%	11.1%	4.3%	2.7%	5.7%
40 years	16 th	1.2%	-0.3%	3.2%	4.7%	2.6%	2.6%	3.6%	3.1%	3.4%	0.9%	-0.6%	1.1%
	50 th	2.9%	1.2%	6.7%	10.3%	5.5%	6.1%	5.3%	5.1%	6.8%	2.2%	1.3%	3.3%
	84 th	4.9%	3.1%	10.2%	16.1%	8.8%	9.8%	7.1%	7.2%	10.4%	3.7%	3.2%	6.1%
Volatility (5yr)		2%	7%	18%	30%	15%	18%	6%	8%	18%	3%	-	-

APPENDIX 2

Assumptions

Financial assumptions
Calculating the funding level

The table below summarises the assumptions used to calculate the funding level at 31 March 2022, along with a comparison at the last valuation.

Table 16: Summary of assumptions used for measuring the funding level, compared to last valuation on 31 March 2019

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Assumption	This valuation 31 March 2022	Required for	Last valuation 31 March 2019
Discount rate	4.45% pa	To place a present value on all the benefits promised to scheme members at the valuation date. The Fund's assets are estimated to have a 70% likelihood of returning above the discount rate.	3.90% pa
Benefit increases / CARE revaluation	2.7% pa	To determine the size of future benefit payments.	2.4% pa
Salary increases	3.3% pa	To determine the size of future final-salary linked benefit payments.	3.6% pa

Allowing for the McCloud remedy

Allowance has been included for this expected benefit change at the 2022 valuation as directed by the Department of Levelling Up, Housing and Communities [in their letter dated March 2022](#)¹. Further technical detail about this assumption is set out in guide 13 of [Hymans Robertson's LGPS 2022 valuation toolkit](#)²

APPENDIX 2

Assumptions

Demographic assumptions

The same demographic assumptions are used in setting contribution rates and assessing the current funding level.

Longevity

Table 17: Summary of longevity assumptions

	This valuation 31 March 2022	Last valuation 31 March 2019
Baseline assumption	VitaCurves based on member-level lifestyle factors	S3PA, S3DA and S3IA tables with appropriate weighting*
Future improvements	CMI 2021 model Initial addition = 0.25% (both Female and Male) Smoothing factor = 7.0 1.5% pa long-term rate of improvement	CMI 2018 model Initial addition = 0% (both Female and Male) Smoothing factor = 7.5 1.75% pa long-term rate of improvement

Further information on these assumptions can be provided upon request. Sample rates are included on the next page.

Other demographic assumptions

Table 18: Summary of other demographic assumptions

Death in service	See sample rates in Tables 19 & 20
Retirements in ill health	See sample rates in Tables 19 & 20
Withdrawals	See sample rates in Tables 19 & 20
Promotional salary increases	See sample rates in Tables 19 & 20
Commutation	50% of future retirements elect to exchange pension for additional tax free cash up to HMRC limits
50:50 option	0% of members (uniformly distributed across the age, service and salary range) will choose the 50:50 option (main scheme) if they are currently in the main scheme (50:50 scheme).
Retirement age	The earliest age at which a member can retire with their benefits unreduced
Proportion married	A varying proportion of members are assumed to have a dependant at retirement or on earlier death. For example, at age 60 this is assumed to be 90% for males and 85% for females. The dependant of a male member is assumed to be 3 years younger than him and the dependent of a female member is assumed to be 3 years older than her.

APPENDIX 2

Assumptions

Sample rates for demographic assumptions

Males

Table 19: Sample rates of male demographic assumptions

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Age	Salary Scale	Death Before Retirement	Withdrawals		III Health Tier 1		III Health Tier 2	
		FT & PT	FT	PT	FT	PT	FT	PT
20	105	0.17	242.58	487.81	0.00	0.00	0.00	0.00
25	117	0.17	160.24	322.22	0.00	0.00	0.00	0.00
30	131	0.20	113.69	228.58	0.00	0.00	0.00	0.00
35	144	0.24	88.83	178.58	0.10	0.07	0.02	0.01
40	150	0.41	71.52	143.73	0.16	0.12	0.03	0.02
45	157	0.68	67.18	134.98	0.35	0.27	0.07	0.05
50	162	1.09	55.38	111.14	0.90	0.68	0.23	0.17
55	162	1.70	43.61	87.56	3.54	2.65	0.51	0.38
60	162	3.06	38.87	78.01	6.23	4.67	0.44	0.33
65	162	5.10	0.00	0.00	11.83	8.87	0.00	0.00

Females

Table 20: Sample rates of female demographic assumptions

Age	Salary Scale	Death Before Retirement	Withdrawals		III Health Tier 1		III Health Tier 2	
FT & PT			FT	PT	FT	PT	FT	PT
20	105	0.10	211.45	280.42	0.00	0.00	0.00	0.00
25	117	0.10	142.28	188.66	0.10	0.07	0.02	0.01
30	131	0.14	119.27	158.13	0.13	0.10	0.03	0.02
35	144	0.24	102.94	136.43	0.26	0.19	0.05	0.04
40	150	0.38	85.67	113.51	0.39	0.29	0.08	0.06
45	157	0.62	79.95	105.91	0.52	0.39	0.10	0.08
50	162	0.90	67.41	89.19	0.97	0.73	0.24	0.18
55	162	1.19	50.30	66.62	3.59	2.69	0.52	0.39
60	162	1.52	40.53	53.62	5.71	4.28	0.54	0.40
65	162	1.95	0.00	0.00	10.26	7.69	0.00	0.00

Figures are incidence rates per 1,000 members except salary scale. FT and PT denoted full-time and part-time members respectively.

APPENDIX 3

Reliances and limitations

We have been commissioned by South Yorkshire Pensions Authority ('the Administering Authority') to carry out a full actuarial valuation of the South Yorkshire Pension Fund ('the Fund') at 31 March 2022, as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 ('the Regulations').

This report is addressed to the Administering Authority. It has been prepared by us as actuaries to the Fund and is solely for the purpose of summarising the main outcomes of the 2022 actuarial valuation. It has not been prepared for any other third party or for any other purpose. We make no representation or warranties to any third party as to the accuracy or completeness of this report, no reliance should be placed on this report by any third party and we accept no responsibility or liability to any third party in respect of it.

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This summary report is the culmination of other communications in relation to the valuation, in particular:

- Our [2022 valuation toolkit](#) which sets out the methodology used when reviewing funding plans
- Our paper to the Fund's Pension Authority dated March 2022 which discusses the funding strategy for the major employers
- Our paper to the Fund's Pension Authority dated February 2022 which discusses the valuation assumptions
- Our initial results report dated September 2022 which outlines the whole fund results and inter-valuation experience

- Our data report which summarises the data used for the valuation, the approach to ensuring it is fit for purpose and any adjustments made to it during the course of the valuation
- The Funding Strategy Statement which details the approach taken to adequately fund the current and future benefits due to members

The totality of our advice complies with the Regulations as they relate to actuarial valuations.

The following Technical Actuarial Standards apply to this advice, and have been complied with where material and to a proportionate degree. They are:

- TAS100 – Principles for technical actuarial work
- TAS300 – Pensions

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APPENDIX 4

Glossary

Term	Explanation
50:50 option	An option for LGPS members to pay half contributions and earn half the retirement benefit (pre-retirement protection benefits are unreduced).
Baseline longevity	The rates of death (by age and sex) in a given group of people based on current observed data.
Club Vita	A firm of longevity experts we partner with for longevity analysis. They combine data from thousands of pension schemes and use it to create detailed baseline longevity assumptions at member-level, as well as insight on general longevity trends and future improvements.
Commutation	The option for members to exchange part of their annual pension for a one-off lump sum at retirement. In the LGPS, every £1 of pension exchanged gives the member £12 of lump sum. The amounts that members commute is heavily influenced by tax rules which set an upper limit on how much lump sum can be taken tax-free.
CPI inflation	The annual rate of change of the Consumer Prices Index (CPI). The CPI is the UK government's preferred measure of inflation and is the measure used to increase LGPS (and all other public sector pension scheme) benefits each year.
Demographic assumptions	Assumptions concerned with member and employer choices rather than macroeconomic or financial factors. For example, retirement age or promotional salary scales. Demographic assumptions typically determine the timing of benefit payments.
Discount rate	A number used to place a single value on a stream of future payments, allowing for expected future investment returns.
ESS	Economic Scenario Service - Hymans Robertson's proprietary economic scenario generator used to create thousands of simulations of future inflation, asset class returns and interest rates.

APPENDIX 4

Glossary

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Term	Explanation
Funding position	The extent to which the assets held by the fund at 31 March 2022 cover the accrued benefits ie the liabilities. The two measures of the funding position are: <ul style="list-style-type: none">• the funding level - the ratio of assets to liabilities; and• the funding surplus/deficit - the difference between the asset and liabilities values.
Inflation	Prices tend to increase over time, which is called inflation. Inflation is measured in different ways, using a different 'basket' of goods and mathematical formulas.
Liabilities	An employer's liability value is the single value at a given point in time of all the benefit payments expected to be made in future to all members. Benefit payments are projected using demographic and financial assumptions and the liability is calculated using a discount rate.
Longevity improvements	An assumption about how rates of death will change in future. Typically we assume that death rates will fall and life expectancies will improve over time, continuing the long-running trend.
Prudence	To be prudent means to err on the side of caution in the overall set of assumptions. We build prudence into the choice of discount rate by choosing an assumption with a prudence Level of more than 50%. All other assumptions aim to be best estimate.
Prudence Level	A percentage indicating the likelihood that a discount rate assumption will be achieved in practice, based on the ESS model. The higher the prudence level, the more prudent the discount rate is.
Withdrawal	Refers to members leaving the scheme before retirement. These members retain an entitlement to an LGPS pension when they retire, but are no longer earning new benefits.

Rates & adjustments certificate

Rates and Adjustments Certificate

In accordance with Regulation 62 of the LGPS regulations, we have assessed the contributions that should be paid into the South Yorkshire Pension Fund (the Fund) by participating employers for the period 1 April 2023 to 31 March 2026 in order to maintain the solvency of the Fund.

The method and assumptions used to calculate the contributions set out in this Rates and Adjustments certificate are detailed in the Funding Strategy Statement dated March 2023 and in Appendix 2 of the report on the actuarial valuation dated 31 March 2023. These assumptions underpin our estimate of the number of members who will become entitled to a payment of pensions under the provisions of the LGPS and the amount of liabilities arising in respect of such members.

The table below summarises the whole fund primary and secondary contribution rates for the period 1 April 2023 to 31 March 2026. The primary rate is the payroll weighted average of the underlying individual employer primary rates and the secondary rate is the total of the underlying individual employer secondary rates, calculated in accordance with the LGPS regulations and CIPFA guidance. The secondary rate has been shown both as a monetary amount and an equivalent percentage of the projected pensionable pay.

This valuation 31 March 2022		
Primary rate	20.3% of pay	
Secondary rate	Monetary amount	Equivalent to % of payroll
	2023/24	-£19,259,000 -1.8%
	2024/25	-£17,858,000 -1.6%
	2025/26	-£15,805,000 -1.3%

The required minimum contribution rates for each employer in the Fund are set out in the remainder of this certificate.

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Major Employers									
	Barnsley MBC	20.0%	-2.9%	-2.9%	-2.9%	17.1%	17.1%	17.1%	
	Doncaster MBC	20.3%	-4.0%	-4.0%	-4.0%	16.3%	16.3%	16.3%	
	Rotherham MBC	20.4%	-3.1%	-3.1%	-3.1%	17.3%	17.3%	17.3%	
	Sheffield City Council	20.2%	-2.7%	-2.7%	-2.7%	17.5%	17.5%	17.5%	1
296	South Yorkshire Fire Authority	19.5%	-3.5%	-2.5%	-1.5%	16.0%	17.0%	18.0%	
295	The Chief Constable	19.7%	-2.1%	-0.6%	0.9%	17.6%	19.1%	20.6%	
297	The Police and Crime Commissioner	19.7%	-3.1%	-1.6%	-0.1%	16.6%	18.1%	19.6%	
Page 99	South Yorkshire Passenger Transport Executive	19.8%	-8.4%	-7.4%	-6.4%	11.4%	12.4%	13.4%	
	South Yorkshire Pensions Authority	19.0%	-4.6%	-4.6%	-4.6%	14.4%	14.4%	14.4%	
250	South Yorkshire Mayoral Combined Authority	19.8%	-8.4%	-7.4%	-6.4%	11.4%	12.4%	13.4%	
905									
220	Barnsley College	19.2%	-0.6%	£79,000	£219,000	18.6%	19.2% plus £79,000	19.2% plus £219,000	
	DN Colleges Group	20.5%	-4.6%	-3.1%	-1.6%	15.9%	17.4%	18.9%	
232	R N N Group	19.9%	-2.2%	-0.2%	£184,000	17.7%	19.7%	19.9% plus £184,000	
224	Sheffield Hallam University	19.2%	0.6%	1.6%	2.6%	19.8%	20.8%	21.8%	
222	The Sheffield College	19.9%	-4.3%	-2.8%	-1.3%	15.6%	17.1%	18.6%	

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Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Town and Parish Councils									
254	Brodsworth Parish Council	23.2%	0.1%	0.1%	0.1%	23.3%	23.3%	23.3%	
305	Penistone Town Council	19.5%				19.5%	19.5%	19.5%	
329	Silkstone Parish Council	23.1%				23.1%	23.1%	23.1%	
404	Askern Town Council	19.5%				19.5%	19.5%	19.5%	
405	Barnby Dun with Kirk Sandall Parish Council	19.8%				19.8%	19.8%	19.8%	
406	Edlington Town Council	23.4%				23.4%	23.4%	23.4%	
407	Hatfield Town Council	23.2%				23.2%	23.2%	23.2%	
408	Rossington Parish Council	22.5%				22.5%	22.5%	22.5%	
409	Stainforth Town Council	17.6%	23.2%	23.2%	23.2%	40.8%	40.8%	40.8%	
410	Thorne Moorends Town Council	20.2%				20.2%	20.2%	20.2%	
411	Sprotbrough & Cusworth Parish Council	18.8%				18.8%	18.8%	18.8%	
423	Armthorpe Parish Council	20.5%				20.5%	20.5%	20.5%	
509	Anston Parish Council	21.0%				21.0%	21.0%	21.0%	
510	Thrybergh Parish Council	22.3%	1.7%	1.7%	1.7%	24.0%	24.0%	24.0%	
512	Aston-cum-Aughton Parish Council	22.0%				22.0%	22.0%	22.0%	
515	Wickersley Parish Council	22.0%				22.0%	22.0%	22.0%	
660	Bradfield Parish Council	20.3%				20.3%	20.3%	20.3%	
661	Ecclesfield Parish Council	20.8%				20.8%	20.8%	20.8%	
662	Stocksbridge Town Council	23.1%				23.1%	23.1%	23.1%	
917	Dalton Parish Council	22.8%				22.8%	22.8%	22.8%	
999	Waverley Community Council	21.9%	0.1%	0.1%	0.1%	22.0%	22.0%	22.0%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Academy Pools									
Page 101	Academies Enterprise Trust	19.7%	13.0%	13.0%	13.0%	32.7%	32.7%	32.7%	
	Aston Community Education Trust	20.3%	4.4%	4.4%	4.4%	24.7%	24.7%	24.7%	
	Astrea Academy Trust	19.5%	4.5%	4.5%	4.5%	24.0%	24.0%	24.0%	
	Brigantia Learning Trust	19.9%	6.0%	6.0%	6.0%	25.9%	25.9%	25.9%	
	Brighter Futures Learning Partnership Trust	20.8%	1.4%	1.4%	1.4%	22.2%	22.2%	22.2%	
	Cascade Multi Academy Trust	20.1%	0.4%	0.4%	0.4%	20.5%	20.5%	20.5%	
	Central Learning Partnership Trust	20.4%	2.1%	2.1%	2.1%	22.5%	22.5%	22.5%	
	Chorus Education Trust	20.8%	0.6%	0.6%	0.6%	21.4%	21.4%	21.4%	
	Consilium Academies Trust	17.0%	2.7%	2.7%	2.7%	19.7%	19.7%	19.7%	
	De la Salle	21.9%	-3.1%	-3.1%	-3.1%	18.8%	18.8%	18.8%	
	Delta Academies Trust	20.6%	2.6%	2.6%	2.6%	23.2%	23.2%	23.2%	
	E-ACT	19.9%	-4.5%	-4.5%	-4.5%	15.4%	15.4%	15.4%	
	Emmanuel Schools Foundation	20.8%	-3.1%	-3.1%	-3.1%	17.7%	17.7%	17.7%	
	Empowering Minds Academy Trust	21.1%	4.8%	4.8%	4.8%	25.9%	25.9%	25.9%	
	Exceed Learning Partnership	20.4%	3.8%	3.8%	3.8%	24.2%	24.2%	24.2%	2
	Five Rivers Multi Academy Trust	19.6%	6.5%	6.5%	6.5%	26.1%	26.1%	26.1%	
	Holy Spirit Umbrella Trust	21.3%	3.6%	3.6%	3.6%	24.9%	24.9%	24.9%	
	Hoyland Common Academy Trust	20.0%	0.3%	0.3%	0.3%	20.3%	20.3%	20.3%	
	Inspire Multi Academy Trust	19.7%	-3.3%	-3.3%	-3.3%	16.4%	16.4%	16.4%	
	Interaction and Communication Academy Trust Ltd	19.1%	2.9%	2.9%	2.9%	22.0%	22.0%	22.0%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Academy Pools cont'd									
Page 102	James Montgomery Trust	20.6%	0.2%	0.2%	0.2%	20.8%	20.8%	20.8%	
	Koinonia Academy Trust	21.5%	7.2%	7.2%	7.2%	28.7%	28.7%	28.7%	
	L.E.A.D	21.2%	10.6%	10.6%	10.6%	31.8%	31.8%	31.8%	
	Leaders in Learning	20.3%	9.5%	9.5%	9.5%	29.8%	29.8%	29.8%	
	Learners Trust	20.1%	8.2%	8.2%	8.2%	28.3%	28.3%	28.3%	
	Leger Education Trust	20.9%	1.8%	1.8%	1.8%	22.7%	22.7%	22.7%	
	Maltby Learning Trust	19.8%	-1.8%	-1.8%	-1.8%	18.0%	18.0%	18.0%	
	Minerva Learning trust	20.5%	5.6%	5.6%	5.6%	26.1%	26.1%	26.1%	
	New Collaborative Learning Trust	20.8%				20.8%	20.8%	20.8%	3
	NEXUS Multi Academy Trust	19.8%	-0.4%	-0.4%	-0.4%	19.4%	19.4%	19.4%	
	Northern Education Trust (NET)	20.4%	0.6%	0.6%	0.6%	21.0%	21.0%	21.0%	
	Oasis Community Learning	18.2%	-0.6%	-0.6%	-0.6%	17.6%	17.6%	17.6%	
	Our Lady of Doncaster Umbrella Trust	21.1%	5.5%	5.5%	5.5%	26.6%	26.6%	26.6%	
	Our Lady Seat of Wisdom Umbrella Trust	20.7%	4.4%	4.4%	4.4%	25.1%	25.1%	25.1%	
	Our Lady's	20.6%	3.3%	3.3%	3.3%	23.9%	23.9%	23.9%	
	Outwood Grange Academies Trust	20.7%	3.2%	3.2%	3.2%	23.9%	23.9%	23.9%	
	Peak Edge MAT	21.1%	-2.1%	-2.1%	-2.1%	19.0%	19.0%	19.0%	
	Pioneer Academies Community Trust	21.4%	2.5%	2.5%	2.5%	23.9%	23.9%	23.9%	
	Sheffield South East Trust	20.9%	5.9%	5.9%	5.9%	26.8%	26.8%	26.8%	
	St Clare MAT	20.9%	0.1%	0.1%	0.1%	21.0%	21.0%	21.0%	
St Francis MAT	21.7%	2.8%	2.8%	2.8%	24.5%	24.5%	24.5%		

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Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Other Academies									
229	The Hayfield School	21.1%	-6.0%	-6.0%	-6.0%	15.1%	15.1%	15.1%	
246	University Technology College (Sheffield)	19.8%	-0.9%	-0.9%	-0.9%	18.9%	18.9%	18.9%	
348	Upperwood Academy	20.8%	0.6%	0.6%	0.6%	21.4%	21.4%	21.4%	
356	Heather Garth Primary School	21.0%	7.9%	7.9%	7.9%	28.9%	28.9%	28.9%	
371	Sandhill Primary School	20.5%	9.5%	9.5%	9.5%	30.0%	30.0%	30.0%	
373	Laithes Primary School	20.6%	2.0%	2.0%	2.0%	22.6%	22.6%	22.6%	
375	High View Primary Learning Centre	20.4%	7.6%	7.6%	7.6%	28.0%	28.0%	28.0%	
376	Wombwell Park Street Primary School	19.9%	3.8%	3.8%	3.8%	23.7%	23.7%	23.7%	
377	Hoyland Springwood Primary School	21.4%	4.5%	4.5%	4.5%	25.9%	25.9%	25.9%	
383	Wellgate Primary School	21.1%	5.9%	5.9%	5.9%	27.0%	27.0%	27.0%	
384	Kexborough Primary School	20.9%	5.4%	5.4%	5.4%	26.3%	26.3%	26.3%	
435	Auckley Junior & Infant Academy	21.0%	2.5%	2.5%	2.5%	23.5%	23.5%	23.5%	
442	The Academy at Ridgewood Trust	20.0%	4.9%	4.9%	4.9%	24.9%	24.9%	24.9%	
443	Conisbrough Ivanhoe Primary Academy	19.8%	2.9%	2.9%	2.9%	22.7%	22.7%	22.7%	
453	St Oswalds C of E Academy	21.5%				21.5%	21.5%	21.5%	
454	Armthorpe Shaw Wood Academy	21.0%	2.9%	2.9%	2.9%	23.9%	23.9%	23.9%	
530	Brinsworth Academy	19.9%				19.9%	19.9%	19.9%	
531	Wales High School (Academy Trust)	21.2%	-2.7%	-2.7%	-2.7%	18.5%	18.5%	18.5%	
566	Wickersley St Albans C of E Primary School	21.5%	5.3%	5.3%	5.3%	26.8%	26.8%	26.8%	
570	Aston All Saints C of E School	21.4%	7.3%	7.3%	7.3%	28.7%	28.7%	28.7%	
571	Dinnington High School	20.9%	2.8%	2.8%	2.8%	23.7%	23.7%	23.7%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Other Academies cont'd									
572	Trinity Croft C of E Primary Academy	20.7%	3.4%	3.4%	3.4%	24.1%	24.1%	24.1%	
575	Thrybergh Fullerton Primary	20.9%	3.2%	3.2%	3.2%	24.1%	24.1%	24.1%	
576	Flanderwell Primary School	20.8%	2.9%	2.9%	2.9%	23.7%	23.7%	23.7%	
606	All Saints Catholic High School	21.1%	-4.0%	-4.0%	-4.0%	17.1%	17.1%	17.1%	
607	St Anns RC Primary School	20.7%	-5.3%	-5.3%	-5.3%	15.4%	15.4%	15.4%	
609	Clifford All Saints C of E School	19.6%	0.8%	0.8%	0.8%	20.4%	20.4%	20.4%	
611	St Therasas RC School	21.1%	-6.8%	-6.8%	-6.8%	14.3%	14.3%	14.3%	
613	Totley All Saints C of E School	22.6%				22.6%	22.6%	22.6%	
614	Broomhill Infant School	21.8%	-3.0%	-3.0%	-3.0%	18.8%	18.8%	18.8%	
654	Meadowhead School Academy Trust	19.6%	1.3%	1.3%	1.3%	20.9%	20.9%	20.9%	
658	King Ecgbert School	20.5%	2.9%	2.9%	2.9%	23.4%	23.4%	23.4%	
701	Fir Vale School Academy Trust	19.4%	-0.3%	-0.3%	-0.3%	19.1%	19.1%	19.1%	
724	Totley Primary School	19.9%	3.9%	3.9%	3.9%	23.8%	23.8%	23.8%	
729	Newfield Secondary School	21.2%	5.6%	5.6%	5.6%	26.8%	26.8%	26.8%	
738	St Marys C of E Academy (Walkley)	21.6%	4.5%	4.5%	4.5%	26.1%	26.1%	26.1%	
744	Emmanuel Junior School	20.8%	7.5%	7.5%	7.5%	28.3%	28.3%	28.3%	
746	Valley Park Community Primary	20.5%	7.7%	7.7%	7.7%	28.2%	28.2%	28.2%	
750	Nether Edge Primary Academy	20.4%	4.3%	4.3%	4.3%	24.7%	24.7%	24.7%	
831	Rossington St Michaels C of E Primary School	19.8%	5.0%	5.0%	5.0%	24.8%	24.8%	24.8%	
846	Treeton C of E Primary Academy	21.0%	8.2%	8.2%	8.2%	29.2%	29.2%	29.2%	
859	Kilnhurst St Thomas C of E Primary Academy	20.7%	6.4%	6.4%	6.4%	27.1%	27.1%	27.1%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Other Academies cont'd									
863	Diocese of Sheffield Academies Trust	19.5%				19.5%	19.5%	19.5%	
883	Canon Popham C of E Primary & Nursery School	21.5%	15.5%	15.5%	15.5%	37.0%	37.0%	37.0%	
900	Mercia School	18.6%				18.6%	18.6%	18.6%	
920	Mercia Learning Trust MAT HQ	18.2%				18.2%	18.2%	18.2%	
922	Pye Bank C of E School	20.9%				20.9%	20.9%	20.9%	
941	Laughton All Saints C of E Primary	21.8%	1.0%	1.0%	1.0%	22.8%	22.8%	22.8%	
987	Athersley South Primary	21.2%				21.2%	21.2%	21.2%	

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Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Community Admission Bodies									
201	Danum Drainage Commissioners	25.5%				25.5%	25.5%	25.5%	
204	Action Housing & Support Ltd	23.7%				23.7%	23.7%	23.7%	
209	National Horseracing College	33.5%	£6,000	£6,000	£6,000	33.5% plus £6,000	33.5% plus £6,000	33.5% plus £6,000	
214	South Yorkshire Housing Association	34.2%	£9,000	£9,000	£9,000	34.2% plus £9,000	34.2% plus £9,000	34.2% plus £9,000	
226	Northern College	24.7%	6.2%	6.2%	6.2%	30.9%	30.9%	30.9%	
228	Barnsley Premier Leisure	21.0%				21.0%	21.0%	21.0%	
230	Doncaster Community Transport	31.4%				31.4%	31.4%	31.4%	
231	Roth Don and South Humber Mental Health NHS Foundation Trust	22.7%				22.7%	22.7%	22.7%	
235	Sheffield Community Transport	33.8%				33.8%	33.8%	33.8%	
237	Sheffield Students Union	32.7%				32.7%	32.7%	32.7%	
239	Sheffield Health & Social Care NHS Foundation Trust	27.9%				27.9%	27.9%	27.9%	
241	Great Places Housing Association	32.0%				32.0%	32.0%	32.0%	
307	Voluntary Action Barnsley	33.1%				33.1%	33.1%	33.1%	
308	Barnsley BIC Ltd	24.6%				24.6%	24.6%	24.6%	
310	Independent Training Services Ltd	26.9%				26.9%	26.9%	26.9%	
311	Priory Campus Ltd	38.0%				38.0%	38.0%	38.0%	
412	Doncaster Deaf Trust	32.2%	£38,000	£38,000	£38,000	32.2% plus £38,000	32.2% plus £38,000	32.2% plus £38,000	
422	Shaw Trust	35.2%				35.2%	35.2%	35.2%	
428	St Leger Homes of Doncaster	20.2%	-10.0%	-10.0%	-10.0%	10.2%	10.2%	10.2%	
432	Doncaster Culture & Leisure Trust	26.7%	£38,000	£38,000	£38,000	26.7% plus £38,000	26.7% plus £38,000	26.7% plus £38,000	
473	Doncaster Childrens Services Trust Ltd	23.9%	0.5%	0.5%	0.5%	24.4%	24.4%	24.4%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Community Admission Bodies cont'd									
610	Sheffcare Ltd	33.0%				33.0%	33.0%	33.0%	
663	Sheffield Unison	26.3%	0.7%	0.7%	0.7%	27.0%	27.0%	27.0%	
666	Sheffield Futures	24.6%	-4.5%	-4.5%	-4.5%	20.1%	20.1%	20.1%	
768	Learn Sheffield	31.4%	£16,000	£16,000	£16,000	31.4% plus £16,000	31.4% plus £16,000	31.4% plus £16,000	
834	National College of Advanced Transport & Infrastructure	23.1%	5.1%	5.1%	5.1%	28.2%	28.2%	28.2%	
881	Border to Coast Pensions Partnership Ltd	22.7%				22.7%	22.7%	22.7%	
	Berneslai Homes	20.3%	-10.2%	-10.2%	-10.2%	10.1%	10.1%	10.1%	
	Sheffield Museums Trust	24.5%				24.5%	24.5%	24.5%	

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Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Transferee Admission Bodies									
7	CH & CO Group (RCAT Catering)	28.9%	-2.1%	-2.1%	-2.1%	26.8%	26.8%	26.8%	
9	Happy Kids Childcare (RMBC Thrybergh)	21.7%	-2.2%	-2.2%	-2.2%	19.5%	19.5%	19.5%	
14	Hutchison Catering Ltd (AET MAT)	23.0%				23.0%	23.0%	23.0%	
15	Aspens Services Ltd (Brinsworth)	21.6%	-2.0%	-2.0%	-2.0%	19.6%	19.6%	19.6%	
18	NowThen (Prince Edward School Cleaning)	30.9%	3.5%	3.5%	3.5%	34.4%	34.4%	34.4%	
21	Mellors (Hall Cross Academy)	23.6%	-23.6%	-23.6%	-23.6%	0.0%	0.0%	0.0%	
25	ABM Catering (The Hayfield School)	28.5%	-28.5%	-28.5%	-28.5%	0.0%	0.0%	0.0%	
28	Independent Cleaning Services Ltd (Montagu Academy)	TBC	TBC	TBC	TBC	TBC	TBC	TBC	
30	RCCN (Hall Cross Academy)	25.1%	-7.2%	-7.2%	-7.2%	17.9%	17.9%	17.9%	
31	ABM Catering (Maltby Learning Trust)	26.1%	-2.4%	-2.4%	-2.4%	23.7%	23.7%	23.7%	
33	Churchill Contract Services (Brigantia Learning Trust)	34.4%				34.4%	34.4%	34.4%	
35	Relish School Foods (Nexus)	27.5%	-27.5%	-27.5%	-27.5%	0.0%	0.0%	0.0%	
36	Mellors(HighFields Primary)	31.3%				31.3%	31.3%	31.3%	
244	Midshire Catering Ltd	31.8%	-31.8%	-31.8%	-31.8%	0.0%	0.0%	0.0%	
256	Amey Community Ltd (Barnsley BSF Design & Building Schools)	29.5%	-5.2%	-5.2%	-5.2%	24.3%	24.3%	24.3%	
257	Amey Community Ltd SPV1	27.6%	0.7%	0.7%	0.7%	28.3%	28.3%	28.3%	
258	Amey Community Ltd SPV2	34.3%	£1,000	£1,000	£1,000	34.3% plus £1,000	34.3% plus £1,000	34.3% plus £1,000	
259	Amey Community Ltd SPV3	28.9%	£8,000	£8,000	£8,000	28.9% plus £8,000	28.9% plus £8,000	28.9% plus £8,000	
339	Barnsley Norse Ltd	21.6%				21.6%	21.6%	21.6%	
346	Trustclean Ltd (Athersley North)	30.4%	-30.4%	-30.4%	-30.4%	0.0%	0.0%	0.0%	
364	Caterlink (Barnsley Academy)	28.5%	-28.5%	-28.5%	-28.5%	0.0%	0.0%	0.0%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Transferee Admission Bodies cont'd									
389	Dimensions (UK) Ltd	27.4%	-14.6%	-14.6%	-14.6%	12.8%	12.8%	12.8%	
392	ISS Mediclean Ltd	29.9%				29.9%	29.9%	29.9%	
393	Equans Engie Services Ltd (Barnsley Schools)	31.0%	2.0%	2.0%	2.0%	33.0%	33.0%	33.0%	
394	Caterlink (Hunningley Primary)	29.5%	-29.5%	-29.5%	-29.5%	0.0%	0.0%	0.0%	
396	Sodexo (Oakhill Academy Wellspring)	19.1%	-0.4%	-0.4%	-0.4%	18.7%	18.7%	18.7%	
397	Sodexo (Greenacre Academy Wellspring)	20.7%	-5.6%	-5.6%	-5.6%	15.1%	15.1%	15.1%	
398	Sodexo (Springwell Special Academy Wellspring)	28.4%	-28.4%	-28.4%	-28.4%	0.0%	0.0%	0.0%	
429	Crispin & Borst	24.8%				24.8%	24.8%	24.8%	
513	Equans Engie Services Ltd (Rotherham Schools)	21.5%				21.5%	21.5%	21.5%	
533	Morrison Facilities Service Ltd	23.4%	-23.4%	-23.4%	-23.4%	0.0%	0.0%	0.0%	
537	Mellors (Rawmarsh Comprehensive)	36.9%	-36.9%	-36.9%	-36.9%	0.0%	0.0%	0.0%	
541	Trustclean (Wath CE School)	34.5%	-34.5%	-34.5%	-34.5%	0.0%	0.0%	0.0%	
548	Places for People (RMBC)	25.8%				25.8%	25.8%	25.8%	
653	Mellors (Sheffield Schools)	39.6%	-39.6%	-39.6%	-39.6%	0.0%	0.0%	0.0%	
655	Amey LG Limited (Sheffield Highways)	24.1%	-24.1%	-24.1%	-24.1%	0.0%	0.0%	0.0%	
671	Mitie FM Limited	30.3%				30.3%	30.3%	30.3%	
676	Veolia Environmental Services PLC	27.0%				27.0%	27.0%	27.0%	
686	Mitie Ltd	29.4%				29.4%	29.4%	29.4%	
688	Kier Managed Services	34.4%				34.4%	34.4%	34.4%	
698	Taylor Woodrow Construction (Sheffield Schools)	32.9%				32.9%	32.9%	32.9%	
702	Vinci Construction UK Ltd (Bradfield FM)	30.6%				30.6%	30.6%	30.6%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Transferee Admission Bodies cont'd									
747	Places for People (SCC)	25.6%	£8,000	£8,000	£8,000	25.6% plus £8,000	25.6% plus £8,000	25.6% plus £8,000	
759	Places for People (Wisewood Sports Centre)	21.8%				21.8%	21.8%	21.8%	
764	Aspens Services Ltd (Parkwood Academy)	38.3%	-38.3%	-38.3%	-38.3%	0.0%	0.0%	0.0%	
765	Aspens Services Ltd (E-ACT Pathways Academy)	34.8%	-1.4%	-1.4%	-1.4%	33.4%	33.4%	33.4%	
813	Dolce Ltd (Swinton Fitzwilliam)	28.1%	-0.6%	-0.6%	-0.6%	27.5%	27.5%	27.5%	
814	Dolce Ltd (Whiston Junior & Infants)	29.4%	-29.4%	-29.4%	-29.4%	0.0%	0.0%	0.0%	
815	Dolce Ltd (Whiston Worrygoose)	26.8%	-26.8%	-26.8%	-26.8%	0.0%	0.0%	0.0%	
816	Dolce Ltd (Wickersley Northfield)	21.2%	£4,000	£4,000	£4,000	21.2% plus £4,000	21.2% plus £4,000	21.2% plus £4,000	
838	Mellors (Aston Lodge Primary)	19.5%	-8.1%	-8.1%	-8.1%	11.4%	11.4%	11.4%	
839	Mellors (Brinsworth Whitehill)	26.0%	-8.3%	-8.3%	-8.3%	17.7%	17.7%	17.7%	
840	Mellors (Monkwood Primary)	24.1%	-5.3%	-5.3%	-5.3%	18.8%	18.8%	18.8%	
841	Mellors (Rawmarsh Ashwood Primary)	27.3%	-27.3%	-27.3%	-27.3%	0.0%	0.0%	0.0%	
842	Mellors (Sandhill Primary)	21.1%	-21.1%	-21.1%	-21.1%	0.0%	0.0%	0.0%	
843	Mellors (Thrybergh Primary)	29.5%	-29.5%	-29.5%	-29.5%	0.0%	0.0%	0.0%	
848	Dolce Ltd (Kiveton Park)	20.3%	-0.8%	-0.8%	-0.8%	19.5%	19.5%	19.5%	
849	Dolce Ltd (Harthill Primary)	29.8%	-0.8%	-0.8%	-0.8%	29.0%	29.0%	29.0%	
874	Sodexo (Oakwell Rise Academy Wellspring)	32.8%	-32.8%	-32.8%	-32.8%	0.0%	0.0%	0.0%	
875	Sodexo (Forest Primary Academy Wellspring)	24.1%	-6.7%	-6.7%	-6.7%	17.4%	17.4%	17.4%	
877	Affinity Trust - NHS Transfer (SCC)	29.5%	-29.5%	-29.5%	-29.5%	0.0%	0.0%	0.0%	
886	Mitie Catering Services Limited	30.0%	£2,000	£2,000	£2,000	30.0% plus £2,000	30.0% plus £2,000	30.0% plus £2,000	
896	Churchill Contract Services - Dinnington High School	29.2%	£2,000	£2,000	£2,000	29.2% plus £2,000	29.2% plus £2,000	29.2% plus £2,000	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	
Transferee Admission Bodies cont'd									
916	MAM (Doncaster) Ltd - Doncaster Markets	22.1%	-17.4%	-17.4%	-17.4%	4.7%	4.7%	4.7%	
924	Compass (Atlas Academy)	30.9%	-30.9%	-30.9%	-30.9%	0.0%	0.0%	0.0%	
925	Compass (Hexthorpe Primary)	21.5%	-5.7%	-5.7%	-5.7%	15.8%	15.8%	15.8%	
928	Compass (Intake Primary)	24.3%	-6.6%	-6.6%	-6.6%	17.7%	17.7%	17.7%	
929	Compass (Kingfisher Academy)	27.1%	-7.8%	-7.8%	-7.8%	19.3%	19.3%	19.3%	
930	Compass (The Hill Primary)	24.3%	-24.3%	-24.3%	-24.3%	0.0%	0.0%	0.0%	
931	Compass (Waverley Academy)	18.2%	-18.2%	-18.2%	-18.2%	0.0%	0.0%	0.0%	
932	Compass (Carrfield Primary)	31.6%	2.9%	2.9%	2.9%	34.5%	34.5%	34.5%	
934	Compass (Denaby Main Academy)	31.0%	1.7%	1.7%	1.7%	32.7%	32.7%	32.7%	
935	Compass (Edenthorpe Hall Academy)	29.9%	-3.6%	-3.6%	-3.6%	26.3%	26.3%	26.3%	
936	Compass (Gooseacre Primary)	36.0%	-36.0%	-36.0%	-36.0%	0.0%	0.0%	0.0%	
961	Happy Kids Childcare (Rotherham)	17.7%	-17.7%	-17.7%	-17.7%	0.0%	0.0%	0.0%	
962	Taylor Shaw (Aston All Saints C of E Primary)	21.9%	-1.8%	-1.8%	-1.8%	20.1%	20.1%	20.1%	
964	Taylor Shaw (Flanderwell Primary school)	28.2%	-2.5%	-2.5%	-2.5%	25.7%	25.7%	25.7%	
966	Taylor Shaw (Laughton All Saints Primary)	28.1%	0.9%	0.9%	0.9%	29.0%	29.0%	29.0%	
967	Taylor Shaw (Rossington St Michaels C of E Primary)	27.5%	-27.5%	-27.5%	-27.5%	0.0%	0.0%	0.0%	
968	Taylor Shaw (St Oswalds Finningley Academy)	21.1%	-21.1%	-21.1%	-21.1%	0.0%	0.0%	0.0%	
972	Taylor Shaw (Wickersley St Albans C of E Primary)	34.8%	-34.8%	-34.8%	-34.8%	0.0%	0.0%	0.0%	
982	Equans Engie Services Ltd (Rotherham Council)	23.6%	-23.6%	-23.6%	-23.6%	0.0%	0.0%	0.0%	
984	Churchill Contract Services (Outwood Academy City)	29.3%	-5.3%	-5.3%	-5.3%	24.0%	24.0%	24.0%	

Employer code	Employer name	Primary rate (% of pay)	Secondary rate (% of pay plus monetary amount)			Total contributions (primary rate plus secondary rate)			Notes
			2023/24	2024/25	2025/26	2023/24	2024/25	2025/26	

Transferee Admission Bodies cont'd

988	Wates Ltd (Barnsley Housing Maintenance)	22.1%				22.1%	22.1%	22.1%	
997	Mellors (Catcliffe Primary and High Greave Junior)	20.8%	-3.5%	-3.5%	-3.5%	17.3%	17.3%	17.3%	

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Notes to the Rates and Adjustments Certificate

1. The contribution rate for Sheffield City Council includes an allowance for the transfer of staff from Sheffield City Trust who transferred into Sheffield City Council on 31 March 2022.
2. The contribution rate for Exceed Learning Partnership includes an allowance for the transfer of staff from Inspiring Future Partnership and Hall Cross Academy Trust who joined the Exceed Learning Partnership on 1 April 2022 and 1 February 2023 respectively.
3. The contribution rate for New Collaborative Learning Trust includes an allowance for the transfer of staff from Creative Children's Academy Trust who joined the New Collaborative Learning Trust on 1 April 2023.

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Notes to the Rates and Adjustments Certificate

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Further comments to the Rates and Adjustments Certificate

- Contributions expressed as a percentage of payroll should be paid into the Fund at a frequency in accordance with the requirements of the Regulations
- Further sums should be paid to the Fund to meet the costs of any early retirements and/or augmentations using methods and factors issued by us from time to time or as otherwise agreed.

For those employers participating in the Fund's ill-health captive arrangement, primary contribution rates include an allowance of 0.5% of pay pa which will be paid into the captive arrangement.

The certified contribution rates represent the minimum level of contributions to be paid. Employing authorities may pay further amounts at any time and future periodic contributions may be adjusted on a basis approved by the Fund Actuary.

- The monetary contributions set out in the certificate above can be prepaid in advance with appropriate adjustments for interest as and when agreed with the Administering Authority. Under these circumstances a revised Rates and Adjustments certificate may be issued reflecting any advance payments.

Douglas Green FFA

02 March 2023

For and on behalf of Hymans Robertson LLP

Steven Scott FFA

Section 13 Dashboard

Section 13 dashboard

To be completed once GAD confirm required information

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Thank you

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Subject	Updated Consultation, Communications and Engagement Strategy	Status	For Publication
Report to	Local Pension Board	Date	27 th April 2023
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Becci Illidge Communications Officer	Phone	01226 666372
E Mail	billidge@sypa.org.uk		

1 Purpose of the Report

- 1.1 To provide members of the Board with the opportunity to review and comment upon the updated Consultation, Communications and Engagement Strategy which supports the corporate strategy.
-

2 Recommendations

- 2.1 Members are recommended to:
- Note and comment upon the revised Consultation, Communications and Engagement Strategy.**
-

3 Link to Corporate Objectives

- 3.1 This strategy links to the delivery of some of the corporate objectives, the key ones being Customer focus and Listening to our stakeholders, because the Consultation, Communications and Engagement Strategy is focussed on detailing the range of ways and reasons why we consult, communicate and engage with our customers and stakeholders as well as highlighting any risks that would affect us in meeting any of the objectives listed below.

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.

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 Consultation, Communications and Engagement Strategy

- 4.1 The actions outlined in this strategy address the landscape around who the Authority will consult, communicate and engage with customers and stakeholders and how we will know if this has been a success. As a result maintenance of the strategy (which is a statutory requirement) addresses risks around regulatory compliance and failure to follow due process when considering new policies.

5 Background and Options

- 5.1 The Authority currently reviews the Consultation and Communications Strategy annually, with any smaller changes being made on an ad hoc basis throughout the year. We would like to propose extending the review period to every two years, with ad hoc amends as and when needed during that period going forward.

- 5.2 Commentary is This review included a larger revision of the document including the following amendments:

Generic text changes to fit our corporate style, checking of grammar and punctuation.

adding in new sections around communication types, methods, frequency and whether these were digital or non-digital.

The inclusion of a table detailing our target audiences and the different key messages we would communicate them across the different communications channels we provide.

The addition of a key risks section looking at what elements would stop this strategy being delivered.

The inclusion of new communications activities such as the hybrid member sessions held at Oakwell house for 2022/23.

The changes also included a new layout removing the traditional two column layout in most areas and the addition of images and tables to break up the amount of text, making the document easier to read.

- 5.3 Following the initial rewrite of the strategy, the draft document was then sent out to 151 members of our Focus Group for consultation in mid-February 2023. 21 people replied and a summary of their comments can be found below:

Most people who fed back agreed that it made sense to include Engagement in the title of the document as these activities were mentioned within the document.

Some came back with text and grammatical errors.

Most agreed it was a comprehensive and well written document, although some argued it was too long and a condensed version would be better. This however wouldn't be possible as there are legal requirements for what this document needs to contain, and a condensed version wouldn't meet these.

Some questioned if we needed the extended version history page and could this be made shorter.

A few members welcomed the addition of diagrams and tables to break up the content and make it more visually appealing.

One person raised the question of us moving to a more digital approach and asked if we are considering an App as part of future plans.

Other raised issues around mypension and asked if this is how we want people to access their information could it be made more user friendly and responsive for smartphones as not everyone has a laptop.

- 5.4 Small amends around some of the text and grammar in the document were made following the feedback the Focus Group Provided and are included in this latest version of the document.
- 5.5 The Board are asked to review the Consultation, Communications and Engagement Strategy and in particular to consider whether any significant areas are not captured. Any revisions suggested will be discussed and incorporated into the final version of the document that will go to the Authority Meeting in June for final approval and sign off before being published on our website
- 5.6 This document will help to shape the role of Communications Assistant and we will look to recruit to this role later in 2023 to help the Communications Officer deliver planned communications activity to our members and stakeholders.

6 Implications

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

Financial	None directly from this report. Specific new initiatives may have financial implications which will be dealt with as part of the budget process as necessary. It is intended to identify a specific budget for communications activity within the existing budget and reflect this in the Strategy in future.
Human Resources	None directly from this report
ICT	None directly from this report
Legal	None directly from this report.
Procurement	None directly from this report.

George Graham

Director

Background Papers	
Document	Place of Inspection
None	N/A

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Consultation, Communications and Engagement Strategy

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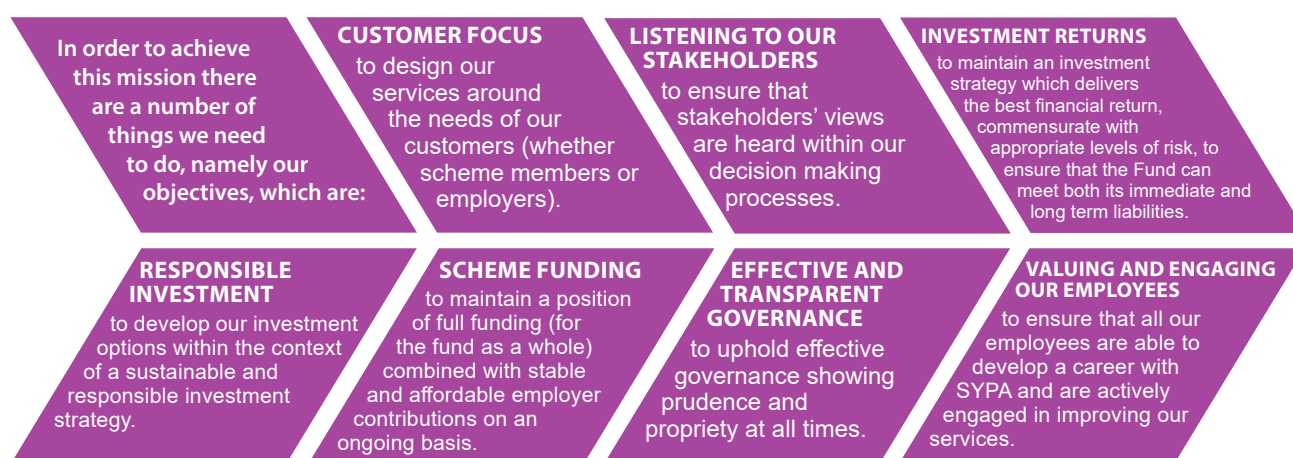
Consultation, Communications and Engagement Strategy

What we are here for and what we need to do to achieve it

As an organisation, South Yorkshire Pensions Authority's mission is:

“To deliver a sustainable and cost-effective pension scheme for members and employers in South Yorkshire delivering high levels of customer service and strong investment returns which facilitate stable contributions.”

Our role is to run the local government pension scheme for our members, putting them at the heart of everything we do, ensuring we provide them with the best level of customer service in the most cost-effective way.



The achievement of our mission and objectives will require the fulfilment of the respective responsibilities of the elected Members of the Pensions Authority and its officers.

In relation to consultation and communication, we both have responsibilities which contribute to the delivery of an improved service in this area. We intend to consult and communicate with all our stakeholders as set out in the document and use those results to review our service delivery on a yearly basis.

The aim of this document is to explain our Consultation, Communications and Engagement Strategy, the various ways in which we consult and communicate, why we do this and what happens with the results.

George Graham
Fund Director South Yorkshire Pensions Authority

Cllr M Stowe
Chair South Yorkshire Pensions Authority

Consultation Strategy

South Yorkshire Pensions Authority (SYPA) is committed to managing our resources wisely whilst at the same time delivering a high quality service to our stakeholders.

To ensure that our priorities reflect members opinions and that they are being achieved, it is important that we continue to consult and engage with our stakeholders to obtain their views on these.

Engagement as a clear, simple and transparent activity

Pension issues can be technical, legalistic, and complex, and can work in a way that is very different from some other organisations and cultures.

This means that consultation exercises must be well planned and carefully delivered, allowing those outside the Authority to understand that there is an opportunity to participate in our work planning and add to any discussions, but that they need to understand the limitations of what can be done with their input.

The design of SYPA's consultation exercises should therefore feature the following elements:

The following elements will assist in our strategy:

- **Clarity**

We will consider and state what the consultation exercise is about, what we hope to achieve through the consultation, who the consultees are, and what impact the results of the consultation might have.

- **Simplicity**

Issues and terminology must be explained in a simple and concise manner, making participation accessible and attractive for all.

- **Transparency**

In line with our Freedom of Information responsibilities and other existing commitments, those wishing to participate or examine our consultation processes should have access to relevant supporting materials.

These would include specific consultation documents, reports and papers, and records of subsequent decisions and actions.

- **Information**

To enable those participating to make an informed contribution.

- **Inform**

Providing stakeholders with balanced and objective information to assist them in understanding issues, alternatives, opportunities and/or solutions.

- **Research**

Seeking information and involving stakeholders in the decision-making process.

- **Consult**

Obtaining stakeholder feedback on analysis, alternatives and/or decisions.

- **Involve**

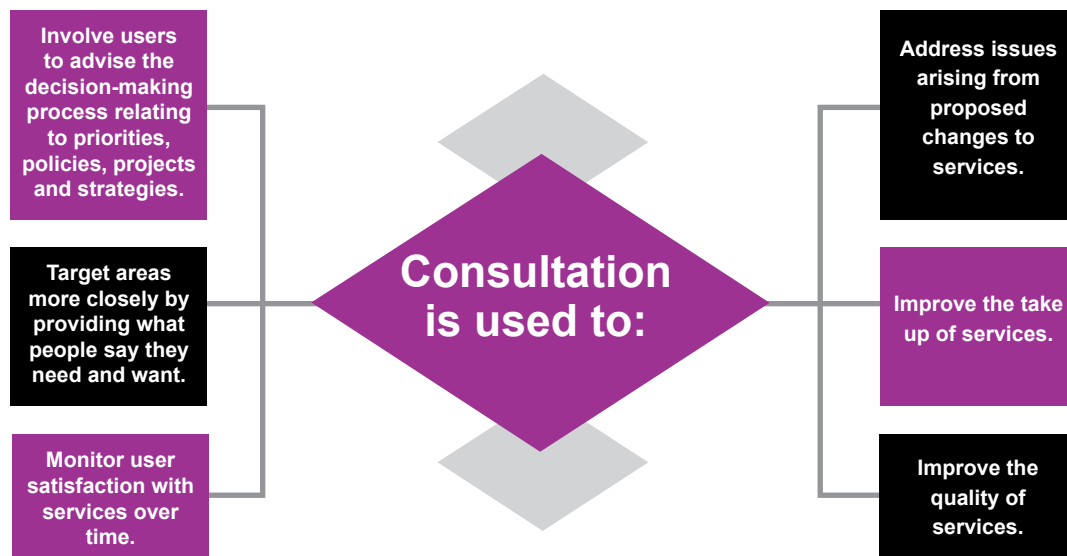
To work directly with the stakeholders throughout the process to ensure that concerns and objectives are consistently understood and considered.

- **Collaborate**

To work together with our stakeholders on each aspect of any decision including the development of alternatives and the identification of the preferred solution.

Why Consult?

To ensure that the Authority provides the services that people want in the way they want them.



Who does SYPA consult with?

We have an established range of mechanisms to support consultation activities.

The people that we are committed to consult with fall into a number of 'stakeholder' categories:

Scheme Member Consultation Groups

These groups are made up of volunteers from each of our main membership categories.

Representing current, deferred and pensioner members each group is consulted on a range of issues as the need arises and provide written feedback on those issues. There is a limit of 200 members on each group. The role of these groups is to provide information to:

- Inform the decision-making process surrounding service delivery;
- Improve local systems and processes;
- Improve customer satisfaction.

The results of each group are analysed and reported to officers. Any immediate actions resulting from this process are fed back for implementation. All other information is used to shape the future service delivery and forms part of the Authority's corporate planning and prioritisation process.

The results of consultation and what will happen will be reported in member newsletters.

Changes that have been implemented as a result of consultation will have the effect monitored and will be consulted upon in the future to ensure continued satisfaction. The results of this will also be reported to elected Members.

Local Pension Board

The Local Pension Board became a Statutory requirement from April 2015 and is made up of equal numbers of employer and scheme member representatives. The Board's responsibility is to ensure that the Fund is managed and administered effectively and efficiently and complies with the code of practice on governance and administration. The Board meets at least quarterly, has its own terms of reference and, in addition to reviewing all authority business, is able to commission reports and request updates as and when necessary.

Types of Consultation

1. Regular Consultation

Employee Satisfaction

This is issued to all South Yorkshire Pensions Authority employees every two years. Its purpose is to monitor staff morale and provide information to managers and supervisors to maintain high levels of customer service.

Scheme Member Satisfaction

Focused surveys are carried out annually with a sample of members taken from the range of stakeholder groups. The minimum number of surveys carried out during a twelve month period will be two.

The results will be used to:

- Inform the decision-making process surrounding service delivery;
- Improve local systems and processes;
- Improve customer satisfaction;
- Involve our customers in the provision of the services they receive;
- Ensure that our service has our members' approval.

Scheme Employer Satisfaction

Focused surveys are carried out every two years with all our employers.

The results will be used to:

- Inform the decision-making process surrounding service delivery;
- Improve local systems and processes;
- Improve employer satisfaction.

2. Ad-Hoc Consultation

In addition to the timetabled surveys there will be occasions when it will be appropriate to consult our stakeholders on an ad-hoc basis. SYPA will take every opportunity to seek the opinions of its stakeholders to continually assess and improve the service provided.

Communications Strategy

SYPA recognises that in fulfilling its objectives, and in order to be fully effective, it has a duty to communicate with all its stakeholders about its actions, views, policies, and service standards.

Our Communications Strategy sets out how we intend to do this.

Aims

The aims of this communication element of SYPA's Consultation, Communications and Engagement Strategy are to ensure that SYPA's role, achievements and effectiveness are widely understood, and that we maintain a positive image with our stakeholders. This complements the consultation element of the overall strategy, so that there is an effective two-way dialogue in place.

Communication Principles

Stakeholders first

Putting stakeholders at the heart of everything we do.

Open and honest

Giving honest, open and evidence-based messages and be open to debate and questions.

Timely and relevant

Communicating proactively with our stakeholders with relevant targeted messages - the right message to the right people at the right time.

Accessible for all

Offering an appropriate choice of communications methods to help ensure that no one in our scheme is disadvantaged, for example by offering large print, audio and braille formats for communications.

Feedback

Facilitating two-way communications and encouraging participation and feedback.

Listening

Proactively seeking opinions, acknowledging them and responding quickly, helpfully, honestly and consistently.

Value for money

Making the best possible use of resources and budgets by working with colleagues and employers to share best practice.



Overriding Principles

The main aim of this Consultation, Communications and Engagement Strategy is to review and develop current methods of communications, introduce new methods appropriately and continually measure impact.

This will mean that:

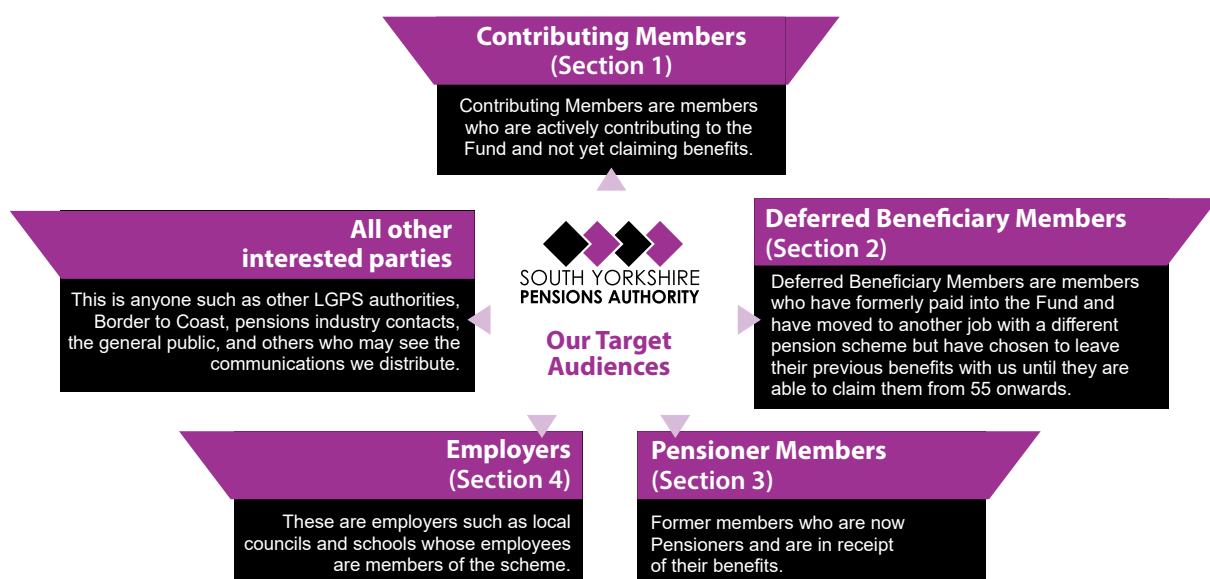
- All members, employers and organisations involved with SYPA in the delivery of our services will have a clear, consistent and positive perception of SYPA's values, services and achievements.
- Communication messages will be devised, tailored and targeted at specific audience sectors. It's important to know your audience - one size doesn't fit all. We will target the content and channels of delivery to our audience to ensure that we engage our members, and they relate to what we are saying.
- Communications will support consultation and, in turn, be informed by the views expressed through consultation.
- Measurement and evaluation will be an integral part of all communication activity.

Good communications will:

- Be clear about the key messages we are communicating;
- Help us to deliver our member and corporate priorities;
- Be of a high standard and effective;
- Help us to develop a clear brand across the organisation, including publications, presentation slides, email formats, letters and other forms of communication, under our SYPA style guidelines that are easily recognisable for our audience;
- Set out the principles that underpin all of our communications including press, web, email, letter, presentation template, consultation exercises;
- Identify the most effective methods of communicating with members, employers and stakeholders;
- Co-ordinate communications activity across the Authority with accepted strategic communications objectives;
- Identify an action plan and methods of monitoring performance/effectiveness.

Targeted Audiences and Methods of Communication

The key audiences we aim to communicate with are set out below. The types of messages that we communicate will vary, ensuring all communications are appropriate and will meet the needs of that particular audience.



Within these audiences we also have to think about the different ways we target different groups within them as not all communications will suit all members. Please see the table below which gives some examples of how we will differentiate our communications approach and key messages for different audience groups.

Audience Group	Key Messages
Contributing Members	<ul style="list-style-type: none"> • No investment risk - you get a guaranteed package of benefits which are backed by law. • Understanding how the LGPS works. • Are you saving enough for retirement? • Understanding the impact of any changes in legislation. • Your employer shares the cost of providing benefits. • Other benefits of the scheme • Keeping details up to date • Your options for Retirement • Understanding benefits for your partner if you pre-decease them.
Deferred Beneficiary Members	<ul style="list-style-type: none"> • No investment risk - you get a guaranteed package of benefits which are backed by law. • Are you saving enough for retirement? • Keeping details up to date. • Understanding your pension. • Understanding the impact of any changes in legislation. • Understand the implications of transferring out of the Scheme. • Communicating changes. • Benefits of retiring online.
Pensioner Members	<ul style="list-style-type: none"> • Keep your details up to date. • We are here to help with any questions you might have. • A guaranteed pension payable for life which is backed by law. • Benefits payable on death. • Understand the impact of any changes in legislation
Employers	<ul style="list-style-type: none"> • You have a responsibility to provide employees with information about the LGPS. • You need to understand how the Scheme works and the effect of any changes that happen. • The LGPS is a valuable benefit for members and you need to help educate them to understand the changes and the impact. • You have a responsibility to inform the Fund of any changes to scheme members circumstances. • You have a responsibility to provide the Fund with data in respect of your employees and to comply with your LGPS employer responsibilities as outlined in the Fund's Administration Strategy.
Potential Members including those who have opted out	<ul style="list-style-type: none"> • Your employer shares the cost - In fact, employers pay much more than scheme members. • Life cover of three years pay - from the second you join. Unlike other forms of life insurance, there's no medical - it's open to all. • If you are a taxpayer, you get tax relief on all your contributions - even on extra payments you make to top up your pension. • At retirement, you will receive a pension for life with an option to convert some of it to a tax-free lump sum. • There are no hidden fees or charges - you simply pay a percentage of your pay. • Two years of membership is you need to build up a pension. If you leave before retirement, you will still receive a pension when you do retire. • No investment risk - you get a guaranteed package of benefits which are backed by law. • Protection for you in case you have to draw your benefits early because of permanent ill health. There is also protection for your loved ones, in the form of dependant pensions if you die. • If you are struggling financially, you can pay lower contributions to still build up benefits. • After you retire, your pension will go up with inflation, protecting you from rising prices.
Dependent Members	<ul style="list-style-type: none"> • Keep your details up to date. • We are here to help with any questions you might have. • A guaranteed pension payable for life which is backed by law.

Section 1: Communicating with Contributing Members

Pension Forecasts

Annual pension forecasts are made available on our secure online portal 'mypension'. Notifications to inform members their forecasts are available to view are issued by email and text. If we don't hold either of these details then the notification will be made by post.

Pension Planning Newsletter

At least once a year we will publish a newsletter for members to keep them informed about changes in the pension scheme that may affect them. The newsletter is not produced at fixed times and is driven by the timeliness of the content. Newsletters will be digital by default.

We live in a digital age, and while paper versions will be made available on request, our digital by default position recognises that the vast majority of our members now have access to the internet. We will also produce online only newsletters aimed at different age groups. Young people who may have recently joined the scheme and older members planning for retirement are interested in different aspects of the scheme and may warm to a different style of delivery. The type of publication being issued will determine the intended audience; however we will be looking to target younger members, mid-life and pre-retirement.

In addition to pension scheme content we aim to include lifestyle articles and ensure the newsletter is interesting to read and visually stimulating.

Presentations

We deliver group information sessions in members' places of work. These are provided on demand in conjunction with employers. We deliver more specialist sessions for members affected by issues such as a public services transferring to a private organisation. We also participate in induction, mid-life and pre-retirement courses, which are organised by a number of our employers and providing there is sufficient interest. In 2022 we began to offer these sessions to our members from our Oakwell House location with the option to attend in person or join the live stream and watch online. Afterwards recordings of the sessions were added to our website as a point of reference for any members who couldn't make the sessions but would find the information useful.

Section 2: Communicating with Deferred Benefit Members

Deferred Benefit Statements

Annual deferred benefit statements are made available on our secure online portal 'mypension'. Notifications to inform members their statements are available to view are issued by email and text. If we don't hold either of these details notification will be made by post.

Your Past is Your Future Newsletter

Annually we produce a newsletter. The main purpose is to keep in contact with our deferred benefit members. A deferred beneficiary is usually no longer in employment within the pension fund and as they are not in receipt of their pension and without regular contact it is easy to lose touch. The content of the newsletter will inform members of changes to the pension scheme and include lifestyle articles of interest. There is no fixed time for issue but it is usually linked with the annual report summary and deferred benefit statements.

Newsletters will be digital by default. We live in a digital age, and while paper versions will be made available on request, our digital by default position recognises that the vast majority of our members now have access to the internet.

Section 3: Communicating with Pensioner Members

Retirement Insight

Bi-annually we produce a newsletter, the main purpose is to inform retired members about issues that affect them such as annual cost of living increases. This newsletter is generally produced at fixed times in the spring and autumn to coincide with pensions increase and annual report content. Newsletters are digital by default. Paper versions are issued on request. All new pensioners will be digital by default, with the exception of members who aren't online, and request a hard copy.

The spring issue of the newsletter will be issued with the members' April pay advice and P60.

Payslips

Payslips are available on our secure online portal 'mypension'. Members who retired before July 2019 will receive a payslip if their net pay varies by more than £5.

Section 4: Communicating with Employers

Support and Engagement

SYPA has dedicated staff to assist employers with all aspects of their pension duties. Our engagement officers will be employers' first port of call for any staff training and presentation requests for both Payroll and HR issues to help them administer the scheme effectively. They will also offer a range of presentations to scheme members to help them understand their pension benefits. Handover meetings will be provided from the point employers are admitted to the scheme, where our team will explain the services we provide and cover the responsibilities of the employer. We offer seminars aimed primarily at topical and administrative issues as well as one to one meetings to help with any issues that may arise.

Employers Pensions Information Centre (EPIC)

The authority provides a central information centre where registered employers are able to access a whole range of information online including news and links to important documents. EPIC also provides statistical information to assist employers in understanding their scheme responsibilities.

Employer Web

The authority also provides secure access to relevant scheme member information and allows employers to upload monthly data submissions and produce retirement quotes. Employer web is also used as a platform to contact and query member data securely.

Employer Newsletter

These are created quarterly by our Support and Engagement team for our employers and create a range of useful links and information for them and their employees. These are also used to promote any upcoming sessions, forums, focus groups or online training.

Employer Focus Group

Twice a year we hold Focus Groups with Employers who have volunteered to take part. During the session our Support and Engagement team discuss up and coming issues that the Employers need to be aware of and discuss the best approach and communications methods for these. The Focus Groups also allow Employers the opportunity to request the creation of resources that will go on to our website or that can be passed on to their employees to limit queries on common issues. The sessions are collaborative and allow a mix of different size Employers to come together and help each other solve problems and give suggestions. The outcomes of the discussions are then posted in the Employer Newsletter so that Employers who don't attend get the information as well.

Section 5: Communicating with all audiences

Our Website (sympensions.org.uk)

This is the scheme members' website which is an information source on all aspects of the scheme. Simply set out with quick links and a comprehensive A-Z, the website also contains booklets and publications together with the link to our secure online portal (mypension).

Business of the Elected members is available on our website under the 'About Us' section. Here you will find the calendar of Authority meetings along with agenda, minutes and reports. This area of the website also provides access to the live links that will allow you to watch Authority meetings as they happen or to catch up with the recording later.

Secure Online Portal - 'mypension'

Members can register to gain access to their secure online account. Once registered for mypension it's a great way for members to keep track of their pension account, view and amend personal details, make and update death grant nomination details as well as active and deferred members having the facility to produce retirement quotes. Annual benefit statements will be available for both active and deferred members. For retired members monthly payslips and P60s are available to view.

Special Requests

We offer an appropriate choice of communication methods to help ensure that no one in our scheme is disadvantaged. To assist members with special needs when communicating we can make arrangements to have a signer or interpreter present should a member wish to attend an information appointment. We can also provide communication material in large print, audio CD and braille.

Literature

The main point of reference for members to find out about the key aspects of the LGPS is our Employee Guide. This is supported by a range of literature, on the various aspects of the Scheme.

Annual Fund Meeting

This event is usually held in October or November. The AFM is an opportunity to meet the Chair/Vice Chair of the authority and senior management face to face. Presentations usually focus on fund performance and topical events followed by questions from attendees. To allow members who aren't able to attend the AFM we will record the meeting and upload the event to our YouTube or Vimeo account.

By Telephone - Customer Centre

The Customer Centre is the main communications channel between members/employers within the Authority. The Customer Centre will play an important role in delivering a reliable customer experience on a daily basis. Members and employers can contact us by telephone which is prominently advertised on all our literature.

Email

Members can contact us by email which is prominently advertised on all our literature. A secure e-mail service is in operation to allow personal information to be included in e-mail responses. We also do targeted promotional mailings to our members to promote any in person or virtual pension information sessions that our Support and Engagement or Customer Services teams may be running.

Pensions Information Service

A comprehensive pensions information service on pension matters is provided by the Authority both in person and by video call. Appointments are made online at <https://www.sypensions.org.uk/Contact/Appointments>

Text Messaging

Our preferred method of communication is email however in the absence of an email address, where appropriate we will use text messaging. SMS messages are ideal for reminders and simple instructions and announcements.

YouTube and Vimeo

Video recording opens the door to new opportunities to interact with members. Recording of events such as the AFM or member information sessions will be uploaded to YouTube and Vimeo to give members who couldn't attend on the day a chance to view the meeting.

Social Media

In 2022 the UK had over 57.8 million people using social media. Our aim is to connect with as many of our members as possible, strengthening relationships and engagement. We currently have a Facebook page and members or partner organisations can follow us on Twitter and LinkedIn. Our audience on our platforms continue to grow and our platforms are seeing more engagement with our campaigns and posts.

Annual Report

Provides a comprehensive report on the authority's activities throughout the preceding year.

Meetings/Presentations

Our people are available to attend meetings and deliver presentations on a range of topics upon request. We are currently running a full diary of events in person and online from our Oakwell House office.

External Press Releases

Throughout the year we will issue press releases about our investment activity, any recruitment of new advisers and any other items of interest to the general public or to other organisations we work with. These will be sent out to a number of news agencies online and to the local press.

Customer Centre

Getting customer service right in an organisation, and continually improving it, is a long term commitment. Our customer centre will be the first point of contact for all scheme members and employers whether it's by telephone, email, letter or live chat. The main aim is to provide excellent customer service whilst promoting our online services.

The Customer Centre will welcome feedback. We will resolve any problems to the best of our ability, we will stop them being repeated and learn lessons. We will measure our performance making sure we measure the right things, making sure it's relevant and taking any necessary action. Benchmarking will be a key part of our measurement programme.

Live Chat

Our members can speak to our Customer Services team online using our Live Chat function getting help with a range of pension queries as for some this is more convenient than contacting us by telephone. It is also more accessible for those with hearing difficulties.

Customer Centre Contact Details

Telephone: 0300 303 6160

Email: customerservices@sypa.org.uk

Internal Communications with Employees

Internal Communications with Employees We are currently working on plans to improve our internal communications at South Yorkshire Pensions Authority. We have a range of digital tools at our disposal and are looking at how we can use these effectively to communicate with all departments across the organisation now that we have moved to a hybrid working style, with employees spending part of the week working at home and the rest in the office.

The table below sets out the methods we use to communicate with our different audiences, the frequency of these and whether they are digital or not.

Communication Type	Digital	Non-Digital	Website	Frequency	Intended Audience
Annual Pension Forecasts	✓	✓ (Notification by post if no email or mobile number held)	✓	Annually	Active
Member Newsletters	✓	✓ (Only for pensioners who requested a paper copy)	✓	Biannually for Pensioners (<i>Spring / Autumn</i>) Annually for Active and Deferred members	All Members (one newsletter for each group)
Employer Newsletter	✓	x	✓	Quarterly	Employers
Pension Presentations	✓	✓	✓		All Members
Deferred Benefit Statements	✓	✓ (Notification by post if no email or mobile number held)	✓	Annually	Deferred
Payslips	✓	✓ (Only for pensioners who retired with a different print rule in place)	✓	Monthly	Pensioners
Ad hoc Newsletters	✓	✓	✓	As required	All
P60s	✓	✓ (If members request a paper copy)	✓	Annual	Pensioners

Key Risks

We are currently working on plans to improve our internal communications at South Yorkshire Pensions Authority. We have a range of digital tools at our disposal and are looking at how we can use these effectively to communicate with all departments across the organisation now that we have moved to a hybrid working style.

The key (potential) risks to the delivery of this Strategy are outlined below. The Head of Pensions along with other officers will work with the Pension Committee and Pension Board in monitoring these and other key risks and considering how to respond to them.

Staffing

- Lack or reduction of skilled resources due to difficulty retaining and recruiting staff.
- Staff absence due to sickness.
- Failure to communicate with staff members in relation to scheme changes.
- Lack of decision making due to loss of Pension Committee/Pension Board member.

IT and Infrastructure

- Lack of adequate software or IT solutions - particularly in the digital communications area.
- Unable to deliver an efficient service to pension members due to system unavailability or failure.

Legislation and change in external markets/environment/employer

- Significant external factors, such as national change, impacting on workload.
- A major change to the LGPS legislative environment.
- Significant increase in the number of employing bodies causing strain on day-to-day delivery.

Communication errors

- Issuing incorrect or inaccurate communications.
- Failure to maintain scheme employer database leading to information not being sent to the correct person.
- Lack of clear communication to scheme employers, scheme members and pensioners.

Costs

All costs relating to this Strategy are met directly by the Fund (unless indicated).

Approval, Review and Consultation

This Consultation and Communications Strategy was approved on June 2023 by the South Yorkshire Pensions Authority members. It will be formally reviewed every two years and updated by the Committee at least annually or sooner if the communications arrangements or other matters included within it merit reconsideration (including if there are any changes to the LGPS or other relevant Regulations or Guidance that need to be considered).

Next full review January 2025

Further Information

If you require further information about this Consultation, Communications and Engagement Strategy, please contact:

Joanne Webster Service Manager - Customer Services, Tel: 0300 303 6160, email: jwebster@sypa.org.uk

Becci Illidge Communications Officer, Tel: 0300 303 6160, email: rillidge@sypa.org.uk

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Agenda Item

Subject	Quarterly Administration Update Quarter 4 2022-23	Status	For Publication
Report to	Local Pension Board	Date	27 April 2023
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	George Graham – Director Lindsay Grayson – Service Manager - Benefits Joanne Webster – Service Manager - Customer Services	Phone	01226 666439 01226 666399 01226 666510
E Mail	ggraham@sypa.org.uk lgrayson@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 January 2023 to 31st March 2023.

2 Recommendations

- 2.1 Members are recommended to:
- Comment on the content of the revised administration update and indicate any areas where they would like to receive further detail**
 - 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 (South Yorkshire Pension Authority) 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 in question for the most recently completed quarter. 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. Relevant Service Managers will be present at the meeting in order to answer any questions members may have.

Staffing

- 5.2 The following table is a summary of joiners and leavers for the administration service over the last three months.

Starters	Comments
Apprentice Business Support Officer	Previous postholder moved to the Benefits Team
Benefits Team Leader x 2 (new roles following Organisational Resilience Review).	Internal appointments made
Senior Practitioners x 2 (as above)	Internal appointment made
Systems Development Team Leader	Internal appointment made
Leavers	Comments
Pensions Officer x 3	1 Retirement
Business Support Officer	
Support and Engagement Manager	
Vacancies in Administration	Comments
Business Support Officer	Offer made undertaking pre-employment checks
Customer Services Officer x 2	Offer made undertaking pre-employment checks
Pensions Officers x 4	Offers made to 4 candidates
Senior Practitioner	Interviews in hand following internal process
Senior Systems Officer x2	Interviews in hand
Systems Officer x 2	Interviews in hand

- 5.3 The above table reflects the considerable degree of recruitment activity which has been taking place following the Organisational Resilience Review completed in the autumn. This has resulted in several internal promotions which have created consequential vacancies which have now been filled, although the successful candidates have yet to start. The vacant role of Assistant Director – Pensions is not included above as it forms part of the Senior Management Team and is being covered by an interim.

- 5.4 The level of Pensions Officer recruitment over the last 18 months or so does leave us with an imbalance of staff across the career grade. This places additional pressure on those staff at the top of the career grade. It must be accepted that our ability to influence this position in the short term is limited as it is likely to be counterproductive to progress people through the career grade too quickly. That does not mean that the pressure on this group is not a concern, and it is something that we will be keeping under review and seeking to mitigate over the coming months.

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.

5.6

Average Days per FTE (Admin Service only)	2020-21	2021-22	2022-23 YTD Annualised	2022-23 Q4	2022-23 Q3
Short-Term	1.50	3.27	3.76	0.77	0.99
Long-Term	3.00	5.48	3.72	0.81	0.31
Total	4.50	8.75	7.48	1.58	1.30

- 5.7 While there has been an increase in sickness in the quarter this is concentrated on long term cases which are being managed through the absence process. Significantly there has not been a spike in short term absence due to winter colds and flu which is encouraging. The lower level of sickness than in the previous year is again encouraging progress.

Case work performance

- 5.8 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.

- 5.9 Officers are currently reviewing how case-processing performance can be better presented to the Board, with a view to introducing these changes from Q1 of the 2023-24 reporting year.

Category	Volumes				Variance to comparators	
	Q4 Previous year	Q2 2022-23	Q3 2022-23	Q4 2022-23	To Q4 Previous year	To Q3 2022-23
Priority	1,258	1,605	1,430	1,960	702	530
Non-priority	14,669	13,815	17,124	17,450	2,781	326
Overall	15,927	15,420	18,554	19,410	3,483	856

- 5.10 Overall completed case volumes increased, this is partly due to an overtime activity on Aggregation quotes which has seen them reduce to 400 from 2224. There have been slight increases to other non-priority casework types however they all seem with a reasonable variance when compared to last quarter.

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

Priority Performance									
Q1 2021-22	Q2 2021-22	Q3 2021-22	Q4 2021-22	Overall 2021-22	Q1 2022-23	Q2 2022-23	Q3 2022-23	Q4 2022-23	Overall 2022-23
88%	76%	86%	67%	70%	82%	82%	71%	56%	54%

Non-Priority Case Performance						
Q2 2021-22	Q3 2021-22	Q4 2021-22	Q1 2022-23	Q2 2022-23	Q3 2022-23	Q4 2022-23
72%	74%	73%	71%	65%	71%	69%

5.12 Priority performance has reduced, the main reason for this was outstanding information on Retirement & Death cases which means staff were having to chase information which prolonged the end-to-end process. Priority cases are still being processed as a matter of urgency.

5.13 The table below provides a summary of performance against the transaction types. In Q3 performance levels for some subjects had remained static however a reduction in Death Payments which has continued in Q4 required further investigation as there is no obvious reason for this reduction in service levels other than completion of some older cases. Upon investigating this it appears there have been multiple cases where we were awaiting confirmation of payee bank details particularly including for non family beneficiaries such as charities. Retirements, Transfers In & Estimates have seen a positive improvement. Aggregation percentage has been impacted due to volume of older cases that have been completed during overtime.

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	Q4 22-23 Volume	Q4 22-23 % on time
Priority									
Retirements	5	850	71%	884	73%	719	52%	673	71%
Deaths - Acknowledgement	5	286	90%	294	83%	154	85%	554	97%
Deaths - Payment	5	423	99%	468	98%	449	75%	697	71%
Non Priority									
New Joiners	10	2,132	99%	1,989	91%	4,284	89%	2,426	99%
Deferreds	20	1,014	72%	957	56%	1,204	57%	1,083	58%
Refunds	9	195	95%	132	89%	169	89%	181	95%
Transfers In	7	398	48%	283	47%	335	41%	275	85%
Transfers Out	5	299	66%	319	66%	351	72%	152	59%
Divorce	10	90	80%	104	80%	89	97%	100	98%
General enquiries	5	1,113	56%	1,322	44%	1,144	63%	1,268	40%
Estimates	5	1,469	78%	1,090	76%	1,484	60%	1,265	83%
Aggregations	20	1,025	62%	871	36%	1,182	79%	2,384	19%

- 5.14 Quarter 4 is the fourth full 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	Total Cases	Complete 0-5 Days	Complete 6-10 Days	Complete 11-15 Days	Complete 16+ Days
Quotations					
Active Members (inc. Flex)	821	42	23	2	5
Deferred Members (Online)	311	39	16	5	8
Deferred Members (Offline)	129	7	9	24	86
Total	1,261	88	148	31	99
Settlements					
Active Members (inc. Flex)	327	40	26	10	61
Deferred Members (Online)	121	10	3	1	8
Deferred Members (Offline and inc. Special Conditions)	225	18	4	3	12
Total	673	68	33	14	81

* 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.

- 5.8 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. 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.
- 5.9 At the last meeting, members of the Board were provided with a summary of cases outstanding at the end of Quarter Three of 2022/23. The tables below update these to 31 March 2023. The first 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 current year	Volumes of cases pending (awaiting external parties) End Q2 current year	Volumes of cases pending (awaiting external parties) End Q3 current year	Volumes of cases pending (awaiting external parties) End Q4 current year	Variance to prior reporting period
Priority						
All cases	493	459	420	481	566	85
Non Priority						
All cases	10,580	10,912	10,818	10,942	10,734	208

Case Type	Volumes of cases to be processed/ in process End Q1 2022-23	Volumes of cases to be processed/ in process End Q2 2022-23	Volumes of cases to be processed/ in process End Q3 2022-23	Volumes of cases to be processed/ in process End Q4 2022-23	Variance to prior reporting period	Comments
Priority						
Retirements	42	75	87	65	22	
Deaths	91	96	66	42	24	
Non Priority						
New Joiners	78	59	53	164	111	
Deferreds	809	1,575	1,532	2,047	515	Linked to unprocessed leavers
Refunds	13	13	25	15	10	
Transfers In	161	193	217	192	25	
Transfers Out	78	71	21	31	10	
Divorce	12	5	2	14	12	
General enquiries	120	90	199	206	7	
Estimates	408	456	442	385	57	
Aggregations	3,856	4,960	4938	3966	972	Mainly settlements
Unprocessed Leavers	1,159	1,534	2,026	2,565	539	

- 5.10 In relation to aggregations, the numbers of outstanding cases remain excessive and only slight progress has been made to reduce this backlog. The team have reduced Aggregation Quotes by 1800 cases however the active case data doesn't reflect this as more Settlements have been created because of doing the work. Aggregation quotes that were completed around this time last year are also auto un-pending after a 12-month period, this process creates a Settlement as the member hasn't responded to the quote during the 12 month period. The plan was to have all quotes completed by Feb 2023 however the team have had to re-direct its focus to addressing monthly data in preparation for Annual Benefit Statements.

Statutory Disclosure Reporting

- 5.11 The Board previously requested some additional information about reporting performance against statutory disclosure requirements. The time limits for statutory disclosures are less rigid but they often measure different time scales to those

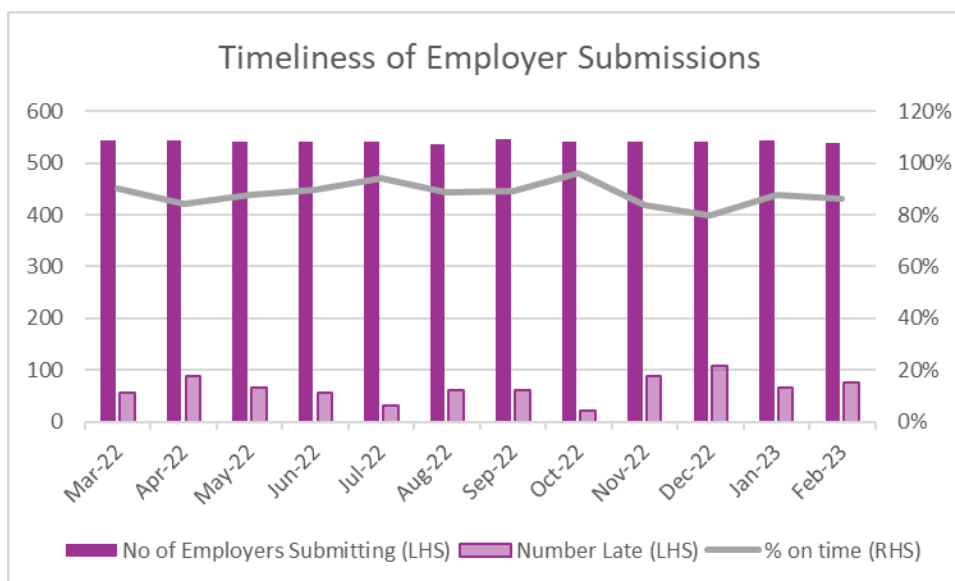
historically measured by SYPA. As mentioned previously, we have developed our reporting in this area and Appendix A shows the Quarter 3 and 4 report for the areas covered under the various disclosure regulations. The Appendix provides some level of assurance that statutory targets are generally being met in the main areas. In general terms this data shows high levels of compliance in areas that SYPA can control. This does give us some pointers as to areas where further engagement with, and training for, employers could be beneficial.

Conclusions in Relation to Casework Processing

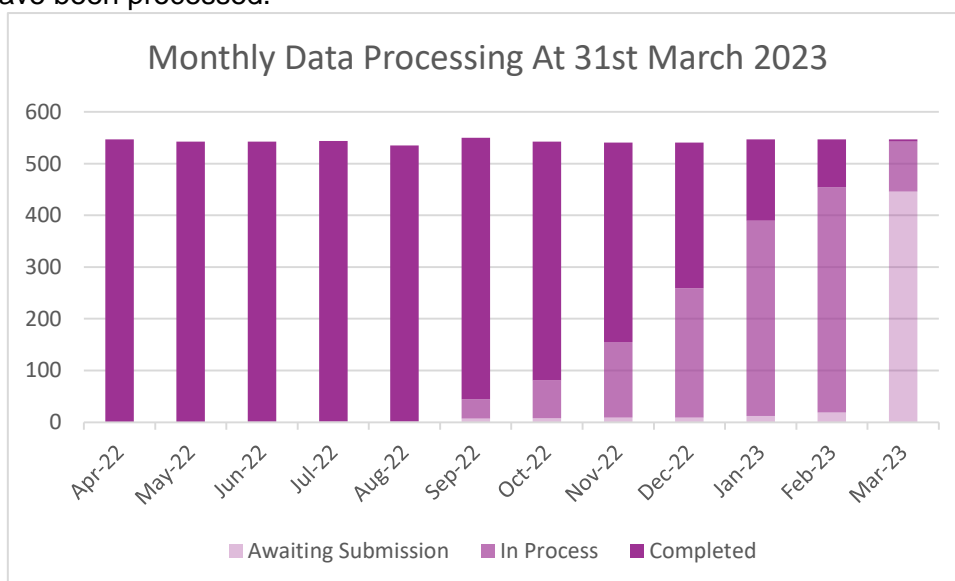
- 5.12 The position recorded above in relation to casework processing has in broad terms been on a declining trend against our performance standards for some time. In addition, it is clear from data reported elsewhere on the agenda in relation to complaints etc that the levels of outstanding work of various types, in particular aggregations, is now beginning to cause quality of service issues. The imbalance in the workforce in terms of levels of experience amongst Pensions Officers can also make it more difficult to resolve certain of the issues which emerge. None of this is to say that the Team are not working extremely hard but it is clear that their efforts will be in vain unless we can address the root causes of the various backlogs and stop them recurring. This is a significant piece of work which the Interim Assistant Director – Pensions will report on to the Authority at its June meeting.

Employer Performance

- 5.13 The submission of monthly data by employers is key to ensuring that member records are accurate and up to date and they generate the values used in the direct debits for the collection of contributions due from employers. Given the importance of this data it is extremely important that employers make their data submissions on time. The data on the timeliness of submissions has been reviewed and restated following an internal review of data quality. This now looks at data being submitted in time for the Finance Team to issue the Direct Debit instructions without having to resort to estimation which is the crucial timescale within the data collection process. This provides a less favourable, although more realistic picture than that previously reported. While the apparent deterioration in performance is clearly not desirable, this analysis has allowed us to develop a range of targeted work with employers who are having difficulty making monthly submissions. The data below covers the last 12 months for which data are available given that this data is always a month in arrears (i.e., March 2023) data will be collected in April and will be reported in the next quarter.



5.14 Contribution collection is dealt with later in this report. However, the rate at which we process the data submitted by employers is also important and the graph below shows the position at 31st March in relation to files relating to 2022/23 (all files for 2021/22 have been processed).



5.15 The above chart shows considerable progress being made when viewed against the position at the beginning of the calendar year, with on average 137 files being cleared every week since January when additional management resources were deployed to oversee the processing of these files. It should be noted that the older files still awaiting submission are concerned with new admission arrangements which have taken longer than usual to process and should not necessarily be seen as an employer issue. The rate of progress in processing these files has been increasing in recent weeks and a more formalised approach to engaging with employers to resolve data issues within the files is paying dividends. Completion of this work for 2022/23 during the first couple of months of the new financial year is crucial to the delivery of the Annual Benefit Statement process in line with our planned timescales.

Individual Query Employer Reporting

- 5.16 Appendix B provides details of the “top 10” employers in terms of queries and shows how they have performed over the year. It is extremely encouraging to note the significant improvement in performance by both Rotherham and City of Doncaster Councils over the course of the year. While Sheffield has more outstanding queries at the end of this quarter than previous quarters given the significantly larger size of their payroll this does not appear disproportionate. However, the numbers of Capita and EPM queries are linked to Sheffield as these are largely related to Sheffield LEA schools. All three of these providers are identified for a degree of focus but some further work is required to improve the process of ensuring queries are directed to the correct payroll provider where more than one provider relates to a single employer. The appearance of Greenacres Academy on the list is a concern given that it is an individual school although a number of other schools in the same Multi-Academy Trust are just outside this “top 10”, and the Trust has been identified as requiring enhanced engagement and monitoring.

- 5.17 Overall, given the scale of the Fund’s membership and the overall number of employers, the fact that 22 outstanding queries rates a “top 10” position represents encouraging progress.



Contribution Payments

- 5.18 The use of direct debits to collect contributions due to the Fund has been an important administrative improvement and the table below shows employer payment performance over the last three months for which data is available. Payments in relation to March will be collected in April and reported in the next quarterly report. The 9 BACS payments received late in February relate to one contractor who was 3 days late. This employer has consistent issues in terms both of timely payment and timely submission of data and the Interim Assistant Director – Pensions is engaging directly with this organisation. The outstanding payments relate to admission agreements in progress and the completion of these agreements is being progressed as a matter of urgency.

	Dec Payment received Jan No.	Jan Payment received Feb No.	Feb Payment received Mar No.
Employers paid by direct debit	512	513	512
Employers paid on time by BACS	18	9	16
Payment received late by BACS or DD	0	9	0
Payment outstanding	9	10	10

Scheme Member Engagement – Customer Satisfaction – Retirement Survey

- 5.19 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 November and December 2022, and January 2023 who provided an email address.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	50%	Up 1%	
Satisfied	42%		
Dissatisfied	7%	Down 1%	
Very Dissatisfied	1%		
Total number of respondents	74 out of 418		

5.20 The percentage of members in the green category remains above 90%, which is encouraging. However, some further analysis was carried out into the 6 members who were dissatisfied to identify the root causes. The following comments were made:



- Keep the member updated so we don't have to chase information.
- Clerical error meant that payment of benefits was delayed for 2 months.
- Not kept informed of progress.
- Difficult to get through on the phone and live chat always busy.

5.21 Actions and comments following feedback.

- Our processes are currently being updated to include a new step whereby when a case is placed on hold due to requiring further information to progress the case, a notification will be issued to keep the member informed.
- Following a piece of work by the Director on Organisational Resilience and Sustainability, authority was given to recruit a further Customer Services Officer in 2023/2024 helping to reduce waiting times on both the telephone and live chat.

Scheme Member Engagement – Customer Centre – Telephone Calls

5.22 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 and has seen a rise in satisfied members over the last quarter. A survey was issued to 3,158 members, with an email address, who had contacted us by phone over the months of November and December 2022 and January 2023 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	62%	Up 8%	
Satisfied	27%		
Dissatisfied	7%	Down 8%	
Very Dissatisfied	4%		
Total number of respondents	296 out of 3,158		



5.23 The percentage of members in the green category has increased over the last quarter to 89%. The 11% who were dissatisfied represents 32 members and the following are some comments made:

- Reply to emails quicker.
- Didn't get what I asked for so was disappointed.
- Member wasn't happy with the length of time it took to complete the aggregation of benefits.
- Have more call handlers.

- 5.24 Actions and comments following feedback.
- This quarter included the Christmas period when the office was closed for a week. This unfortunately resulted in the response times taking longer than our usual timescales.
 - Member wanted to access 25% of his pension after turning 55. Unfortunately, the scheme regulations don't allow for members to draw down on their pension, this is known as flexible drawdown offered by money purchase schemes.
 - Aggregation cases were stockpiled when we first moved to a new administration system and a new scheme was introduced in 2014, when we were awaiting guidance on how to process cases. Since that time, we have been slowly working through a backlog of cases.

Scheme Member Engagement – Customer Centre – Emails

- 5.25 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 November and December 2022 and January 2023.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Excellent	57%	Down 2%	
Good	20%		
Ok	14%	Up 2%	
Poor	9%		
Total number of respondents	44 out of 3,827 emails sent		

- 5.26 Unfortunately, as always in this area, the response rates are low and not all members provide further information. However, from the 4 members who rated the service as poor, 3 members left details and we were able to contact them separately. The following issues were highlighted:
- A Councillor member was invited to use the retire online facility when in fact the online quote facility isn't available to Councillors as the Councillor Scheme has a different set of rules to the main scheme.
 - Member has 3 employments and was frustrated that we had processed a retirement quote for only 2, however the 3rd employment was on hold due to querying further information with the employer.
 - It took 2 weeks to reply to a member's query with regards to Lifetime Allowance.
- 5.27 Actions and comments following feedback.
- The relevant diary process has now been updated to ensure councillor members no longer appear on the retire online report.
 - This quarter included the Christmas period when the office was closed for a week. This unfortunately resulted in response times for emails taking longer than our usual timescales.

Scheme Member Engagement – New Joiner Survey

- 5.28 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 1,085 members who had joined the scheme in November and December 2022 and January 2023. 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	16%	Up 15%	▲
Satisfied	47%		
Dissatisfied	26%	Down 15%	▼
Very Dissatisfied	11%		
Total Number of Respondents	38 out of 1,085 emails issued		

5.29 Although the percentages in the green category aren't yet as high as we would want to see, it is encouraging that the figures are heading in the right direction since measures were implemented to treat new starters as priority and issue welcome letters/emails in a timely manner. The following comments were made:

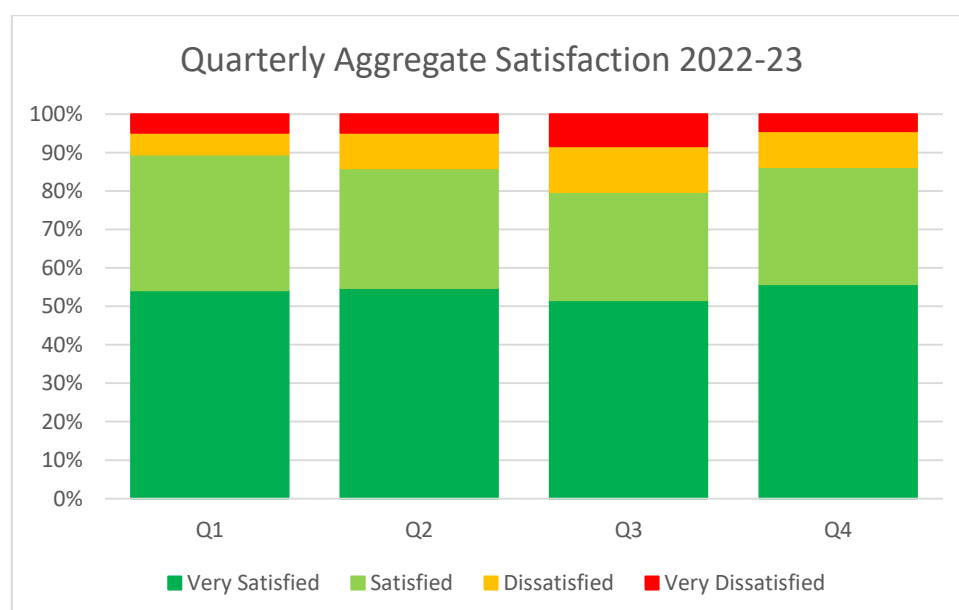
- Information around previous pension rights isn't clear in the email and on the form.
- I don't seem to have any details about how it works, is it DBS, contribution rates, AVC options, investment risk.

5.30 Action and responses following feedback.

- Welcome notifications have been updated to ensure the wording is clear and concise and the instructions are consistent.
- The welcome notification signposts members to the new starter guide on our website. However, the comments have been taken on board and we will look at how this can be made clearer.

Overall Customer Satisfaction

5.31 It is possible to discern some trends in customer satisfaction from analysing this data at aggregate level, rather than looking at each of the individual surveys over the last year as shown in the chart below:



5.32 What this shows is that there has been something of a decline in the overall level of satisfaction during the year, although it may be recovering slightly in the most recent

quarter. However, looked at over the longer term (the last 5 years for which comparable information is available) the trend to a reduction in the green categories is perhaps more pronounced as shown below:



- 5.33 While there is some variability over time, there is a clear trend of increasing dissatisfaction. The sample size from which this data is derived is consistently between 1% and 1.5% of the total Fund membership and is therefore likely to be statistically significant. As indicated earlier in this report, this trend coincides with an overall fall off in case processing performance and it is not unreasonable to conclude that there is some connection between the two. Thus, the delivery of the programme of activity outlined above is designed to address the broad trends in customer satisfaction identified here while continuing the smaller scale responses to each of the surveys which are identified each quarter.

Member Engagement – Online Portal

- 5.34 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 **1,843** new registrations in the quarter to the end of March 2023 taking the total number of registrations to **84,363** or around 49 % of the total membership, as shown in Appendix C. In addition, sessions where members are invited to bring their devices are held at Oakwell House to further encourage online sign up and help them fully exploit the available facilities.
- 5.35 Although the numbers registered to engage with us online are not as high as we would wish, as a proportion of the scheme membership overall, evidence from other funds does suggest that our levels of registration are at least comparable with the percentage of members signed up to use online services within the LGPS (Local Government Pension Scheme) more widely.

Other Engagement Activity

- 5.36 Over the quarter, the Engagement Team have continued to deliver a wide range of activity in support of members and employers. This has included delivery of:
- 7 Employer training sessions
 - 4 Virtual employer presentations
 - 2 'In person' employer presentations
 - 2 Hybrid 'Planning for Retirement' sessions

- 3 days of 1:1 information service appointments at employer premises
 - 2 Home visits
 - 2 Employer 'Focus Group' sessions
 - 7 individual 1:1 Sessions
- 5.37 In addition to this, there has been a considerable focus on addressing specific employers who have been identified as having problems either with data submission or other issues. These are being addressed both with specific training and the addition of more information to the employer pages on the website and a structured escalation process to invoking the penalty notice process. Two further employers have been brought on to direct debit payment this quarter leaving only one employer who is not paying by this method and who is being followed up by the Interim Assistant Director – Pensions.
- 5.38 The Team has identified a number of future areas of work, in particular to improve the ill health retirement process making full use of UPM, to provide greater visibility around employers' performance in addressing queries and to develop process improvements which will make it easier for employers to respond to queries.

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

- 5.39 The issue of Annual Benefit Statements by the end of August is a key task for the Pensions Service as is the associated issuing of Pension Savings Statements for tax purposes. The ABS project has already kicked off and regular highlight reports are now being provided to the Senior Management Team. There are challenges with the delivery of this project, caused by the need for an unexpected software update due to the new regulations changing the annual revaluation date for benefits in the scheme. While this change is welcome for many reasons, not least in reducing the number of members likely to trigger the annual allowance, the need to issue a software update at very short notice does increase risk in this area as reflected in the Corporate Risk Register. The new software is due for delivery in April and, subject to this happening and installation and testing being successful, there should not be an impact on the overall timescale.
- 5.40 In relation to Pension Savings Statements, work is being undertaken to ensure that tools are available to enable the Benefits Team to undertake most of this work and a plan for delivery of this project will be put in place once the delivery timescale for Annual Benefit Statements is clear. In addition, the resolution of a number of historic complex queries has been outsourced to Hymans Robertson. Resolving these queries prior to this year's process will provide a solid baseline from which the Team can work.

Triennial Valuation

- 5.41 The valuation process was completed within the required timescales and a report on the outcomes of the process appears elsewhere on the agenda for this meeting.

Conclusion

- 5.42 This will be the last report to the Board in this format. A more concise and less labour intensive "dashboard" is being developed and will be provided from Q1 of the new financial year.
- 5.43 The Pensions Service faces several challenges and has done for some time. These are now beginning to impact on the quality of customer service. This is not a situation which can be allowed to continue and the plan currently being developed by the Interim Assistant Director – Pensions is intended to both address these challenges and ensure that they do not recur.
-

6 Implications

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

Financial	The programme of improvement activities outlined in this report is likely to require additional resources which will need to be approved by the Authority in line with the appropriate procedures.
Human Resources	Attention needs to be paid to achieving a better balance of experience across the Pension Officer group and developing significantly improved levels of technical knowledge across the Pensions Service and this is likely to require investment in a more structured approach to training within the career grade. In addition, the capacity planning exercise currently underway is likely to result in the need for further recruitment which could exacerbate this imbalance in the levels of experience across the workforce in the short / medium term which will require careful management.
ICT	A significant degree of focus in terms of ICT development resources on addressing root causes of some of the systems challenges the service faces is likely to be required and this may require some one-off investment to expedite delivery.
Legal	None
Procurement	None

George Graham
Director

Background papers	
Document	Place of Inspection
None	

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			SYPA Compliance when excluding time waiting on third party											
Ref	Process	The Regulations that apply	Number of Cases Q1	SYPA compliance within disclosure Q1	SYPA Compliance when exclude time waiting on third party Q1	Number of Cases Q2 2022-23	SYPA compliance within disclosure Q2 2022-23	SYPA Compliance when exclude time waiting on third party Q2 2022-23	Number of Cases Q3 2022-23	SYPA compliance within disclosure Q3 2022-23	SYPA Compliance when exclude time waiting on third party Q3 2022-23	Number of Cases Q4 2022-23	SYPA compliance within disclosure Q4 2022-23	SYPA Compliance when exclude time waiting on third party Q4 2022-23
JOINING & CONTRIBUTING MEMBERS														
1	Joiner (Applies to all new joiners)	The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 - SI 2734 Regulation 6 - Basic scheme information		NA. This is an employer responsibility, though we may wish to measure our own documentation.	NA. This is an employer responsibility, though we may wish to measure our own documentation.		NA. This is an employer responsibility, though we may wish to measure our own documentation.	NA. This is an employer responsibility, though we may wish to measure our own documentation.		NA. This is an employer responsibility, though we may wish to measure our own documentation.	NA. This is an employer responsibility, though we may wish to measure our own documentation.		NA. This is an employer responsibility, though we may wish to measure our own documentation.	NA. This is an employer responsibility, though we may wish to measure our own documentation.
2	Transfer Value In - Quotation (Applies to all contributors or prospective contributions who are enquiring about transferring benefits in)	The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 - SI 2734 Regulation 14 - Transfer credits	218	91.74%	100%	138	91.30%	100%	127	98.00%	100%	198	95.00%	97%
3	Transfer Value In - Payment (Applies to all contributors who have elected to transfer benefits in)	Pension Schemes Act 1993 Regulation 99 - Trustees duties after exercise of option	185	100%	100%	65	100%	100%	366	96%	100%	448	94%	100%
		The Local Government Pension Scheme Regulations 2013 - SI 2013 No. 2356 Regulation 73 - Notification of first instance decisions												
4	Pension Savings Statements	The Registered Pension Schemes (Provision of Information) Regulations 2006 The Local Government Pension Scheme Regulations 2013 - SI 2013 No. 2356		Due by 6/10/2022		88	TBC		N/A			N/A		
5	Active Member Benefit Statements (Applies to all contributors who were contributors on 31 March)	The Local Government Pension Scheme Regulations 2013 - SI 2013 No. 2356 Regulation 89 - Annual benefit statements		Due by 31/8/2022		46,825	>99%		N/A			N/A		
MEMBERS WHO ARE LEAVING OR HAVE LEFT THE LGPS BEFORE RETIREMENT														

			SYPA												
			Number of Cases		SYPA compliance within disclosure Q1	SYPA Compliance when exclude time waiting on third party Q1	Number of Cases Q2 2022-23	SYPA compliance within disclosure Q2 2022-23	SYPA Compliance when exclude time waiting on third party Q2 2022-23	Number of Cases Q3 2022-23	SYPA compliance within disclosure Q3 2022-23	SYPA Compliance when exclude time waiting on third party Q3 2022-23	Number of Cases Q4 2022-23	SYPA compliance within disclosure Q4 2022-23	SYPA Compliance when exclude time waiting on third party Q4 2022-23
Ref	Process	The Regulations that apply	Q1	disclosure Q1	third party Q1	23	2022-23	party Q2 2022-23	2022-23	Q3 2022-23	Q3 2022-23	2022-23	23	2022-23	Q4 2022-23
6	Deferred Benefit - Notification of Entitlement (Applies to any member who leaves before they have reached their normal pension age)	The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991	1014	77.51%	100%	957				466	94.00%	98%	528	99.00%	100%
		Regulation 27A - Information to be furnished to early leavers													
7	Transfer Value Out -Quotation (Applies to leavers who are entitled to transfer out of the Scheme or contributors who want a quotation because they are due to leave shortly or for another reason)	Occupational Pension Schemes (transfer values) Regulations 1996 Part III - Statements of entitlement and calculation of transfer values - (11) Disclosure	123	80.49%	100%	144	90.97%	100%		258	94.00%	100%	279	94.00%	100%
8	Transfer Value Out -Payment (Applies to any leaver who is entitled to a transfer out)	Pension Schemes Act 1993 Regulation 99 - Trustees duties after exercise of option	77	100%	100%	21	100%	100%		126	100%	100%	54	99%	100%

			SYPA										SYPA		
			Number of Cases		SYPA compliance within disclosure Q1	SYPA Compliance when exclude time waiting on third party Q1	Number of Cases Q2 2022-23	SYPA compliance within disclosure Q2 2022-23	SYPA Compliance when exclude time waiting on third party Q2 2022-23	Number of Cases Q3 2022-23	SYPA compliance within disclosure Q3 2022-23	SYPA Compliance when exclude time waiting on third party Q3 2022-23	Number of Cases Q4 2022-23	SYPA compliance within disclosure Q4 2022-23	SYPA Compliance when exclude time waiting on third party Q4 2022-23
Ref	Process	The Regulations that apply	Q1												
9	Deferred Member and Pension Credit Member Benefit Statements (Applies to all deferred members, deferred pensioners and pension credit members who were deferred on 31 March)	The Local Government Pension Scheme Regulations 2013 - SI 2013 No. 2356 Regulation 89 - Annual benefit statements (Also Section 14 Chapter 25 Public Service Pensions Act 2013)			Due by 31/8/2022		47,706	100%		N/A			N/A		
RETIRING & RETIRED MEMBERS															
10	Immediate Payment of Pension - Offer (Applies to all contributors who are entitled to the immediate payment of benefits)	The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 - SI 2734 Regulation 16 - Statement of benefits: non money purchase benefits	1037		92.39%	100%	1041	82.03%	100%	724	92%	99%	624	96%	99%
11	Immediate Payment of Pension - Payment (Applies to all contributors who are entitled to the immediate payment of benefits)	The Local Government Pension Scheme Regulations 2013 - SI 2013 No. 2356 Regulation 73 - Notification of first instance decisions	850		100%	100%	775	NA	99%						
ALL MEMBERS															
12	Divorce information - quotation (Applies to all members who need pension information required for divorce proceedings)	The Pensions on Divorce etc. (Provision of Information) Regulations 2000 Regulation 2 - Basic information about pensions and divorce	65		93.85%	100%	103	87.96%	100%	64	99%	99%	96	98.00%	100%
13	Divorce information - pension sharing order received - pre implementation (Applies to all members who have had a pension sharing order made as part of their divorce proceedings)	The Pensions on Divorce etc. (Provision of Information) Regulations 2000 Regulation 7 - Provision of information after receiving a pension sharing order	2		100%	100%	1	100%	100%	3	99%	100%	1	100.00%	100%
BEREAVEMENTS															

			SYPA												
			Number of Cases		SYPA compliance within disclosure Q1	SYPA Compliance when exclude time waiting on third party Q1	Number of Cases Q2 2022-23	SYPA compliance within disclosure Q2 2022-23	SYPA Compliance when exclude time waiting on third party Q2 2022-23	Number of Cases Q3 2022-23	SYPA compliance within disclosure Q3 2022-23	SYPA Compliance when exclude time waiting on third party Q3 2022-23	Number of Cases Q4 2022-23	SYPA compliance within disclosure Q4 2022-23	SYPA Compliance when exclude time waiting on third party Q4 2022-23
Ref	Process	The Regulations that apply	Q1												
14	Death (all types) (Applies to all beneficiaries)	The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 - SI 2734	286	100%	100%	294	100%	100%	332	100%	100%	494	100%	100%	
		Regulation 21 - Accessing benefits on the death of the member or beneficiary													
		The Local Government Pension Scheme Regulations 2013 - SI 2013 No. 2356	423	100%	100%	468	NA	100%							
		Regulation 73 - Notification of first instance decisions													

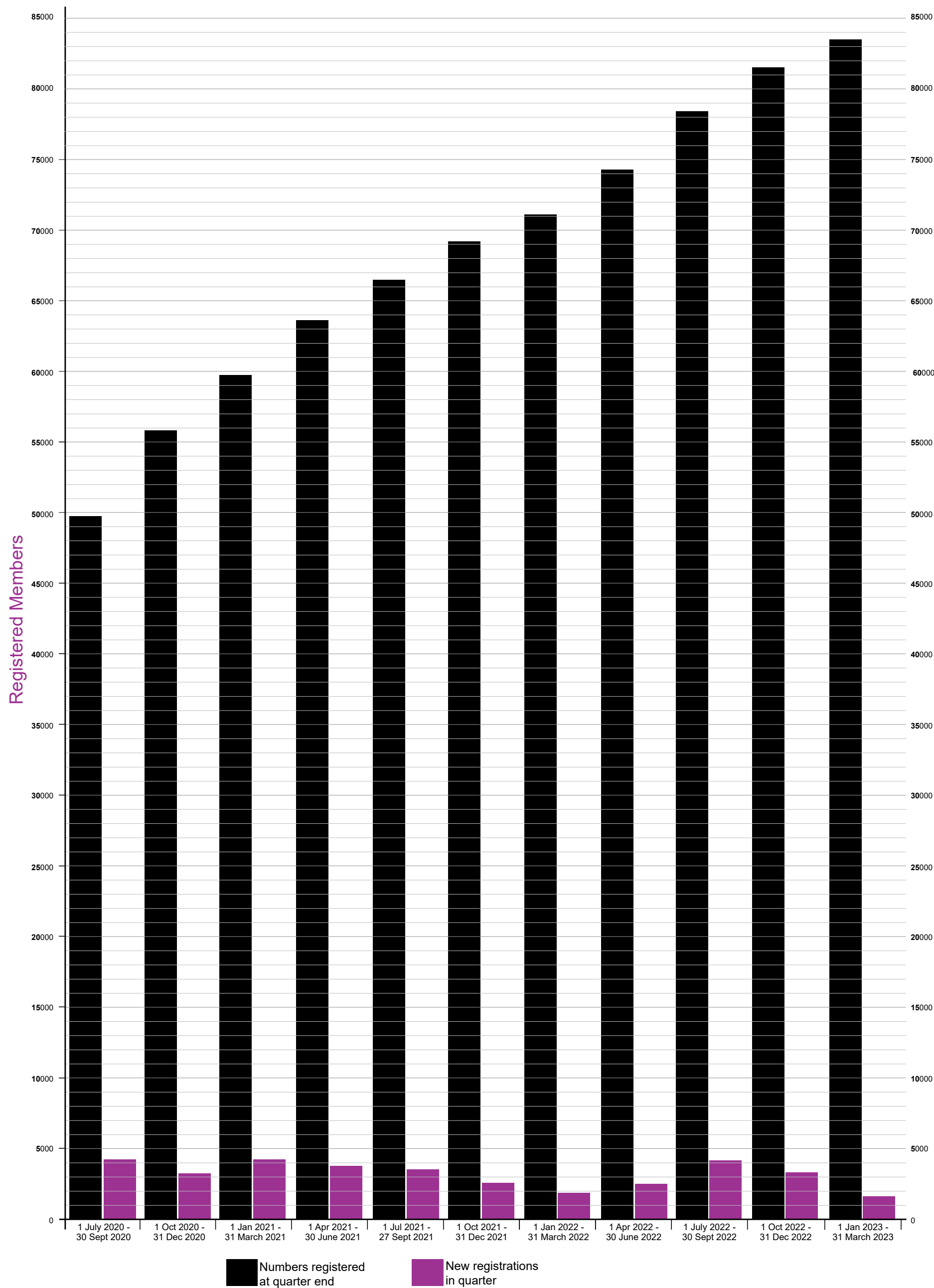
Summary of Employer Queries Raised, Completed and Outstanding
Shown by Quarter for 10 Employers with highest total query volumes to up to 31 March 2023



Employer	Q1 2022/23			Q2 2022/23			Q3 2022/23			Q4 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	211	343	684	187	292	579	263	609	233	235	429	39
High	46	52	7	60	51	16	54	65	5	36	37	4
Standard	165	291	677	127	241	563	209	544	228	199	392	35
[00400] Doncaster MBC	219	329	285	187	189	283	169	283	169	279	379	69
High	50	50	5	72	60	17	58	66	9	59	63	5
Standard	169	279	280	115	129	266	111	217	160	220	316	64
[00600] Capita	57	58	352	55	39	368	26	119	275	20	29	266
High	11	11	31	11	10	32	8	29	11	10	10	11
Standard	46	47	321	44	29	336	18	90	264	10	19	255
[00600] Sheffield CC	147	196	92	221	253	60	259	178	141	235	202	174
High	78	89	0	78	78	0	80	60	20	68	66	22
Standard	69	107	92	143	175	60	179	118	121	167	136	152
[00600] EPM	17	16	241	22	23	240	14	26	228	10	13	225
High	4	5	8	14	13	9	4	2	11	5	5	11
Standard	13	11	233	8	10	231	10	24	217	5	8	214
[00473] Doncaster Childrens Services	26	39	88	27	95	20	0	18	2	0	0	2
High	12	11	2	3	4	1	0	1	0	0	0	0
Standard	14	28	86	24	91	19	0	17	2	0	0	2
[00300] Barnsley MDC	102	126	56	109	122	43	81	93	31	100	90	41
High	40	36	6	43	45	4	32	32	4	27	21	10
Standard	62	90	50	66	77	39	49	61	27	73	69	31
[00372] Greenacre Academy	9	10	72	3	3	72	6	7	71	14	32	53
High	5	3	3	1	1	3	2	0	5	2	6	1
Standard	4	7	69	2	2	69	4	7	66	12	26	52
[00222] The Sheffield College	24	8	75	25	21	79	13	30	62	24	58	28
High	7	3	9	14	9	14	6	12	8	3	10	1
Standard	17	5	66	11	12	65	7	18	54	21	48	27
[00295] The Chief Constable	34	53	35	35	39	31	39	29	41	24	43	22
High	6	8	0	16	15	1	7	7	1	10	10	1
Standard	28	45	35	19	24	30	32	22	40	14	33	21

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Registrations - 1 January - 31 March 2023



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Agenda Item

Subject	Data Quality Improvement Plan	Status	For Publication
Report to	Local Pensions Board	Date	27 April 2023
Report of	Interim Assistant Director - Pensions		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Nigel Keogh	Phone	07505074979
E Mail	nkeogh@sypa.org.uk		

1 Purpose of the Report

- 1.1 To update members on the latest iteration of the Data Quality Improvement Plan and the latest data scoring provided to the Pensions Regulator.

2 Recommendations

- 2.1 Members are recommended to:
- Note the updated Data Quality Improvement Plan summary and comment on any further reporting requirements or actions**

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). Maintaining high quality data for scheme members is an important part of encouraging members to engage online and have confidence in accessing their own pension accounts.

Effective and Transparent Governance

The Pensions Regulator's Code of Practice 14 advises that schemes should continually review their data and carry out a data review exercise at least annually. This should include an assessment of the accuracy and completeness of the member information held.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report are 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**

TPR Annual Scheme Return

- 5.1 Members will be aware that, since 2018, LGPS funds have been required to report annually to the Pensions Regulator (usually each November) on the quality of common and conditional (scheme specific) data in the submission of the annual Scheme Return.
- 5.2 **Common** data are basic data items which are used to identify scheme members and are defined by the Regulator. These consist of:-

National Insurance number; Surname; First Name or Initials; Sex; Date of Birth; Retirement Age; Last status event; Address including Postcode; Start Date; Membership Status

- 5.3 **Conditional** (scheme-specific) data is not explicitly defined by the Regulator but is data which is key to running the scheme and meeting legal obligations. In general terms for the LGPS this will be data such as membership details, pensionable pay, contributions, etc. The Scheme Advisory Board (SAB) developed guidance for LGPS funds on the specific data fields which should make up the measurement of conditional data and SYPA follows this guidance. It should be noted that it is not mandatory to follow the guidance and some funds may use local measures which makes direct comparisons difficult.
- 5.4 The data scores reported to TPR for the last five years are shown below. Although there has been incremental progress in the past four years, the results for 2022 (submitted in November 2022) have levelled off in terms of the overall percentage of errors, despite a modest reduction in the numbers of outstanding queries. The Plan referred to in paragraph 5.6 seeks to address this challenge over the next six months.

	2022	2021	2020	2019	2018
Common Data Score	97%	97%	96%	96%	96%
Conditional Data Score	94%	94%	93%	91%	87%

- 5.5 Noting the comment in Section 5.3 regarding the difficulties of direct comparison, the results reported by SYPA are broadly comparable with other LGPS funds.

Data Quality Improvement Plan

- 5.6 The ability of SYPA to provide an efficient and effective pensions administration service to our members and their employers requires us to maintain a constant focus on data quality, seeking improvement in quality wherever we can. The current data improvement plan is maintained by the Pensions Technical Adviser and **Appendices A (common data) and B (conditional data)** are provided as a summary extract of the current plan which highlights where the ownership of specific areas lies.
- 5.7 As previously reported, the bulk of the errors in the common data set relate to missing, partial or incorrect addresses, which remain stubbornly high. Officers are now exploring options for a one-off tracing exercise in order to make a swifter impact on these numbers before the autumn.

- 5.8 With regards to the conditional data, the work being done on GMP reconciliation remains key in reducing error volumes. We expect to receive the output of this exercise from our sub-contractor (ITM) in July, and are looking to timetable the upload of this data in advance of next data quality score submission to the regulator.

Pension Dashboards

- 5.9 Members will be aware from previous updates that 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 was originally set for 30 September 2024.
- 5.10 On 2nd March 2023, the Department for Work and Pensions announced a “reset” of the timeline for the Pensions Dashboard programme, citing technical issues in developing the core architecture into which individual pension funds will have to connect. A revised timeline is due to be announced before the House of Commons goes into summer recess on 20 July 2023. We do not yet know whether this delay will affect the staging date for LGPS funds but we are proceeding on the basis that it will not.
- 5.11 As set out in the previous report to the Board, SYPA requires an Integrated Service Provider (ISP) to facilitate the connectivity to the national Dashboard infrastructure. Discussions continue to take place with potential ISP providers.
- 5.12 Notwithstanding the delay to the programme, it remains important for pension funds to prepare for the Dashboard by checking and improving the quality of the data that will be required to meet our obligations to the Dashboard programme. Consequently, we will continue to further develop DART over the coming months to measure the quality of the data held on SYPA records and take remedial action where necessary. This analysis and actions taken will form part of the future reporting of the Data Quality Improvement Plan.

6 Implications

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

Financial	None directly but there may be costs associated with any required data cleansing activity
Human Resources	None
ICT	None
Legal	SYPA has a statutory obligation to submit a data score to the Pensions Regulator.
Procurement	

Nigel Keogh

Interim Assistant Director - Pensions

Background Papers	
Document	Place of Inspection

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Common Data													
Reference	Data Category	Examples of Error Types	Status (Active, Deferred, Pensioner)	Action Required	External dependency?	Data Impact	Commentary	Number of Errors at 18/11/22	Number of Errors at 11/04/2023	Movement	Commentary 18/04/2023	Team now responsible	Revised Target Date
COM1	NI Number	NI Number is temporary, invalid format, prefix/suffix missing, or duplicated.	ALL	Manually correct records and investigate duplicates.	NO	Low	Most of these are unclaimed refunds with a temp NI number. Exercise to contact members after address tracing complete.	305	308	↔	Most of these are unclaimed refunds with a temp NI number. Exercise to contact members after address tracing complete.	Tracing exercise combined with addresses.	Sep-23
COM2	Expected Retirement Date	Scheme Retirement Date inconsistent	ALL	Manually/bulk correct records	NO	Low	Bulk correction exercise to be run.	118	2327	↑	Annual bulk correction run around November required but no impact on day to day casework.	Technical Adviser	Nov-23
COM3	Membership Status	Active with Date Left	ALL	Manually correct inconsistent records.	NO	Low		26	44	↔	Project team have removed majority of errors.	Projects Team	Nov-23
COM4	Address	Lost Contact	Deferred Members	Engage Tracing Agency to locate potential updated address; send verification form.	YES	Medium		3918	3853	↔	Numbers of lost contacts had significantly reduced but volumes increased again following 2022 Deferred Benefit exercise	Tracing exercise combined with Ni mismatches.	30/09/2023
COM5	Address	Invalid address, missing postcode etc	ALL	Manually correct incomplete address records.	NO	Low	To be completed as part of COM4 address tracing exercise.	566	585	↔	To be completed as part of COM4 address tracing exercise.	Tracing exercise combined with Ni mismatches.	30/09/2023
COM6	Last Status Event	Duplicate status history	ALL	Manually correct inconsistent records.	NO	Low	Low priority error with no impact.	36	13	↓	Low priority error with no impact.	Projects Team	Nov-23
COM7	Membership dates	Missing start date, date of joining inconsistent with record, duplicated start dates.	ALL	Investigate and manually/bulk correct incomplete records.	NO	Low	Bulk correction exercise to be run.	31	43	↔	Low numbers to be corrected manually.	Projects Team	Nov-23
						Total No. of Errors		5,000	7,173				
						Total No. of Records		179,774	180,165				
						Overall Data Score Reported to Regulator 2022/Current status		97%	95%				

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Conditional Data											
Reference	Data Category	Examples of Error Types	Status (Active, Deferred, Pensioner)	Action Required	External dependency?	Commentary 18/04/2023	Number of Errors at 18/11/2022	Number of Errors at 11/04/2023	Movement since last update	Team now responsible	Revised Target Date
COND1	Divorce Details (Dataview)	Court order information missing (cosmetic).	ALL	Check documentation on file and manually update.	Partial	Manual check and update	86	90	↔	Projects Team	Nov-23
COND2	Transfer In (Dataview)	Missing transfer payment dates and amounts (cosmetic)	ACTIVE and DEFERRED	Check documentation on file and manually update.	No	Manual check and update	210	213	↔	Projects Team	Nov-23
COND3	Miscellaneous Missing Dataviews	Missing/inconsistent date relating to additional conts record.	DEFERRED and PENSIONER	Manually investigate and correct records.	No	Manual check and update	23	38	↔	Projects Team	Nov-23
COND4	Salary Information	Part-time hours shown are inconsistent/missing.	ACTIVE	Manually investigate and correct records.	No	Most errors cleared by ABS exercise. This report is then used to pick up further cases.	178	191	↔	ABS exercise initially followed by Project Team	Nov-23
COND5	CARE Data	CARE Pension Missing	ACTIVE and DEFERRED	Investigate and bulk/manually correct records.	No	Manual check and update initially as part of ABS exercise.	97	74	↔	Projects Team	Nov-23
COND6	CARE Revaluation	CARE Revaluation Missing	ACTIVE and DEFERRED	Investigate and bulk/manually correct records.	No	Active - bulk correction required before next CARE update. Deferred - bulk update run regularly as unprocessed leavers are processed.	179	506	↑	Projects Team - actives/deferments. Systems team deferments bulk.	Nov-23
COND7	HMRC Crystallisation (Dataview)	Crystallisation Lump Sum Value missing (cosmetic)	Pensioner	Manually investigate and correct records.	No	Manual check and update	251	251	↔	Projects Team/Customer Services Team	Nov-23
COND8	Annual Allowance (dataview)	Pension Input Amounts missing	ACTIVE	Investigate and bulk/manually correct records.	No	Manual check and update	2140	2134	↔	Projects Team	Nov-23
COND9	Contracting out Date	Date out of range (system error)	Active	Bulk system correction	Yes	Annual bulk correction run around November required but no impact on day to day casework.	113	306	↑	Technical adviser	Nov-23
COND10	GMP Data	Missing GMP Value	DEFERRED and PENSIONER	Update after GMP reconciliation complete	Yes	GMP Reconciliation project to clear these.	5958	5784	↓	Technical adviser	Nov-23
						Total No. of Errors	9,235	9,587			
						Total No. of Records	164,909	166,811			
						Overall Data Score Reported to Regulator 2022/Current status	94	94			

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Agenda Item

Subject	Review of Appeals, Breaches and Complaints Quarter 4 2022-23	Status	For Publication
Report to	Local Pension Board	Date	27 April 2023
Report of	Director		
Equality Impact Assessment	Not required	Attached	N/a
Contact Officer	George Graham, Director	Phone:	01226 666439
E Mail:	ggraham@sypa.org.uk		

1 Purpose of the Report

To provide Members with an overview of:

- a. Appeals dealt with at Stage 1 and 2
- b. Breaches reported
- c. Complaints handled.

This report relates to the period from 1st January 2023 to 31st March 2023.

2 Recommendations

2.1 Members are recommended to:

- a. **Note the outcome of and appeals dealt with and comment on any further requirements**
- b. **Note the breaches summary and comment on any further reporting requirements or actions**
- c. **Note the outcome of and complaints 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 offer 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 Option

- 5.1 This report provides the regular update on Appeals, Breaches Complaints for the Board.

Appeals

- 5.2 During the reporting period 4 appeals were determined.

Stage 1

Ref	Reason for appeal	Upheld?	Comments
BM	Refusal of transfer request	No	Scheme member wanted to transfer his pension into an unregistered private scheme.
LY	Refund dispute	No	Member wished to opt out of the scheme but their application was out of time.

Stage 2

Ref	Reason for appeal	Upheld?	Comments
IH	Deferred pension	Partially	Issue relates to details of the rule of 85 protections which are particularly complex. SYPA cannot pay a benefit which is not due under the scheme rules. Compensation of £200 offered due to a delay in dealing with this appeal.
LY	Refund dispute	No	See Stage 1 above.

- 5.3 The above cases are each individual and do not provide any systemic learning, although in the case of the “Rule of 85” case some changes have already been made to member presentations making clear the need for members to seek information on their individual circumstances.
- 5.4 A comprehensive review of the Appeals process has been commissioned and commenced in January 2023. This is intended to create a single process with transparency over the numbers of appeals in process and whether they are being dealt with in line with the required timescales. This work is being led by the Governance Team and is currently reviewing several outstanding cases. While the conclusions in relation to most of these cases will flow through in regular reports one issue has emerged which, while not yet definitively settled, should be reported to the Board at the earliest opportunity.
- 5.5 5 cases where the member transferred benefits to another scheme some years ago (and before the current “stronger nudge” regulations) have been identified where it

appears the Authority may not have undertaken all the necessary checks to ensure that the receiving scheme was appropriately registered. While each case needs to be reviewed individually and an individual determination made in aggregate, it appears there was a control failure within the Authority. If the completed investigation bears this out the Authority will report itself to the Regulator in relation to these cases and implement actions in relation to the individual scheme members benefits that would be required had the Pensions Ombudsman found against us. As indicated these cases did occur some years ago and procedures have been tightened since then.

Breaches

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

Ref	Date	Type	Description	Action
63	20/01/23	GDPR	Employer's monthly data submission changed the address of every member to a random address in Hull. This resulted in two potential breaches although only one potentially resulted in disclosure of personal information.	Employer has been spoken to with regard to the data submission and staff processing these files encouraged to be more vigilant. Action taken to address the potential disclosure of personal information.

5.7 This is clearly a unique case but it does highlight the need to ensure that the processing of large data files is carried out with appropriate care and attention, which is being continually emphasised to the staff involved. In addition, as reported elsewhere on the agenda, considerable effort is being made to support employers in providing accurate data.

Cyber security incidents

5.8 In addition to the more routine breaches there were 8 reported cyber security incidents during the quarter, all of which were phishing attacks. All attacks were reported and contained without clicked links or response to coercion. In all cases, the sender addresses and links (if included) were blocked and all staff notified of the email content to highlight future attempts.

5.9 It is noted that this period encountered a higher number of cyber security incident reports than normal, specifically in January in which 5 were reported. All 5 reports in January were isolated incidents with no connection in terms of sender, links, or content.

5.10 Cyber security defences and reporting procedures improved significantly in February with the introduction of a new solution to help staff detect phishing attacks. Staff now have new tools to highlight potential issues within individual messages, more power to control legitimate or SPAM messages, and simplified processes to reported dangerous messages.

5.11 All staff have now completed the additional cyber security awareness training around phishing attacks.

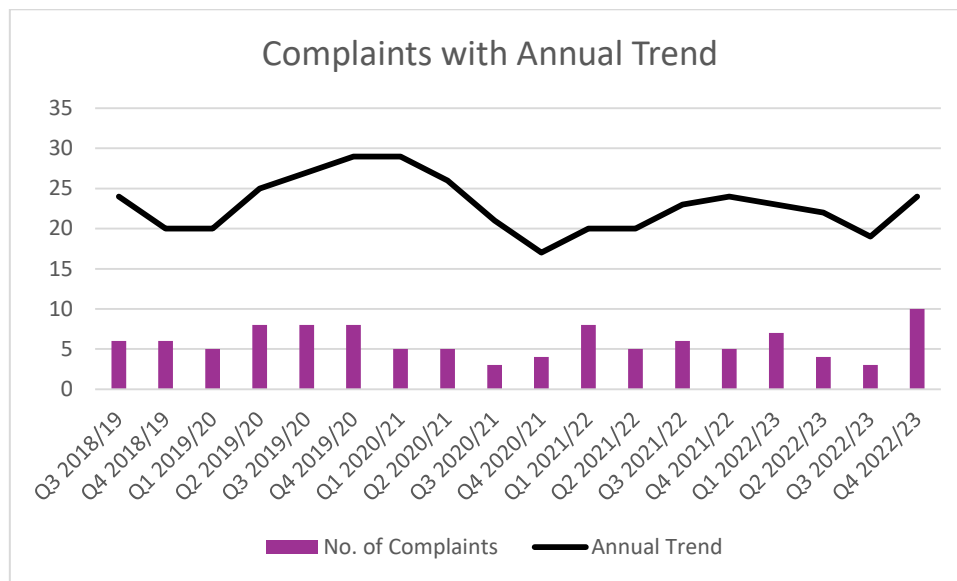
Complaints

5.12 The table below provides a summary of the 10 number of complaints received in the reporting period and an indication of whether the causes of complaint points to 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?
C101	Member	Wanted a quote to 55 and we hadn't provided deferment details and aggregation quote from 1st record.	Yes	SYPA	Relates to the various issues with backlog aggregations
C102	Member	Issues with unravelling TUPE and paying benefits.	No	Member / Regulations	Decisions taken by Director which will resolve the decision
C103	Member	Issues with timings of payments, staff attitudes and how spouses CARE is worked out.	Yes	SYPA / Regulations	Customer Centre informed and asked to note in terms of working practices.
C104	Member	Member has been awaiting a quote since August 2022 and only just done due to scheme pays/AA issue and delays from us and employer supplying info.	Yes	Employer / SYPA	Note to staff stressing to staff the need to communicate delays better to members.
C105	Member	Delays with Prudential, inaccurate estimate and confusing info from SYPA staff.	Yes	SYPA / Prudential	Prudential delays remain an issue.
C109	Member	Complaint about time taken to	Yes	Capita	Capita continue to be actively engaged with by SYPA staff

		process case (Capita delays)			to resolve outstanding queries.
C110	Member	Length of time waiting for a deferment. Employer issues at our end.	Yes	SYPA / Employer	Reflects the delays in processing monthly data and leaver data.
C111	Member	Issues with incorrect scanning of a query causing a delay in providing data to WYPF.	Yes	SYPA	
C112	Member	Issues with aggregation (although we are waiting on member's decision) and wanting estimate but only 44 years old	Yes	Member / SYPA	Relates to the level of outstanding aggregations.
C113	Member	Employer provided wrong NI number which meant their person records didn't combine and created other data issues.	Yes	Employer	Records now combined
Total for three months	10				

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



- 5.14 While numbers of complaints remain relatively low compared to volumes of casework the trend is clearly upwards which is a concern when looked at in conjunction with other performance data. There are several common themes which emerge from these complaints. As previously identified both through complaints analysis and customer surveys we need to improve communication with scheme members around work in progress and some work has recently been completed to allow some standard communication as part of certain key processes. However, more is likely to be required in this area. In addition to this the backlogs identified in the performance report elsewhere on the agenda are now beginning to impact quality of service and make it more difficult to resolve cases in a timely way an issue that may be being magnified by the relatively small number of experienced Pensions Officers within the Benefits Team.

Conclusion

- 5.15 This quarter's report reveals a trend of increasing numbers of complaints and appeals which all to some degree reflect levels of customer service or timeliness of completion of work than we would like to deliver. These are symptoms of a more significant range of underlying issues and challenges facing the Pensions Service which will be the subject of concerted action over the coming months with an initial plan of action to be presented to the Pensions Authority in June.

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
None	

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