

Date: 31 July 2023

To: MEMBERS OF THE SOUTH YORKSHIRE  
LOCAL PENSION BOARD

Oakwell House  
2 Beevor Court  
Pontefract Road  
Barnsley  
S71 1HG

[www.sypensions.org.uk](http://www.sypensions.org.uk)

This matter is being dealt with by: Governance Team Direct Line: 01226 666405  
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Dear Member

**SOUTH YORKSHIRE LOCAL PENSION BOARD**  
**Thursday, 10 August 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, 10th August, 2023 at 10.00 am.**

The agenda is attached.

Yours sincerely



Sarah Norman  
Clerk

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**Distribution:** Riaz Nurennabi (Chair), Nicola Doolan-Hamer, Danny Gawthorpe, Andrew Gregory, Nicola Gregory, Cllr Emma Hoddinott, Cllr Ken Richardson, Garry Warwick 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, 10 AUGUST 2023 AT 10.00 AM, OAKWELL HOUSE, 2 BEEVOR COURT, PONTEFRACT ROAD, BARNSELEY, S71 1HG

## AGENDA

	Item	Page
1	Welcome, Introductions and Apologies	
2	Announcements	
3	Election of Chair & Vice-Chair	
4	Urgent Items	
5	Items to be Considered in the Absence of the Public and Press	
6	Declarations of Interest	
7	Minutes of the meeting held on 27 April 2023 and Actions and Matters Arising	5 - 16
8	Review of the Constitution Local Pension Board Terms of Reference	17 - 32
9	Regulatory and Policy Update	33 - 38
10	Breaches, Complaints and Appeals	39 - 44
11	Compliance with Pensions Regulator Code of Practice 14	45 - 46
12	Local Pension Board Membership & Training updates	47 - 64
13	Governance Update	65 - 68
14	Pensions Administration Quarterly Report	69 - 92
15	Progress on actions resulting from audits/inspections	93 - 96

16	Risk Register (Update and actions )	97 - 106
17	Scheduling of Local Pension Board next meeting agenda	107 - 109
*18	Private papers from Authority Meeting held on 8th June 2023 <b>(Exemption Paragraph )</b>	110 - 112

## SOUTH YORKSHIRE PENSIONS AUTHORITY

### LOCAL PENSION BOARD

27 APRIL 2023

PRESENT: G Warwick (GMB) (Chair)

R Fennessy (South Yorkshire Police), M. Parekh (Sheffield City Council), N Doolan-Hamer (Unison), D Gawthorpe (Unite), A Gregory (Scheme Member Representative), N Gregory (Academy Representative), R Nurennabi (Sheffield Hallam University), Councillor K Richardson (Barnsley MBC) and D Webster (Scheme Member Representative)

C Scott (Independent Advisor to the Board)

Officers in attendance: G Graham (Director) J Stone (Head of Governance) S Ghuman (Deputy Clerk) N Keogh (Interim Assistant Director – Pensions) A Palmer (Team Leader – Governance) J Webster (Service Manager – Customer Services) L Grayson (Service Manager – Benefits) B Illidge (Communications Officer) R Green (Business Support Officer)

#### 1 WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting. Apologies noted as above.

#### 2 ANNOUNCEMENTS

The Director introduced two new members of staff to the Board, Nigel Keogh (Interim Assistant Director – Pensions) and Sukdave Ghuman (Service Director – Law & Governance from Barnsley Council) who has taken on the role of Deputy Clerk.

The Service Manager - Customer Services reported the Authority have retained the Customer Service Excellence Award with a Compliance Plus rating. We have held this status since 2004. The full report will be shared with the Board when available.

#### 3 URGENT ITEMS

None

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

None

#### 5 DECLARATIONS OF INTEREST

None

6 MINUTES OF THE MEETING HELD ON 02.02.2023 AND ACTIONS AND MATTERS ARISING

Councillor Parekh is incorrectly shown as a Scheme Member Representative.

**Agreed Action: This will be amended and minutes republished.**

**RESOLVED: Excepting the above, the minutes were agreed as a true and accurate record.**

7 ANNUAL REPORT

The Independent Advisor delivered the Annual Report. It is currently in draft form as some detail still needs revision.

**RESOLVED: Members considered and accepted the report.**

8 REVIEW EFFECTIVENESS OF LPB

The Independent Advisor delivered a report on the Effectiveness Review of the Local Pension Board.

Following the review, it was proposed that the Board agree the following actions:

- Developing communications between the Board and the Authority.
- Informal actions agreed at Board meetings to be recorded.
- Support the Authority in recording diversity characteristics of the Board 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.
- 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.
- 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).
- Develop plan to improve succession planning for Board membership.

**RESOLVED: Members agreed and accepted the recommendations.**

9 GOVERNANCE UPDATE INC RECENT MEETINGS AND DECISIONS

The Head of Governance delivered a report to provide members with an update on current Governance related activity.

Key points to note:

There have been no Authority decisions taken between meetings.

Implementation of the new Pentana Risk system is continuing. A timeline has been agreed with a proposed “go live” date of 24th August 2023.

The Annual Governance Statement is being prepared and will be presented at the Authority Meeting on the 8th June 2023.

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.

Work on amendments to the Authority’s Constitution continues with an expected completion date of the end of May 2023 and then presented at the Authority meeting on the 8th June 2023.

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.

N. Gregory asked if a timeframe for Chair and Vice-Chair to serve on rotation had been decided. The Head of Governance advised the recommendation is for a two-year term.

D. Webster asked if during the Authority’s Constitution review any changes would be made to the Board’s Constitution and would it be presented to them for review. The Director clarified that the current review concerned the Authority’s constitution rather than that of the Board. The Board’s constitution would be reviewed prior to the next meeting with any amendments presented for consideration prior to formal approval by the Authority.

M. Parekh asked if consideration had been given to the make-up of the Chair and Vice Chair. If for example the Chair is an Employer Rep will the Vice Chair be a Employee Rep. The Director confirmed the convention is that, this should be the case.

## 10 TRAINING & DEVELOPMENT UPDATE

The Head of Governance presented a report to provide members with an update on training and development of members.

The key points to note are:

The report from Hymans Robertson on our results in the 2022 National Knowledge Assessment has been received. An updated version is expected to correct the figure shown on our completion rate. It currently states 94% but we are fully compliant and do have a 100% rate.

An analysis of individual member results will be carried out in due course. This will be used to guide the training events for the next year.

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%.

Some scores were amended due to error when inputting the original figures. Some fields were marked as 0% when n/a was appropriate. The average score for the Board members was 60%, compared with an average of 55% for Authority members.

N. Doolan-Hamer commented that the wording of the questions caused problems when trying to complete the assessments. Pensions is not something she does full time and some were quite technical.

The Head of Governance agreed with the point and in a feedback session with Hymans, it has been agreed to look at a more scenario/case study type assessment to reflect the role of members more accurately.

R. Nurennabi concurred with the observations on the assessment. The challenge for members is keeping up with legislative changes such as the McCloud judgement and the new Pensions Dashboard. Sessions on those as appropriate would be appreciated.

The Head of Governance advised that planned away day for members will have outside experts on hand to deliver material and speak to members. It will be a joint event with Authority members so it will be a good chance for everyone to interact and increase and share knowledge.

K. Richardson asked about the two-day induction course he attend when previously serving on the Authority. Is this still available?

The Director advised, that was the LGA Fundamentals course. It does still take place and any member of the Authority or Board would be supported if they wished to participate. The time commitment is considerable as the course now runs over three full days, hence the reason for developing the on-line training facility which is more flexible.

The Head of Governance added an internal induction course for new members is being developed that will run for 12 months providing support.

D. Webster asked if in addition to the joint training with Authority members, will bespoke training for the Board be made available given the different roles. The Head of Governance confirmed that it would.

The Chair welcomed the joint away day and if basic pensions administration training be provided to go along side the technical aspects of the scheme.

The Director advised reading material is available for members if they wish. In addition the Members Handbook is available. The Handbook is currently being updated and will be issued when available.

The Head of Governance also noted the paperless office training will be delivered as the Authority moves to using the Modern.gov app for meeting papers etc from June 2023.

RESOLVED: Members a. Noted the current position and welcome progress made in relation to compliance with mandatory training requirements.

b. Noted the initial results of the 2022 National Knowledge Assessment

## 11 VALUATION UPDATE

The Director delivered a report to update members on the outcome of the triennial valuation process.

Main points to note:

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.

The process highlighted some areas of learning for things that did not proceed as well as they could. These will be assessed and applied to the next valuation.

As of the valuation date, the Fund had a funding level of 119%. The improved position has been driven by our investments.

There has been significant improvement in the funding levels of employers since the last valuation.

A report will be delivered to both the next Authority and Board meetings respectively that shows a comparison with other LGPS funds.

The Independent Advisor sought clarification of recommendation b in section 2. Director confirmed this has been included in error and only recommendation a is appropriate for the Board.

The Chair asked what the difference was between the Primary and Secondary employer contribution rates mentioned in the report. The Director replied the Primary rate is the Future Service Rate and the Secondary is what used to be called the Deficit Reduction rate. As we do not have a deficit, the terminology could lead to confusion.

RESOLVED: Members noted the outcome of the 2022 Triennial Valuation of the Fund.

## 12 COMMUNICATIONS STRATEGY

The Service Manager - Customer Services presented a report on the updated Consultation, Communications and Engagement Strategy.

Clarification was sought from the Board around the frequency of the document as it is referred to as annual. The Communications Officer replied the reference is in respect to an annual service review and not the strategy itself. This will be looked at to avoid confusion.

In future the review will take place every two years as opposed to annually. Any large changes in the interim period would be brought to the Authority and Board as appropriate.

The Board asked if the following information could be captured within future reporting:

- 1) Information on the number of members accessing their Annual Statement online or using the Retirement Quote Calculator.
- 2) How many members still receive paper copies of Newsletters.

The Service Manager - Customer Services replied no Google analytic information is available on how many users access the Annual Statements or Retirement Quote Calculator. This is something that may be possible in the future and will be looked at. The number of total users who access their MyPension account can be provided. Regarding newsletters, 2,435 members receive a paper copy.

It was noted the communications sent to employers seem to be focused on administrative issues of the scheme. Are more senior staff at the employers being missed? The Service Manager - Customer Services advised this would be reviewed.

R. Nurennabi asked if other LGPS funds produced similar documents and whether they are as comprehensive. The Service Manager - Customer Services replied, yes, when comparisons have been done with other LGPS funds, the documents do contain much of the same information. The Director added, this is a statutory document we are required to produce by the LGPS Regulations.

R. Nurennabi then asked if there were any insights that could be shared with employers, regarding communications with scheme members. The Communications Officer has already started work on engaging with employers on this and providing resources to employers.

RESOLVED: Members noted the report.

## 13 ADMINISTRATION REPORT Q4 2022-23

The Director delivered a report to update Members on administration performance and issues for the period from 1st January 2023 to 31st March 2023.

It was clarified the figures in the table at the top of page 144, do not tie up with the figures shown in the table at the bottom of the page. This is due to some individual

case types not being included in the larger table due to the sheer number of processes involved.

There has been fall in the performance of case work processing. There has not yet been a corresponding increase in customer dissatisfaction, although some trend is present. There has also not been a marked increase in customer complaints.

The Interim Assistant Director – Pensions advised he has held talks with managers within the service on how the backlog situation occurred and the impact on processing other case work. A recovery plan is being produced which will include plan to ensure the situation does not happen again.

Much of this will be dependent on the pensions administration software being made fit for purpose and then utilising it in a more effective way. A more strategic approach about the quality of information we hold in the system will also be required.

A capacity planning review is being undertaken by the Service Manager – Benefits to ensure our resources are being utilised effectively. This will conclude by the end of May.

How the Authority reports on performance also requires review to make it more succinct and focussed. This will form part of the Administration Action Plan which will include:

- Better use of IT.
- Better allocation of work.
- Increasing staff training and understanding skills gaps.
- Prevention measures to avoid a repeat situation.
- Ensuring adequate staffing levels.

An action plan is expected to be reported to the Authority in June.

N Doolan-Hamer questioned the plans to clear the Aggregation case backlog. It was previously reported a team had been set up to deal with these, but it now appears it will fall into this review. The Interim Assistant Director – Pensions advised the pensions admin system contains a function for bulk processes to be run and work is being undertaken by our Systems Team to get that working. Currently Aggregations are being dealt with via overtime for staff.

N Doolan-Hamer questioned why this course of action was only just being considered now, when the problem has been known about for a while. The Interim Assistant Director – Pensions replied we have allowed a situation to develop where the short comings of the pensions admin system have been tolerated and internal workarounds have been used. A change of focus is needed to ensure the system is working as intended.

N Doolan-Hamer asked if staff who do the casework have been consulted about improvement initiatives. The Director replied that as the plan moves forward and becomes more detailed, more staff will become more involved.

D. Webster asked if there are still unfulfilled tasks Civica have not delivered on the actions we have previously requested. The Interim Assistant Director – Pensions replied the gap is narrowing, but yes, there are still two outstanding issues.

The Director added that there had been previous discussions with the Board on a potential change of administration system and while this remains an option the assessment of the balance of risk involved had changed significantly in recent months.

K Richardson stated that if the system is not fit for purpose, then it should be changed. The Interim Assistant Director – Pensions replied that all the functionality we need is there, we now need to make it work for us.

K Richardson requested confirmation the action plan would be presented to the Board and include timescales and objectives so they can hold officers to account. The Director confirmed that it would.

The Chair asked if the root cause was a software or lack of staff problem. The Interim Assistant Director – Pensions replied it is a combination of both.

R. Nurennabi noted that recruiting staff with LGPS skills and knowledge is very challenging and new staff require training. What impact will that have on timescales of the action plan? The Interim Assistant Director – Pensions stated we have been fortunate to recruit staff who do have some previous experience but there will still be some on the job training. This will necessitate more experienced staff being removed from case working to mentor. An allowance for this will be built into the action plan. Recruitment of staff for the systems team is more problematic.

The Director added training and development needs to be built in on an ongoing basis so a more balanced skills/knowledge base can be developed.

K. Richardson asked if software is updated in respect to the McCloud Judgement and Pensions Dashboard? The Interim Assistant Director – Pensions confirmed that it is updated as new information emerges. An internal project team is in place to prepare for new legislation.

The Independent Advisor asked about the staffing level section of the action plan. Did the previous Resilience Report considered by the Authority address the issues? The Director confirmed the report referenced was presented to the Staffing Committee in October and deliberately deferred looking at Pensions Officer and Customer Services Officer levels until the capacity planning exercise had finished. Once the data is available, then appropriate recommendations for action will be made.

The Independent Advisor sought confirmation that efficiency targets would be included in the Action Plan, to highlight how quickly things could be done as opposed to quickly they are being done. The Interim Assistant Director – Pensions confirmed it would and comparative data will be used, while making allowances for training and development processes. Another focus will be on the checking processes to ensure it is adding value to the process.

The Director added that expected processing times for case work will also need to be introduced. This will require considerable thought on how to introduce this and

will be in consultation with the Trade Union. This will also require Team Leaders to work in different ways and exercise their responsibilities differently. The Interim Assistant Director – Pensions stated that the data on individual performance would be used to facilitate training plans and development objectives.

14 DATA QUALITY, IMPROVEMENT PLANS AND PROGRESS UPDATES

The Interim Assistant Director – Pensions delivered a report to update members on the latest iteration of the Data Quality Improvement Plan and the latest data scoring provided to the Pensions Regulator.

K. Richardson asked if the Authority is part of the Tell Us Once (TUO) Scheme.

The Director confirmed we are a part of TUO and life existence checks are carried out annually for pensioners who live abroad.

The Service Manager - Customer Services added we also use address tracing and mortality screening services from the General Registry Office and that data is received every week. This is in addition to the National Fraud Initiative undertaken every two years.

D. Webster asked about the error of Scheme Retirement Data and why it appeared not be dealt with until a bulk correction in November. The Interim Assistant Director – Pensions replied the way this data is presented is not helpful, it is a system generated data field. The numbers increase throughout the year and are then cleared by a bulk run. Consideration should be given to whether the system generated reports are focussing on the key date sets needed.

15 BREACHES, COMPLAINTS AND APPEALS

The Director delivered the report.

RESOLVED: Members noted and accepted the report.

16 RISK REGISTER (UPDATE AND ACTIONS)

The Team Leader – Governance delivered the report.

RESOLVED: Members noted and accepted the report.

17 AOB

a) The Director sought the views of the Board on the principle of a proposal raised by the Chair and Vice Chair of the Authority at their last meeting; on whether a remuneration package should be put in place for members of the Board.

A discussion was held and Members views will be fed back to the Authority.

Agreed Action: Expenses claim procedure currently in place to be circulated to Board members.

b) The Chair advised this was the last meeting for R. Fennessey as Vice-Chair. The Chair, Members and Officers thanked him for his contributions during his tenure.

CHAIR

**Agreed Actions**

Agenda Item	Agreed Action	Responsible Officer
6	Minutes of the meeting held on 02.02.2023 to be amended and republished.	Business Support Officer
8	Developing communications between the Board and the Authority	Head of Governance
8	Informal actions agreed at Board meetings to be recorded.	Governance Officer/Business Support Officer
8	Support the Authority in recording diversity characteristics of the Board and provide feedback on the characteristics which the Board feel are important.	Head of Governance
8	Support the Authority in amending the Board's constitution to require rotation of the chair and vice-chair roles.	Director
8	Request the Authority attempts to provide a shorter, more succinct report on pensions administration for future meetings.	Interim Assistant Director – Pensions
8	Request that the Board's chair and vice-chair work with the	Head of Governance

	Authority to better manage the time at meetings to reduce time spent on pensions administration and increase time spent on broader Authority governance matters.	
8	Request that the Authority reflects on the Board's feedback on the on-line training and knowledge assessment when planning future activities.	Head of Governance
8	Develop plan to improve succession planning for Board membership.	Head of Governance
10	Conduct an analysis of Board Members National Knowledge Assessment as a guide to future training events.	Head of Governance
10	Update the contents of the Members handbook and distribute to members.	Head of Governance
11	A report will be delivered to both the next Authority and Board meetings respectively that shows a comparison with other LGPS funds.	Director
12	Investigate the possibility of obtaining analytic information on how many users access their Annual Statements or Retirement Quote calculator online	The Service Manager - Customer Services
13	Pensions Admin Recovery Plan, with timescales and objectives, to be	Interim Assistant Director – Pensions

	presented to the Board.	
17	Expenses claim procedure to be circulated to Board members	Head of Governance



<b>Subject</b>	<b>Review of the LPB Constitution and ToR</b>	<b>Status</b>	For Publication
<b>Report to</b>	Local Pension Board	<b>Date</b>	10 August 2023
<b>Report of</b>	Monitoring Officer		
<b>Equality Impact Assessment</b>	Not Required	<b>Attached</b>	No
<b>Contact Officer</b>	Jo Stone Head of Governance	<b>Phone</b>	01226 666418
<b>E Mail</b>	<a href="mailto:jstone@sypa.org.uk">jstone@sypa.org.uk</a>		

## 1 **Purpose of the Report**

Following the comprehensive review of the Authority's Constitution, it is good governance to undertake a review of the LPB Constitution and Terms of Reference.

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## 2 **Recommendations**

2.1 Members are recommended to:

- a. **Approve the updated Local Pension Board Constitution and ToR at Appendix A.**
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## 3 **Link to Corporate Objectives**

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

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

*Maintaining an up-to-date Constitution which reflects the actual operation of the Authority's governance and control framework is an important contributor to this objective.*

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

The actions outlined in this report address a number of governance-related risks set out in the Corporate Risk Register.

## 5 **Background and Options**

5.1 It is good practice to carry out an annual review of the Authority's Constitution to ensure that it is up-to-date and fit for purpose. Solicitors were commissioned to undertake a comprehensive review of the Constitution which was approved by the Authority on 08 June 2023.

5.2 Following on from the above review, the Director and Head of Governance undertook a review of the Board's Constitution and Terms of Reference. This resulted in minor revisions only. These are highlighted in yellow on the document attached at Appendix A and are listed below for the Board's review and agreement.

- a. **Section 5 – 5.1.1** – Local Authority Councillor rotation revised from 3 years to 2 years.
- b. **Section 5** – Membership additional clause of 5.1.4 added in regards to appointment of councillor representation.
- c. **Section 6** – Additional clause 6.1 requirements of first meeting in the municipal year to appoint the Chair and Vice Chair.
- d. **Section 13** – Expenses and Funding, additional clause 13.1 with regards to the approval from the Authority for LPB members to be paid a scheme member allowance.
- e. **Section 17** – Governance Structure diagram updated to rename Audit Committee to Audit and Governance Committee.

## 6 Implications

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

Financial	No direct financial implications arising from the review.
Human Resources	No specific HR implications
ICT	None
Legal	The full review of the Authority's Constitution was conducted by a firm of solicitors to ensure the Authority's Constitution has a sound legal basis and minimises the risk of any legal breaches.
Procurement	None directly; the Contract Standing Orders within the Constitution will be fully reviewed at a future date when new procurement legislation has been enacted.

**Jo Stone**

**Head of Governance & Monitoring Officer**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
None	



# Constitution of the South Yorkshire Local Pension Board

July 2023

Date Approved:	2015
Date Revised:	July 2023
Date of Next Review	July 2025

Responsible Officer:	Monitoring Officer
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## Contents

Contents	2
1. Name	3
2. Purpose and Role	3
3. Powers of the Local Pension Board	3
4. Scheme Manager Consents	4
5. Membership	4
6. Chair	5
7. Leaving the Board	5
8. Standards and Interests	5
9. Conflicts of Interests	6
10. Meetings and Procedures of the Board	6
11. Knowledge, Skills and Training	6
12. Accountability	7
13. Expenses and Funding	7
14. Annual Report	7
15. Variations	7
16. Data Protection	7
17. Governance Structure	8
Appendix A Terms of Reference	10
Appendix B – Local Pension Board Conflicts of Interest Policy	12

## **1. Name**

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

## **2. Purpose and Role**

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

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

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

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

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

## **3. Powers of the Local Pension Board**

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

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

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

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

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

3.1.3.2 Determine that no breach of duty has taken place.

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

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

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

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

## 4. Scheme Manager Consents

4.1 The Local Pension Board shall not:

- 4.1.1 Consider or become involved in any internal dispute resolution appeals or the process itself.
- 4.1.2 Enter into contracts on behalf of the Administering Authority.
- 4.1.3 Use the Local Pension Board to act on behalf of a particular constituency or Pension Fund member in general or in relation to a specific complaint at any time.
- 4.1.4 Compromise the Pensions Authority's ability to comply with its fiduciary duty to the Pension Fund and its members.

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

- 4.2.1 instructs the Pension Fund actuary to provide a report of any kind.
- 4.2.2 Requests any external advisor to attend a meeting of the Local Pension Board which shall require any remuneration of any level.
- 4.2.3 incurs a cost to the Pension Fund.
- 4.2.4 Can amend this constitution.

## 5. Membership

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

5.1.1 Employer representatives will consist of:

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

5.1.2 Employee representatives will consist of:

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

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

5.1.4 Council members will be appointed by the relevant District Council at their annual meeting.

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

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

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

- 5.4 Regulation 107 requires that the administering authority, South Yorkshire Pensions Authority, ensures that all employer or member representatives sitting on the Board have relevant experience and capacity to represent the employers or members of the Fund.
- 5.5 Substitute members will not be permitted.
- 5.6 Each Local Pension Board member shall endeavour to attend all LPB meetings during the year. Failure to attend any meetings within a 6-month period will result in removal from the Board unless a meeting of the Board specifically agrees to a waiver of this rule because of specific circumstances.

## 6. Chair

- 6.1 At the first meeting held in each municipal year the board shall:
- 6.2 elect a Chair from amongst its members.
- 6.3 elect a Vice-Chair from amongst its members.
- 6.4 When the Chair of the Board is from the employer representatives, then the Vice-Chair will be elected from the member representatives, and vice versa.

## 7. Leaving the Board

- 7.1 A member of the Board shall cease to hold office if:
- 7.1.1 He or she notifies the Board of a wish to resign.
- 7.1.2 He or she is an elected councillor and is appointed to the Pensions Authority.
- 7.1.3 He or she ceases to be employed by the body on behalf of whom he/she acts as a representative, including but not limited to Trade Unions or Scheme employers.
- 7.1.4 A member fails to attend meetings or otherwise comply with the requirements of being a Board member, for example fails to attend the necessary knowledge and understanding training.
- 7.1.5 A member dies or becomes incapable of acting.
- 7.1.6 There exists a conflict of interests in relation to a Board member which cannot be managed within the internal procedures of South Yorkshire Pensions Authority.

## 8. Standards and Interests

- 8.1 All members of the Board will adhere to the Seven Principles of Public Life. These are:
- Selflessness
  - Integrity
  - Objectivity
  - Accountability
  - Openness
  - Honesty
  - Leadership
- 8.2 In addition, Local Authority Councillors serving on the Board are subject to their Council's Code of Conduct for Members. Members of the Board who are not Councillors but are members of a professional body or represent a Trade Union are subject to any Code of Conduct applicable to that body or Trade Union.
- 8.3 All members of the Board shall complete a declaration of their interest and deposit it with South Yorkshire Pensions Authority's Monitoring Officer as required by Regulation 108 (4) of the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015.

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

## **9. Conflicts of Interests**

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

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

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

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

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

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

## **10. Meetings and Procedures of the Board**

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

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

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

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

10.6 Board meetings shall be held in public. The public may be excluded from the meeting when matters are considered that, in the opinion of the Scheme Manager, contain information covered by exempt/confidential information procedures under Schedule 12A of the Local Government Act 1972 (as amended) or represent data covered by the Data Protection Act 1998.

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

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

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

## **11. Knowledge, Skills and Training**

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

11.1.1 The rules of the scheme.

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

11.1.3 The law relating to pensions; and

11.1.4 Any other matters which are prescribed in regulations.

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

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

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

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

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

## **12. Accountability**

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

## **13. Expenses and Funding**

13.1 Members of the Board will receive an allowance in relation to their membership under the Authority's Member Allowances Scheme and will be reimbursed for reasonable subsistence and travel expenses in accordance with the relevant policies of the Authority.

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

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

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

## **14. Annual Report**

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

## **15. Variations**

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

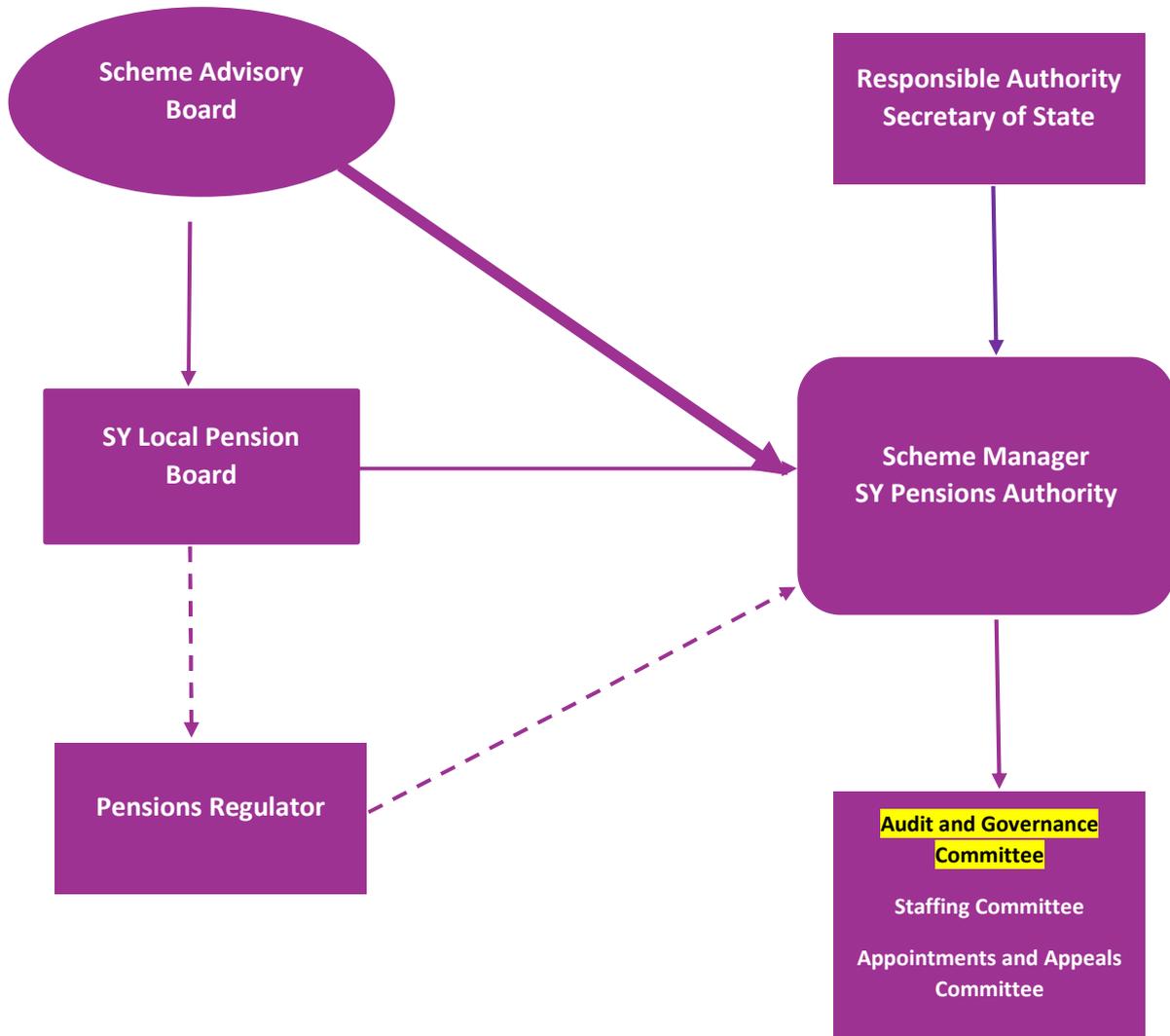
15.2 No variation made by the Board will be valid without the express consent of the Scheme Manager.

## **16. Data Protection**

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

## 17. Governance Structure

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



# Constitution of the South Yorkshire Local Pension Board

## Appendix A – Terms of Reference

July 2023

## Appendix A Terms of Reference

### **1. Compliance and Control**

- 1.1 To review administrative governance and risk management processes and procedures to ensure they remain compliant with the Regulations and the Regulator's code of practice.
- 1.2 To assist with the development and review the implementation of the Authority's various policy documents and procedures.
- 1.3 To review the actions taken in response from internal and external review agencies (such as Internal and External Audit and the Pensions Ombudsman).

### **2. Administration**

- 2.1 To monitor and review the performance of Scheme administration from the scheme members' and employers' perspective including making any recommendations for changes to the Pensions Administration Strategy.
- 2.2 To assess the quality of service provided by the pension administration service and identify any areas for improvement.

### **3. Communications**

- 3.1 To monitor and make recommendations as appropriate on the means and content of communication with scheme members and employers
- 3.2 To produce an Annual Report upon the Board's activities to be submitted to the Pensions Authority.

### **4. Budgets**

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

### **5. Reporting**

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

Constitution of the  
South Yorkshire  
Local Pension  
Board  
Appendix B –  
Conflicts of Interest  
July 2023

## Appendix B – Local Pension Board Conflicts of Interest Policy

### 1. Introduction

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

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

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

### 2. Identifying Conflicts

#### LPB Members

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

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

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

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

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

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

- b) an LPB member who works closely with the Scheme Manager's internal audit function may be required, as part of their work to audit the administration of the Pension Scheme. For example, the employee may become aware of confidential breaches of law which have not yet been brought to the attention of the LPB.
- c) an employer representative (elected Member) who also works in the private sector, may also have a conflict of interest as a decision-maker in their own workplace. For example, they may work for a company to which the Scheme Manager has outsourced its pension administration services and the Board are reviewing the standards provided by it.

### **LPB Advisors**

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

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

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

### **3. Monitoring and Managing Potential Conflicts**

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

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

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

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

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

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

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

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

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

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

<b>Subject</b>	<b>Regulatory and Policy Update</b>	<b>Status</b>	For Publication
<b>Report to</b>	Local Pension Board	<b>Date</b>	10 August 2023
<b>Report of</b>	Director		
<b>Equality Impact Assessment</b>	Not Required	Attached	Na
<b>Contact Officer</b>	George Graham Director	<b>Phone</b>	01226 666439
<b>E Mail</b>	<a href="mailto:ggraham@sypa.org.uk">ggraham@sypa.org.uk</a>		

## 1 **Purpose of the Report**

- 1.1 To update the Board on developments in the policy and regulatory arena.
- 

## 2 **Recommendations**

- 2.1 Members are recommended to:

- a. Note the report and identify any comments or issues which they would like to be considered in the Authority's response to the issues raised.**
- 

## 3 **Link to Corporate Objectives**

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

### **Effective and Transparent Governance**

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

Maintaining a clear line of sight on the policy agenda and developing considered responses to changes and developments is a key element of good governance.

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

- 4.1 The actions outlined in this report touch on the risks related to data and regulatory compliance identified in the Corporate Risk Register. This is particularly true of the McCloud related issues. The developments in relation to the Divestment Boycotts and Sanctions legislation and pooling may well create new compliance issues and hence risks that will need to be incorporated in the risk register in due course.

## 5 **Background and Options**

5.1 This report provides the Board with an update on three specific developments in the policy and regulatory arena:

- The publication of draft McCloud regulations and particular proposals in relation to aggregations on which further consultation is being undertaken.
- The publication of the Economic Activity of Public Bodies (Overseas Matters) Bill which seeks to enact the Government's proposals in relation to divestment, boycotts and sanctions (DBS).
- The publication of the long awaited consultation on the further development of investment pooling and associated investment issues.

### *McCloud*

5.2 The Government has now published draft regulations which it intends to lay before parliament at such time that they can become effective in time for the October deadline for putting the McCloud remedy into effect. Alongside this there is further consultation seeking general views on the following areas:

- Aggregation – Determining the rules applicable to decide whether a member with multiple LGPS memberships has underpin protection in some or all of these.
- Club transfers – Determining the rules applicable to decide whether a member with previous membership of another public service pension scheme has underpin protection in respect of their LGPS membership.
- Flexible retirement – How the underpin should work in respect of flexible retirement, particularly for cases of 'partial' flexible retirement, where a member does not take all their accrued career average benefits.
- Divorce – How the scheme's divorce and underpin calculations interact.
- Injury allowances – How a retrospective increase to a member's pension arising from McCloud remedy may impact any injury allowances payable.

5.3 The Government is also seeking technical comments and comments on implementation in the following further areas:

- Excess teacher service – The retrospective admission to the LGPS of certain teachers who have multiple employments.
- Compensation – The circumstances where a member may be paid compensation where they have suffered a loss relating to the age discrimination found in the McCloud case or the McCloud remedy.
- Interest – The interest terms that will apply where payments are made later than would have been the case, due to the McCloud discrimination.

5.4 Some of these are particularly technical issues (interaction with divorce) or areas where established practice is being followed (interest payments). Some, however, will by the Government's own admission increase the administrative complexity of the scheme and present greater challenges than expected for administrators. In part this flows from an understandable desire to ensure that the implementation of the remedy is as far as possible able to withstand further legal challenge. However, in the areas of

aggregations, club transfers and excess teacher service there is potentially very significant extra work and investigation involved in every case also involving securing information from other pension schemes which will add to the time taken to resolve cases. It should also be noted that the expectation is that fewer than 1% of cases in the LGPS will be affected and of those only a very small proportion will see a material change in their benefits.

- 5.5 Locally we have established a project team to work through these issues and are developing the policy statements that are required to be in place to establish how missing and incomplete data should be addressed as well as a communications strategy. We are also testing the various calculations required within the administration system as they are released and so far no significant issues have emerged.

#### *Divestment Boycotts and Sanctions*

- 5.6 The Government laid the Economic Activity of Public Bodies (Overseas Matters) Bill before parliament on 19<sup>th</sup> June and it is now in Committee in the House of Commons. The Bill seeks to enact their commitment to preventing public bodies either through procurement or investment decisions from “running their own foreign policy”. In simple terms the Bill prevents LGPS funds from making decisions to divest from companies operating in particular countries at the urging of campaign groups. There is an enforcement regime in relation to the LGPS which will be operated by the Pensions Regulator. This Bill addresses a range of complex and difficult issues and raises some challenges which it appears will be difficult to navigate. Writing in Local Government Chronicle Phil Triggs the Tri-Borough Director of Pensions and Treasury who runs three LGPS Funds in London asked what happens:

*“where an analyst has anticipated that a company’s value will decrease because of ESG decisions it has made... if that strategy falls within the new law’s definition of not being in line with UK foreign defence policy, and the law therefore states that the fund must remain invested, and the fund therefore loses value, who will pay for that?... The government’s current message is that ‘this is not designed to get in the way of ESG factors, excepting the very narrow area of UK foreign or defence policy’. But this is absolutely not a very narrow area. .... We could end up in a scenario with never ending arguments involving ESG factors versus foreign and defence policy.”*

- 5.7 The Bill is proceeding through Parliament and undoubtedly statutory guidance and amendments to the LGPS Investment Regulations will be required to ensure that LGPS Funds do not inadvertently fall foul of the law. The involvement of the Pensions Regulator establishes a new precedent and while in the context it appears preferable to the alternative of the Department being the enforcement agency beginning to involve the Regulator in LGPS investment matters does break new ground and it remains to be seen whether this presages wider moves to involve the regulator in these aspects of LGPS.
- 5.8 Locally while SYPA is regularly lobbied to divest particularly from companies operating in the Occupied Palestinian Territories the policy framework around issues of this sort and the fact that as investments are made through pooled vehicles would appear to make it difficult for us to step over the line drawn in the Bill. However, there is a significant amount of detail which will only become clear in regulations and guidance and once the law is tested in court.

### *Investment*

- 5.9 Following the Chancellor's Mansion House speech the Government published the long awaited consultation on pooling which will ultimately lead to the production of more detailed statutory guidance and potentially some amendments to the Investment Regulations. The key points are:
- A clear timeline for the holding of all listed assets in pool run collective vehicles by March 2025 and a clear intention to use existing powers to make sure this happens. SYPA has already met this target.
  - Clearer plans and timelines for the overall transition and what appears to be a higher bar for holding assets outside of the pool.
  - A clearer view from Government on what counts as pooling and also how strategic asset allocation (the responsibility of funds) should be defined. This includes a clear view that pools should be more involved in advising on strategy.
  - A clear view that the number of pools should be reduced with a minimum scale of at least £50bn and preferably £75bn. This should though be achieved through voluntary mergers.
  - While accepting that pools might invest in each other's products a clear intention that there should not be competition between pools. The intent here is to allow pools to specialise in specific areas.
  - A requirement to publish a plan showing how each Fund will move to achieve investment of 5% of AUM in projects which support "levelling up" and to report on the impact of these projects using the metrics in the "levelling up" white paper. The work already done by SYPA in this area anticipates this.
  - A requirement to consider investing up to 10% of AUM in Private Equity and growth capital and to report on this.
  - Detailed technical proposals concerned with the use of investment consultants (incorporating elements of the regulation of private sector schemes) and the definition of investment.
- 5.10 There is a very considerable amount of information to digest and a great deal of detail as well as some remaining unanswered questions in this document and an online session has been arranged for Board and Authority members to be briefed on and provide a steer on the issues prior to a response being drafted for approval at the September Authority meeting. The process of producing the response will work alongside the process to produce a collective response for the Border to Coast Partnership which will be approved at the Joint Committee at the end of September.
- 5.11 It is quite clear that this process is now being driven by HM Treasury and that there will be considerable momentum behind it as a result. It also seems to be true that there is little if anything within the consultation that would be a matter of party political contention and therefore it is important to work on the basis that these proposals will happen even if there are changes of emphasis and different timelines in the event of a change of government following the General Election.

## 6 **Implications**

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

Financial	None directly
Human Resources	None
ICT	None
Legal	Changes to the regulations and ne statutory guidance will need to go through a formal consultation process which will allow further debate on the detail.
Procurement	None

**George Graham**

**Director**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
McCloud Supplementary Issues and Scheme Regulations	<a href="http://www.gov.uk">‘McCloud’ remedy in the LGPS – supplementary issues and scheme regulations - GOV.UK (www.gov.uk)</a>
Economic Activity of Public Bodies (Overseas Matters) Bill	<a href="http://www.parliament.uk">Economic Activity of Public Bodies (Overseas Matters) Bill - Parliamentary Bills - UK Parliament</a>
LGPS Investment Consultation	<a href="http://www.gov.uk">Local Government Pension Scheme (England and Wales): Next steps on investments - GOV.UK (www.gov.uk)</a>

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<b>Subject</b>	<b>Appeals Breaches and Complaints – Quarter 1 2023/24</b>	<b>Status</b>	For Publication
<b>Report to</b>	Local Pension Board	<b>Date</b>	10 August 2023
<b>Report of</b>	Director		
<b>Equality Impact Assessment</b>	Not Required	Attached	Na
<b>Contact Officer</b>	George Graham Director	<b>Phone</b>	01226 666439
<b>E Mail</b>	ggraham@sypa.org.uk		

## 1 **Purpose of the Report**

- 1.1 To provide the Board with information on Appeals, Breaches and Complaints for the first quarter of the year.

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## 2 **Recommendations**

- 2.1 Members are recommended to:
- a. **Note the contents of this report and endorse the action proposed in relation to the historic transfer cases identified.**

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## 3 **Link to Corporate Objectives**

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

### **Customer Focus**

To design our services around the needs of our customers (whether scheme members or employers).

### **Listening to our stakeholders**

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

### **Effective and Transparent Governance**

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

Using the information generated through analysis of Appeals, Breaches and Complaints should result in positive progress against each of the above corporate objectives.

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

The actions outlined in this report have no implications for items included in the Corporate Risk Register.

#### **5 Background and Options**

5.1 Each quarter the Board receives a summary of the Appeals, Breaches and Complaints either dealt with or received in the quarter to ensure that the organisation is effectively learning from what happens when things go wrong.

##### *Appeals*

5.2 Work is ongoing to review the Appeals process and make it more robust. During the quarter 2 ill health appeals were determined neither of which was upheld, and there are 15 cases currently under consideration. It is important to note that in these cases the Authority can only consider whether the employer has followed proper process and considered all the facts and not substitute its judgement on the merits of the case.

5.3 The completion of the appeals process allows scheme members to ask the Pensions Ombudsman to consider their case. The Ombudsman generally seeks to resolve cases informally but can order the Authority to take specific actions and pay compensation to individuals affected by its decisions, At present there are 3 case being investigated by the Ombudsman and the Authority is providing any information requested by the ombudsman, and awaits a determination from the Ombudsman as to whether these will proceed to a full investigation. Details on the results of these cases will be reported when available.

##### *Breaches*

5.4 The table below summarises the breaches identified in the quarter.

Ref	Date	Type	Description	Action
64	01/06/2023	Provision of Information	Information in relation to redundancy calculations sent to a trusted e mail address rather than to the recipient requested and neither was sent through the secure e mail system. This raised the potential for sensitive personal information to be disclosed. Consideration was given as to whether to report this to the Information Commissioner but following discussion	Instructions issued to all staff to take particular care with provision of information of this sort and emphasising the need to use the secure e mail system. The issue was followed up with the member of staff concerned. An apology was issued to the employer concerned.

			with the Data Protection Officer it was determined that this was not reportable.	
65	07/06/2023	Data Issue	<p>The Authority's Hybrid Mail provider experienced an incident that impacted their data transfer software.</p> <p>Forensic investigation identified that 3 SYPA files were taken by an unauthorised third party affecting 6 members and 1 executor's names and addresses of whom 2 were deceased and whose letters had been returned.</p>	<p>The affected members have been contacted notifying them of the incident.</p> <p>A follow up with the provider will be arranged to understand the steps they have taken to prevent a recurrence.</p>

5.5 In addition to these as reported last quarter 5 transfer cases have been under review to determine whether there was a breach in relation to the required checks for transfers out of the scheme. The original transfers in these cases date from 2012 to 2016, when different rules to those currently in place applied. However, the Authority was still required to carry out a range of checks to ensure that transfers were being made to suitably regulated schemes and that appropriate advice had been taken by the scheme member. In these five cases had the Authority undertaken the required checks properly it is clear that the transfers would have been refused. The remedy for this is to offer the solution that would likely be offered by the Pensions Ombudsman if they considered the case which is to reinstate the benefit that would have been available to the member had they not transferred (the largest of these transfers would generate a pension of c£2,000 pa). In addition, each individual will be offered the maximum compensation set out in the Ombudsman's guidance. Given that there is a clear breach here the Authority will also report itself to the Regulator, setting out the arrangements that are now in place which provide assurance that a recurrence is unlikely.

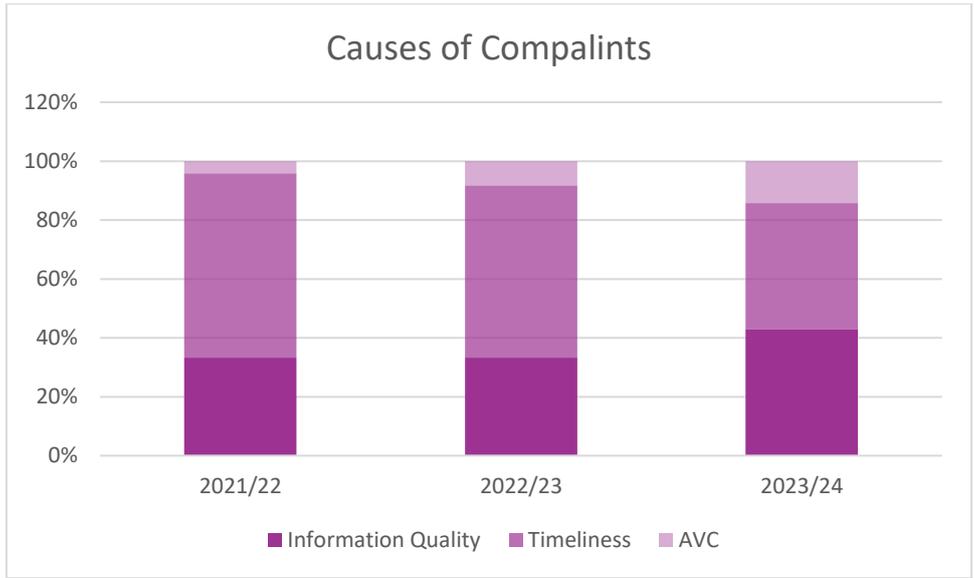
### Complaints

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

Ref	Complainant	Nature of Complaint	In Time	Responsible party	Other Actions
C114	Active Member	Issues with incorrect scanning of a query causing a delay in providing a	Yes	SYPA	Scanning issues to be addressed with staff and info to be added to the letter as standard.

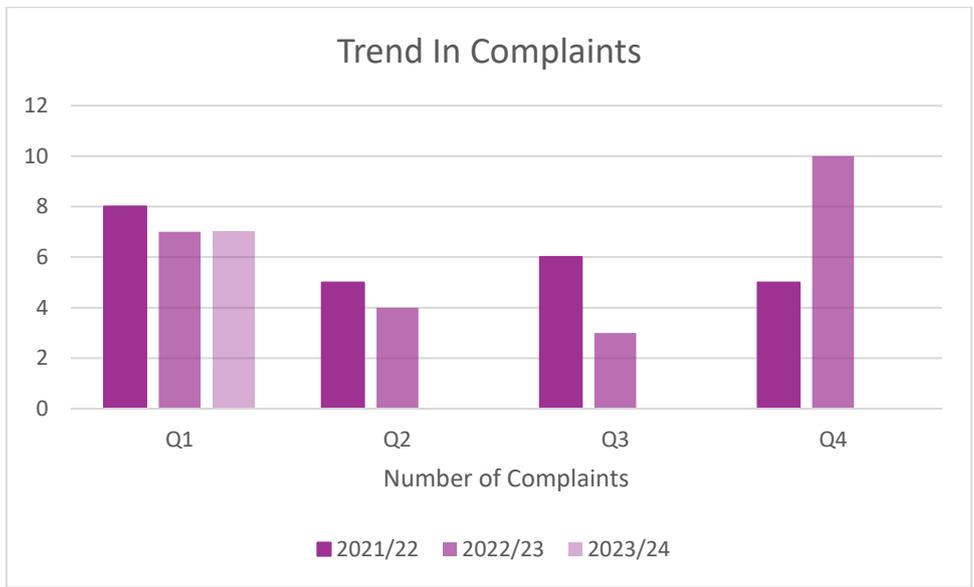
		split TV for WYPF.			
C115	Retiring Member	Delay in paying AVC benefits	Yes	Third Party	Scottish Widows - On-going issue
C116	Active Member	Issues with employer not providing casual hours	Yes	Employer	
C117	Active Member	Issue with time taken to sort transfers out	Yes	SYPA/Third Party	
C118	Active Member	Member opted out in 2020 and re-joined in 2022 thinking he was entitled to a flexible retirement	Yes	SYPA/Member/Employer	No issues at SYPA identified.
C119	Employer	Over a year's delay sending an account out following the members death. Amount to be written off.	Yes	SYPA/Employer	Note sent to staff instructing them to be careful with issues like this and look to W/O if delays unacceptable.
C120	Active Member	Delays both SYPA and NatWest on this potential TVIN payment leading to delays and a reduction in the amount offered.	No	SYPA/Third Party	Note sent to staff and refresher training on the importance of doing TVIN's within timescales of both schemes to be arranged.

5.7 While each of these complaints is individual there are patterns in the type of issue causing complaints, which we have analysed and are illustrated in the chart below using data from the last quarter and the previous two years.



5.8 Thus there the predominant causes of complaint are the quality of information (sometimes as a result of employers not providing appropriate data as in one of the cases highlighted in the table) and timeliness. The latter is sometimes the result of communication with other organisations (employers and other funds) but also reflects some of the challenges resulting from the volume of work within pensions administration which is dealt with elsewhere on the Board’s agenda.

5.9 Despite the challenges in pensions administration the overall number of complaints remains low as shown in the chart below given that between 15 and 20,000 work items are completed each quarter.



*Cyber Security Incidents*

5.10 Over the course of the quarter there were 6 reported cyber security incidents, all of which were phishing attacks. All of these were reported and contained without clicked links or response to coercion. In all cases the sender address and links were blocked and all staff notified to raise awareness in relation to future attempts. All of these

attacks were reported using the additional security software introduced in February which supports the logic for the further strengthening of our cyber defences which has been undertaken and shows that procedures are working as intended.

- 5.11 In addition to the above the Board will want to be aware that SYPA has retained its Cyber Essentials security accreditation and is currently being assessed against the “plus” criteria to upgrade this to Cyber Essentials Plus.

## 6 **Implications**

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

Financial	None directly. The settlement of the identified transfer cases will have an implication for the Fund’s liabilities, although given the overall funding position this is unlikely to be material.
Human Resources	None
ICT	None
Legal	The Authority is under an obligation to deal properly with Appeals and Breaches and to make appropriate reports to the Pensions Regulator. This report demonstrates compliance with these obligations.
Procurement	None

**George Graham**

**Director**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>

<b>Subject</b>	<b>Compliance with Pensions Regulator Code of Practice Update Report</b>	<b>Status</b>	For Publication
<b>Report to</b>	Local Pension Board	<b>Date</b>	10/08/2023
<b>Report of</b>	Assistant Director – Pensions Administration and Head of Governance		
<b>Equality Impact Assessment</b>	Not Required	Attached	Na
<b>Contact Officer</b>	Jo Stone Head of Governance	<b>Phone</b>	01226 666418
<b>E Mail</b>	<a href="mailto:jstone@sypa.org.uk">jstone@sypa.org.uk</a>		

## **1 Purpose of the Report**

- 1.1 To provide members with an update on current position of compliance with the Pensions Regulator Code of Practice.
- 1.2 A report will be provided regularly to provide assurance and monitoring of information across many areas of the business.

---

## **2 Recommendations**

- 2.1 Members are recommended to:
  - a. Note the updates for information.**

---

## **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 link to a specific risk in the corporate risk register; and set out the actions being taken in several areas that will contribute to addressing various risks in relation to operations and governance as detailed in the original audit reports.

## **5 Background and Options**

- 5.1 The Pensions Regulator Code of Practice actions are regularly reviewed by individual assurance owners and form part of the SMT workplan with a quarterly review. The current tracker will be updated in line with the Single Code of Practice once available.

- 5.2 The key Governance areas of progress have continued in relation to learning and development of members. In addition, a review of the Learning and Development Strategy has taken place to enhance members knowledge and skills further during 2023/24.
- 5.3 The recent review of the Constitution, approved at the June Authority meeting, included an update to the scheme of delegation which has further strengthened the assurance and clarity of roles in this area.
- 5.4 Compliance mitigation measures in the Pensions Administration area continue to deliver a high level of assurance. Actions and responsibilities are kept under constant review and updates and changes (which have been in the most part relatively minor) are reported to, and reviewed by, the Senior Management Team on a quarterly basis.
- 5.5 Since the last report to the Local Pension Board which focused on the high-level Governance assurances, the main area of improvements and robust oversight in the Pensions Administration assurances are the soon-to-be implemented revised arrangements for the recording, handling, monitoring and reporting of appeals and complaints.
- 5.6 These revised processes will bring improved visibility in our management of complaints and appeals, with swifter and more consistent resolution.
- 5.7 The compliance monitoring spreadsheet is constantly being refined to aid ease of use and increase visibility of potential risk areas, pending a thorough review when the new General Code of Practice is introduced (the exact timing of which remains uncertain).
- 5.8 The intention is to integrate Code compliance monitoring within our new risk management system (Pentana), which is due to go-live on 24<sup>th</sup> August 2023.

## **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

**Nigel Keogh**

**Assistant Director (Interim) – Pensions Administration**

**Jo Stone**

**Head of Governance**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
None	-

<b>Subject</b>	<b>Training and Development Update</b>	<b>Status</b>	For Publication
<b>Report to</b>	Local Pension Board	<b>Date</b>	10/08/2023
<b>Report of</b>	Head of Governance		
<b>Equality Impact Assessment</b>	Not Required	Attached	Na
<b>Contact Officer</b>	Jo Stone Head of Governance	<b>Phone</b>	01226 666418
<b>E Mail</b>	<a href="mailto:jstone@sypa.org.uk">jstone@sypa.org.uk</a>		

## 1 **Purpose of the Report**

- 1.1 To provide the Board 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 update regarding results of the 2022 National Knowledge Assessment and training needs identified.**
- 

## 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**

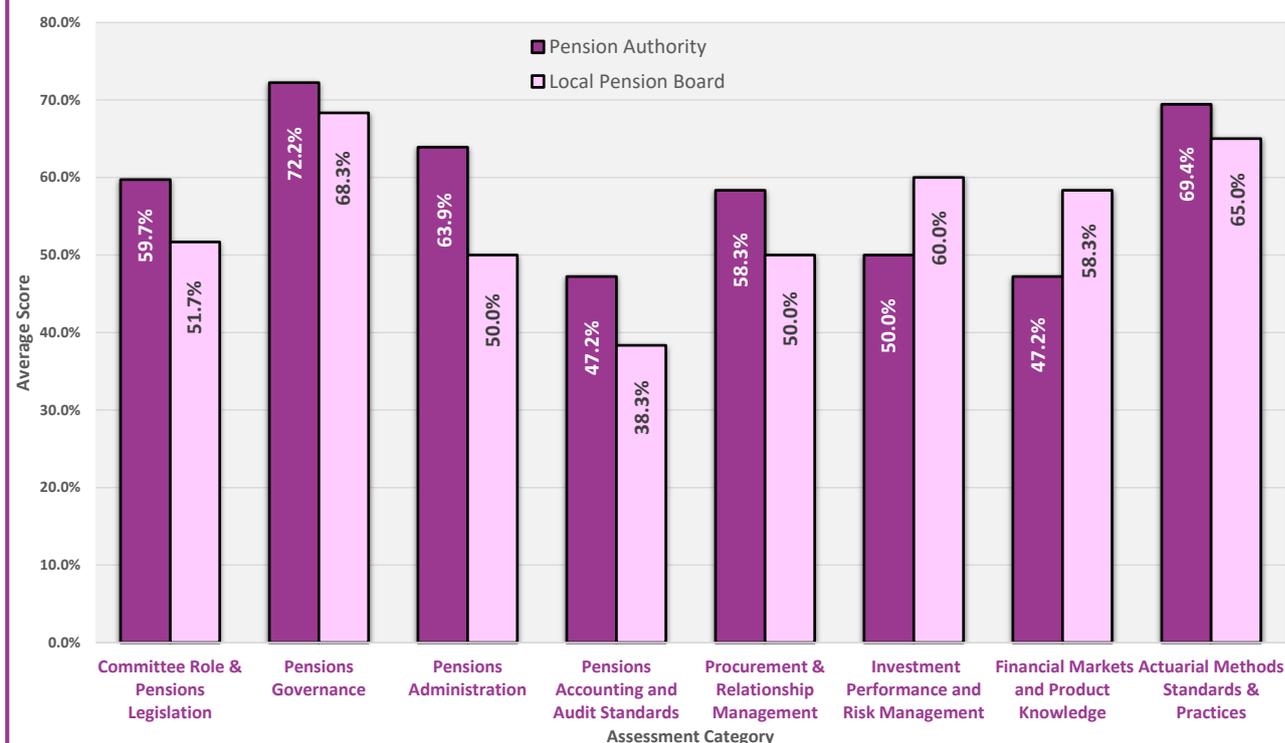
- 4.1 The contents of this report support the actions being taken to address a specific risk in the corporate risk register in relation to maintaining adequate levels of knowledge and understanding of Local Pension Board members.

## 5 **Background and Options**

- 5.1 At the end of the 2022/23 municipal year, LPB and the Authority were 100% compliant in all mandatory training requirements and all recommended training through the annual Hymans assessment was delivered during that year.

- 5.2 In 2023/24, Hymans Robertson have launched an updated version of the LGPS online training academy which has increased from 6 modules to 8. Members who completed the training modules in 2022/23 will remain on the previous version, the Governance team will introduce the new version with the full 8 module programme to all new members. Both systems can be reported to ensure full compliance of members.
- 5.3 At the start of 2023/24 and the arrival of newly appointed members to the Authority and LPB, the current position is that 11 out of 12 Authority members are fully compliant, including the new Chair of the Authority. One newly appointed Authority member has commenced the modules and is on track to complete within the first three months of the year. There will be an additional requirement for a new Unite member to join the Authority who will also be required to complete the modules.
- 5.4 Alongside the above, a new induction programme is being piloted with new members to provide an additional layer of support and oversight to the Authority to complement the half day induction programme delivered on 08 June 2023.
- 5.5 9 out of 10 LPB members are fully compliant in their mandatory training requirements and the arrival of one new elected member will be supported to complete their mandatory training by October 2023.
- 5.6 Earlier this year all Authority and LPB members were asked to complete Hymans national knowledge assessment and the initial results were shared with the Board at the last meeting in April. Members will have seen from the recently circulated data that overall knowledge scores ranged from around 35% to 80%. To ensure that members are fully supported in their training, the scores are open and transparent to highlight:
- a. the overall learning needs of the Authority and LPB; and
  - b. the bespoke training for individuals that we will deliver in 2023/24.
- 5.7 The chart below shows the overall scores analysed by Authority and LPB and by knowledge area – that will inform the key areas for learning and development during this current year.

## SYPA Knowledge and Skills Assessment Outcomes



- 5.8 Some of the lower scoring results have also been raised with Hymans and questioned in regard to any potential improvements that may be identified in the assessment itself. Discussions have taken place suggesting improvements to consider may include the use of case studies and scenario setting to test the relevant knowledge on some areas. Hymans have taken these suggestions away and will update on any progress over the coming year.
- 5.9 The Director and Head of Governance have taken the results and the recommendations from the knowledge assessment into account when planning the training and development calendar for 2023/24. In addition, a full members CPD away day is scheduled for 30 November for all Authority and LPB members to attend. This is to strengthen knowledge and skills and enable members to engage and work collaboratively to increase expertise across the organisation.
- 5.10 The Member Learning and Development Strategy for Authority and LPB members was approved at the June Authority meeting and is attached at Appendix A.

## 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**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
None	-



# Learning and Development Strategy for Authority and Local Pension Board Members

2023

## Contents

Foreword .....	3
Introduction.....	4
Obligations on Members.....	5
Aims and Objectives.....	6
Establishing Learning Needs .....	6
Mandatory Requirements .....	7
Annual Learning and Development Programme.....	8
Resourcing .....	9
Monitoring Evaluation and Review .....	10
Appendix 1 – Principles for Investment Governance .....	12
Appendix 2 – Internal Seminar Programme 2023/24.....	13
Appendix 3 – Approved External Events .....	14

## Foreword

Becoming a member of the Pensions Authority or the Local Pension Board for the first time can be daunting for anyone who has not previously been involved in the running of a major financial institution, which is most people.

The reality of course is that Members of the Authority and the Board are not expected to understand the finer nuances of financial markets; their overriding responsibility is to ensure that the organisation acts in the best interests of the present and future beneficiaries of the South Yorkshire Pension Fund.

With this responsibility comes an obligation on members individually and collectively to ensure that they possess sufficient knowledge and understanding of the issues that will come before them to effectively question and challenge officers and advisers before coming to decisions.

This Strategy provides a framework for identifying the learning and development that members of the Authority and Local Pension Board need to carry out their role, as well as identifying both an annual programme of supported activity and an appropriate level of commitment by members to ensure that the relevant level of knowledge and understanding is maintained. The strategy is flexible enough to allow for the fact that individual Members have different skills, experience and knowledge and can be tailored to suit Member needs and capacity.

We hope that you will embrace the learning and development programme to help the Pensions Authority to meet its objective of providing effective and transparent governance.

George Graham  
Director

Sarah Norman  
Clerk

## Introduction

South Yorkshire Pensions Authority is committed to continuous improvement as a key part of its overall approach to service delivery. As part of this, members of the Authority and the Local Pension Board, as well as the Authority's officers, have an obligation to ensure that they have a level of knowledge and understanding of the issues with which they are dealing to allow them to make properly informed decisions.

The purpose of this Learning and Development Strategy is to provide a framework for Members to access the support they need and enables the Authority to manage the risk of failing to meet its objectives if Members are not adequately trained and kept up to date on Pensions and Investment matters. Separate but similar arrangements apply to the Authority's staff.

This strategy has been produced with reference to CIPFA's framework for knowledge and understanding which represents a best practice standard in this area.

## Obligations on Members

The specific obligations placed on Members of the Authority and the Local Pension Board in relation to knowledge and understanding differ. However, while they may be arrived at by different routes, the end point is the same.

Members of the Authority are under a common law obligation to act reasonably. This means that in making decisions they should evaluate evidence and come to a decision that would be arrived at by a reasonable person having considered the same evidence. To consider and weigh evidence it is necessary to have sufficient expertise, skills, and knowledge to challenge the evidence being considered. These obligations are amplified in the Principles for Investment Governance which are set out in Appendix 1.

Members of the Local Pension Board are required by the relevant regulations to maintain a level of knowledge and understanding sufficient for them to carry out the functions of their role. A similar requirement is proposed for Authority members, although it is not clear when the relevant regulations will come into force.

In both cases the Pensions Regulator's new single code defines requirements for the maintenance of knowledge and understanding by those involved in the "governing body" of a pension fund. This Learning & Development strategy reflects current understanding of the requirements of the Code and the Authority will be required to monitor and report upon compliance with the Code at both an individual member level and collectively. The Regulator indicates that members of the "governing body" can be expected to undertake between 15 and 25 hours of learning activity each year.

Given these obligations on individuals, it is incumbent on the Authority as an institution to assess the learning and development needs of Members on an ongoing basis and to put into place a programme of activity to address the needs identified. Equally it is incumbent on Members to take advantage of the opportunities offered, both in fulfilment of their obligations and to avoid the wasting of public money, and consequently this strategy sets out some minimum expectations in terms of the commitment required to learning and development activity.

## Aims and Objectives

The overall **aim** of the Strategy is to provide clear direction and purpose in respect of learning and development to achieve:

- Well-equipped Members who are confident and able to carry out their roles and responsibilities effectively.
- A consistent approach to Member learning and development.
- Equality of opportunity.

The **objectives** of the Strategy are:

- To establish an environment where Member learning and development is seen as an integral part of the governance role of Members of the Authority and Local Pension Board.
- To equip Members with the knowledge and skills necessary to fulfil their role in the delivery of a high-quality service to scheme members and employers.
- To ensure all Members are provided with a level of learning and development appropriate to their roles and responsibilities on the Pensions Authority or Local Pension Board.
- To ensure learning and development is available to all Members irrespective of seniority, length of service and political affiliation.
- To enable Members to have a clearer understanding of their personal responsibility for continuous development and to facilitate this process.
- To provide learning and development in line with the commitment to equal opportunities.

## Establishing Learning Needs

Each year prior to the relevant Annual Meeting, the Head of Governance will work with each member of the Authority and Local Pension Board to establish their individual learning and development needs. For members appointed at other times the assessment will take place prior to their first meeting and continue to form part of their year one induction programme.

This process will be undertaken through the results of the Hymans Robertson national knowledge assessment. The result of the assessment is the starting point of a process which will seek to:

- Establish the individual member's assessment of their level of knowledge and understanding in 6 areas:
  - i. Pensions Legislation and Governance
  - ii. Pensions Accounting and Auditing Standards
  - iii. Financial Services Procurement and Relationship Management

- iv. Investment Performance and Risk Management
  - v. Financial Markets and Product Knowledge
  - vi. Actuarial Methods Standards and Practices
- Compare the collective assessment for each of the Authority and the Local Pension Board against the CIPFA Knowledge and Skills Framework standards and the specific work programmes for the Authority and Local Pension Board.
  - As a result of this comparison identify:
    - Fundamental knowledge gaps applying to individual members
    - Weaknesses in the collective knowledge and understanding of either the Authority or Local Pension Board.
  - Produce a programme of activity which will address any gaps and weaknesses identified, provide a refresh of current knowledge, and provide understanding of current and future developments affecting the Authority.
  - Conduct an annual Member Away Day where Authority and LPB members will undertake a joint training programme to ensure knowledge and skills are aligned across the Authority.

For the Authority this process will be undertaken in consultation with the Director, Head of Governance, and the Independent Investment Advisers and for the Local Pension Board in consultation with the Director, Head of Governance, and Independent Adviser. The Chairs of the Authority and Local Pension Board will be consulted before the finalisation of any programme which will be presented to the Annual Meeting of the relevant body.

## Mandatory Requirements

All members of the Authority and the Local Pension Board are required within 3 months of joining the relevant body to have completed:

- The LGPS Online Learning Academy (provided by Hymans Robertson)

In addition, new members will be provided with the Members' Handbook which contains a considerable amount of introductory information, and which is supported by a short reading list. They will be expected to self-certify that they have completed reading of the Members' Handbook before their first meeting.

Any new member who wishes to will also be supported during their first year of membership to undertake the Local Government Association's 3-day Pensions Fundamentals course.

These requirements ensure that all members are provided with a core level of knowledge on joining the Authority.

An annual training programme will be provided alongside the Annual Meetings of the Authority and the Board which all members are required to attend.

For members who join either the Authority or the Board during the municipal year an induction session with one of the Authority's Senior Management Team will be provided. New members joining during the Municipal Year will be required to complete this session prior to attending their first meeting. A year one induction programme will be created for each new Member to assess progress of knowledge and skills. Where possible, a buddying arrangement for new Members with a long-standing Member for peer support will be implemented during the induction period.

## Annual Learning and Development Programme

The Authority's Officers will each year develop an annual learning and development programme for the Authority and the Local Pension Board in the light of the assessment of learning and development needs.

The programme will comprise of several elements:

- Access to online learning materials and background reading.
- Seminars organised specifically for SYPA which will be held either virtually or in person (some of these will be targeted at members of either the Authority or the Local Pension Board, although open to all).
- The opportunity to attend externally organised online events.
- The opportunity to attend a selected range of externally organised in-person events.
- An annual Members' Away Day with a range of speakers and topics for Authority and Board members to join together in undertaking learning and development.

It is expected that members of the Authority and the Board will:

- Undertake reading to address their individually identified learning needs and to support preparation for meetings of the Authority and Board.
- Attend those seminars which are identified as relevant to their role; including the Border to Coast Annual Conference.
- Attend online events which address their individually identified learning needs.
- Share materials from external events with other members through the online reading room.

In addition, it is expected that new members will:

- Undertake the mandatory activity required to achieve a minimum level of knowledge and understanding during their first year of membership, including the completion of the Hymans Robertson LGPS Online Learning Academy modules within the first 3 months.
- Undertake the required initial background reading prior to their first meeting.
- New members will also be supported to undertake the LGA's LGPS Fundamentals course within their first year of membership.

Wherever possible and appropriate, the Authority will work in partnership with other local government pension funds to share learning and development and any associated costs.

In addition, where specific learning needs are identified which can be addressed through one-to-one or small group sessions with the Authority's officers, these will be provided in addition to the core schedule of activity. These will be offered on MS Teams to provide greater flexibility for Members.

The proposed programme of seminars and external events for the 2023/24 Municipal Year is set out in the Appendices to this strategy. Details of online learning opportunities will be circulated to members as they become available.

## Resourcing

The level of resources allocated to support training and development activity in 2023/24 is as follows:

Training Budgets	2023/24 £
Authority	5,500
Local Pension Board	6,000
<b>Total</b>	<b>11,500</b>

To achieve appropriate value for money the number of member attendees at external in-person events will be limited to two except for the Border to Coast Annual Conference where the maximum possible number of places will be made available. For virtual events there will only be a limit to numbers attending where the event is paid for, in which case the limit will be two. Any revision to the number of member attendees will be at the discretion of the Director.

## Monitoring Evaluation and Review

A five-stage evaluation process is proposed to monitor the success of the Member Learning and Development Strategy. This process is intended to measure the benefits to:

- Individual Members.
- Pensions Authority and Local Pension Board in meeting their priorities.
- Pensions Authority and Local Pension Board Stakeholders



### *Stage 1 – Identifying expected outcomes*

- Establish expected outcomes – what do Members want to achieve from taking part in courses, workshops? E.g., gain a new skill, improve knowledge on a particular subject.

### *Stage 2 – Evaluation of learning activity*

- Immediate response to learning activity.
- How relevant was the learning activity to agreed outcomes?

### *Stage 3 – Assessing Impact*

- Check whether outcomes have been met via the annual Development Discussion.
- Feedback from others – trainers, other participants.
- Assess how attitude, knowledge or skill has improved and how this will be used / applied in the context of the Pensions Authority.

### *Stage 4 – Annual review of learning and development*

- Review learning and development activity and identify new requirements, e.g., Member request, new legislation, new expectations, change in roles etc. Address areas identified for further improvement of knowledge.

### *Stage 5 – Value for Money*

- Assess money spent against learning outcomes and performance measures to demonstrate value-for-money.

Details of the volume of formal learning and development activity undertaken by members of the Authority and the Local Pension Board must be published within the Authority's annual report each year. Over time it is expected that this will evolve to include a qualitative assessment in addition to purely quantitative measures.

Members must ensure that they properly record and evaluate their participation in learning activity using the means provided by the Authority and provide details of their attendance at events to the [governanceteam@sypa.org.uk](mailto:governanceteam@sypa.org.uk) .

This Strategy reflects an approach which focuses on providing learning and development for Members rather than formal training. The Strategy will be reviewed annually to keep pace with national and local changes and to reflect the development of the annual programme of activity.

## Appendix 1 – Principles for Investment Governance

**Principle 1** – Administering authorities should ensure that decisions are taken by persons or organisations with the skills, knowledge, advice, and resources necessary to make them effectively monitor their implementation, and those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive and manage conflicts of interest.

**Principle 2** – Trustees should set out an overall investment objective(s) for the fund that takes account of the scheme’s liabilities, the strength of the sponsor covenant and the attitude to risk of both the trustees and the sponsor, and clearly communicate these to advisers and investment managers.

**Principle 3** – In setting and reviewing their investment strategy, trustees should take account of the form and structure of liabilities. These include the strength of the sponsor covenant, the risk of sponsor default and longevity risk.

**Principle 4** – Trustees should arrange for the formal measurement of the performance of the investments, investment managers and advisors. Trustees should also periodically make a formal policy assessment of their own effectiveness as a decision-making body and report on this to scheme members.

**Principle 5** – Trustees should adopt, or ensure their investment managers adopt, the Institutional Shareholders’ Committee (ISC) Statement of Principles on the responsibilities of shareholders and agents. A statement of the fund’s policy on responsible ownership should be included in the Statement of Investment Principles. Trustees should report periodically to members on the discharge of such responsibilities.

**Principle 6** – Trustees should act in a transparent manner, communicating with stakeholders on issues relating to their management of investment, its governance, and risks, including performance against stated objectives. Trustees should provide regular communication to members in the form they consider most appropriate.

Throughout the principles above, the word ‘Trustees’ should be taken to refer to members of the Authority.

*From the Myners Report on Institutional Investment in the UK (2001).*

## Appendix 2 – Internal Seminar Programme 2023/24

Date	Target Audience	Authority Members	Local Pension Board Members
08 June 2023		Training and Induction	
10 August 2023			Scrutiny and Assurance Workshop
07 September 2023		Border to Coast Strategic Development	
14 September 2023		McCloud Planning	
21 September 2023		<b>Audit &amp; Governance Committee</b> Risk Management Briefing	
26 October 2023		The Regulator's General Code Cyber Security and Scams	
23 November 2023		Members' Away Day – for CPD Training & Development	
14 December 2023		<b>Audit &amp; Governance Committee</b> Effectiveness Review	
08 February 2024		Border to Coast UK Property Fund	
22 February 2024		Cost Benchmarking Workshop	
21 March 2024			Effectiveness Review
TBC in 2024		Good Governance Review	

## Appendix 3 – Approved External Events

Details of further events will be provided when they become available if relevant. Members may receive invitations to some events directly but should not respond to these as only attendance at events agreed as suitable by the Authority will be supported.

These events tend to be arranged in the same week each year and where there are clashes with Authority meetings, we will look to remove these in future years. Events up to June are included for reference and possible attendance in future years.

<b>Date</b>	<b>Target Audience</b>	<b>Authority Members</b>	<b>Local Pension Board Members</b>
May 2023			CIPFA Local Pension Board Event
June 2023		PLSA Local Authority Conference	
07 - 08 September 2023		LGC Investment Summit	
28 - 29 September 2023		Border to Coast Conference	
10 October 2023		Local Authority Responsible Investment Seminar	
19 October 2023		SPS Sustainable Investment & Other Topical Issues Conference	
06 – 08 December 2023		Local Authority Pension Fund Forum Conference	
January 2024		Local Government Association LGPS Governance Conference	

Priority for bookings will always be given to members of the relevant target audience. Where the target audience is universal, places will be allocated on a first come first served basis.

<b>Subject</b>	<b>Governance Update Report</b>	<b>Status</b>	For Publication
<b>Report to</b>	Local Pension Board	<b>Date</b>	10/08/2023
<b>Report of</b>	Head of Governance		
<b>Equality Impact Assessment</b>	Not Required	Attached	Na
<b>Contact Officer</b>	Jo Stone Head of Governance	<b>Phone</b>	01226 666418
<b>E Mail</b>	<a href="mailto:istone@sypa.org.uk">istone@sypa.org.uk</a>		

## **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 findings and recommended activities for 2023/24 around members' learning and development.**
- 

## **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 governance and operations.

## **5 Background and Options**

- 5.1 This is a regular report to update the Board on activities being undertaken in relation to governance arrangements in the organisation.
- 5.2 All mandatory training was completed successfully by long standing members. The team are now working on plans to ensure mandatory training will be completed by new members joining in the new municipal year. A full analysis of member training is provided in a separate report.

- 5.3 The implementation of the new Risk Management software system (*Pentana*) is well in progress with training and configuration completed in the last month, and work on schedule for the planned go-live date of 24 August.
- 5.4 This system will be used to document and manage the strategic risk register, provide functionality to track actions being taken to manage risks, and enable the Governance team to produce improved reporting on the risk register. In time, this will be further enhanced by adding an operational risk register for each of the main services across the organisation, with ownership of the service managers. In order to support this work, a bespoke risk management training session for all the relevant service managers has been arranged to take place in September. The *Pentana* system will also be used for documentation, management, and reporting of the projects across the organisation and for the corporate performance management framework and performance indicators.
- 5.5 LPB members will be given a demonstration on the system and the advantages of its portals for reporting at a future meeting later in the year.
- 5.6 The Governance team have led on the review of the Authority's appeals process in collaboration with the systems, benefits, and engagement teams. A revised process for stage 1, stage 2 appeals and ombudsman appeals has been approved by SMT on 21 July. Staff will receive training in September on the enhanced processes. The enhanced processes will enable the Governance team to track, manage and monitor appeals to ensure timely response and action to the scheme member. It will also enable accurate reporting to the Authority and the Local Pension Board.
- 5.7 Alongside the review of the appeals process, working with the Assistant Director – Pensions, areas for improvement in the ill health process were also identified and a further piece of work has commenced to progress this, expected to be completed later in the year. Members will be kept informed of progress.
- 5.8 In relation to statutory role holders as reported to the Board in April, the Director as Head of Paid Service, Assistant Director – Resources as Chief Finance Officer and Head of Governance as Monitoring Officer have now formally met as planned and agreed a quarterly meeting with the Authority's Deputy Clerk (Service Director – Law & Governance at Barnsley MBC), to ensure an open and transparent working relationship to liaise and report on all statutory matters. The Head of Governance is now also receiving coaching and mentoring from the Deputy Clerk to increase knowledge and skills in relation to her Monitoring Officer role.
- 5.9 Following completion of the comprehensive review of the Constitution, the Governance team are now conducting a full review of the Local Code of Governance and the revised Code will be presented to the Board at their next meeting for comment.

## **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 & Monitoring Officer**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
None	-

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## Agenda Item

<b>Subject</b>	<b>Quarterly Administration Update Quarter 1 2023-24</b>	<b>Status</b>	For Publication	
<b>Report to</b>	Local Pension Board	<b>Date</b>	10/08/23	
<b>Report of</b>	Interim Assistant Director - Pensions			
<b>Equality Impact Assessment</b>	Not Required	Attached	N/a	
<b>Contact Officer</b>	Nigel Keogh – Interim Assistant Director- Pensions Lindsay Grayson – Service Manager - Benefits Joanne Webster – Service Manager - Customer Services	<b>Phone</b>	07505 074979  01226 666399  01226 666510	
<b>E Mail</b>	<a href="mailto:nkeogh@sypa.org.uk">nkeogh@sypa.org.uk</a> <a href="mailto:lgrayson@sypa.org.uk">lgrayson@sypa.org.uk</a> <a href="mailto:jwebster@sypa.org.uk">jwebster@sypa.org.uk</a>			

### 1 Purpose of the Report

- 1.1 To update Members on administration performance and issues for the period from 1<sup>st</sup> April 2023 to 30<sup>th</sup> June 2023.

### 2 Recommendations

- 2.1 Members are recommended to:
- a. **Comment on the content of the revised administration update and indicate any areas where they would like to receive further detail**
  - b. **Note the on-going review of service level standards**

### 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 on-going 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
Pensions Systems Officer x 2	1 Internal appointment
Pensions Officer x 4	1 External appointment 2 External appointments
Customer Services Officer x 2	2 Internal appointments
Business Support Officer – Customer Services	External appointments External appointment
Leavers	
Assistant Director - Pensions	
Vacancies in Administration	
Business Support Apprentice – Customer Services	Internal appointment to Pensions Systems Officer
Assistant Director - Pensions	Interviews in hand
Service Manager - Support & Engagement	Position not filled
Senior Systems Officer x 2	Positions not filled

- 5.3 The above table reflects the considerable degree of on-going 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. The on-going challenge of recruiting into the more senior, skilled positions remains an area of concern
- 5.4 The vacant role of Assistant Director – Pensions is not included above as it forms part of the Senior Management Team. However we are currently in the final stages of the selection process and are confident that a suitable candidate will be appointed.
- 5.5 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. It is also the fact that the ability to recruit externally into these roles is very limited. 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*

5.6 In terms of sickness absence, the table below shows the annualised absence levels for the administration service for the last three years and Q1 of the current year.

Average Days per FTE (Admin Service only)	2020-21	2021-22	2022-23	2023-24 Q1
Short-Term	1.50	3.27	3.76	0.79
Long-Term	3.00	5.48	3.72	1.01
<b>Total</b>	<b>4.50</b>	<b>8.75</b>	<b>7.48</b>	<b>1.58</b>

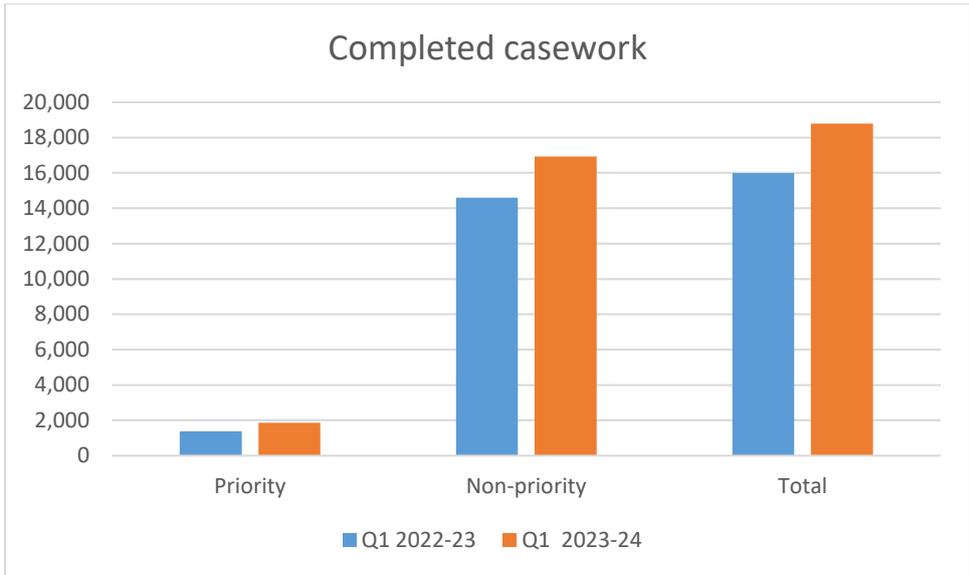
5.7 Based on the reported levels for Q1, the trending lower level of sickness than in the previous year is again encouraging progress.

**Benefits processing**

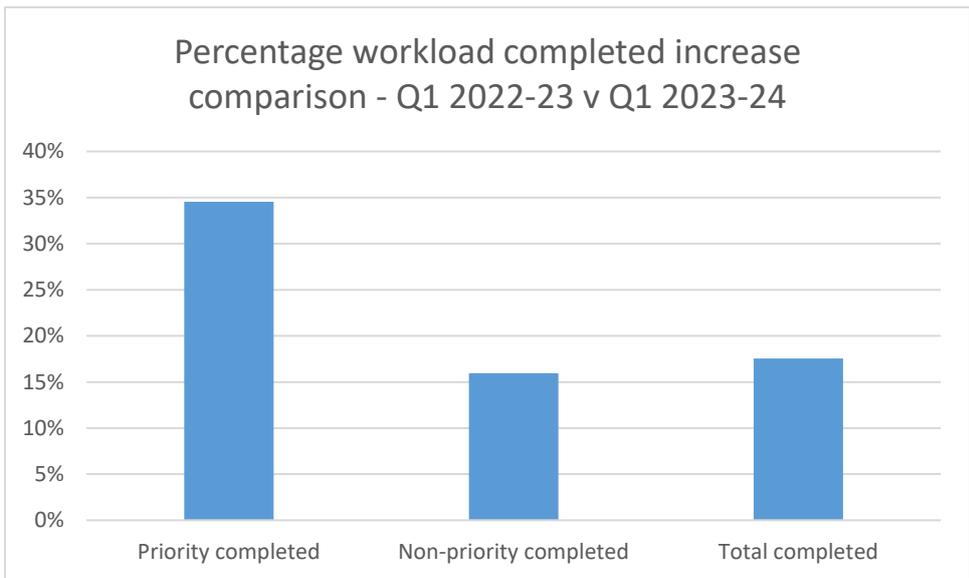
*Casework performance*

5.8 As discussed at the last meeting of the Board, the coverage of casework performance has been revised (and will continue to be revised) as part of an on-going review to provide more relevant, “at-a-glance” analysis of casework processing performance.

5.9 Given that casework workloads follow an annual ebb and flow, quarter by quarter comparisons are of limited value. In addition, fluctuations in caseload volumes from quarter to quarter have to be managed against a static headcount (i.e. we cannot easily flex resources up and down in response to volume changes). Therefore the first change is to compare recent quarterly performance with the corresponding quarter in the previous reporting period, which is set out below:

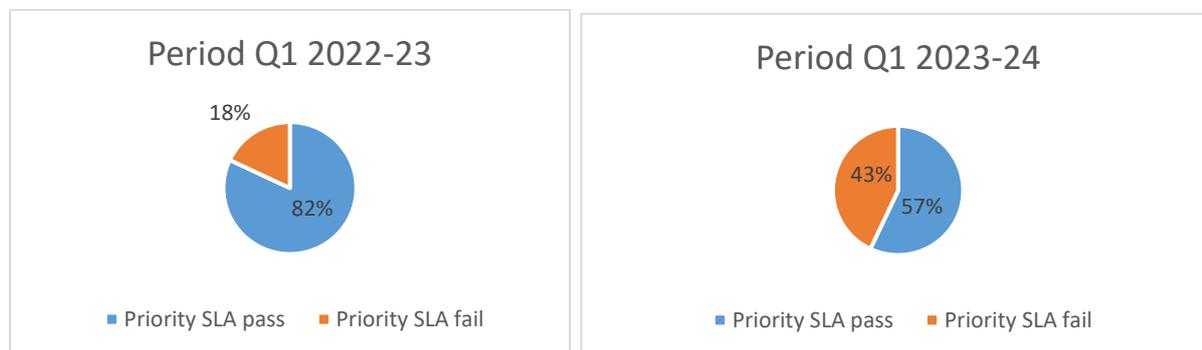


5.10 Based on a comparison with Q1 2022-23, the team have completed an increased amount of casework in both categories – a percentage comparison is below:

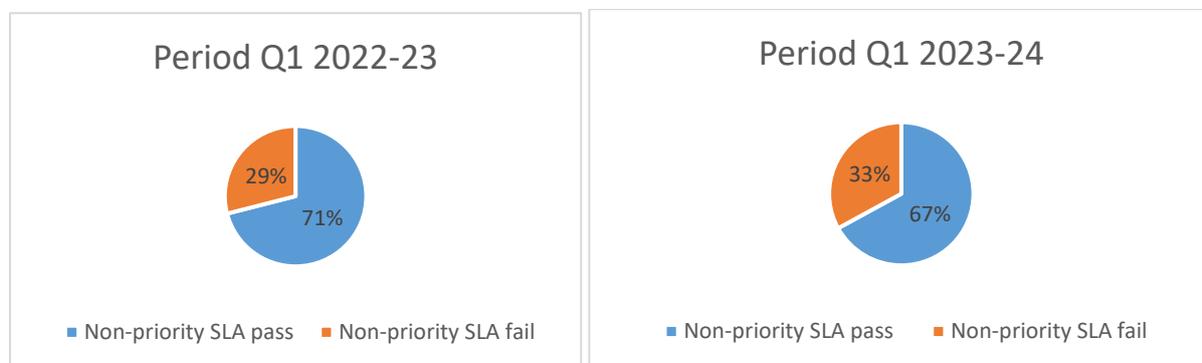


5.11 However despite the increased completion rate, the performance against our self-adopted service levels, particularly for priority cases, is markedly below the level achieved in the corresponding period in 2022-23 – comparisons below:

### Priority cases (5 day SLA)



### Non- priority cases (various SLA's)

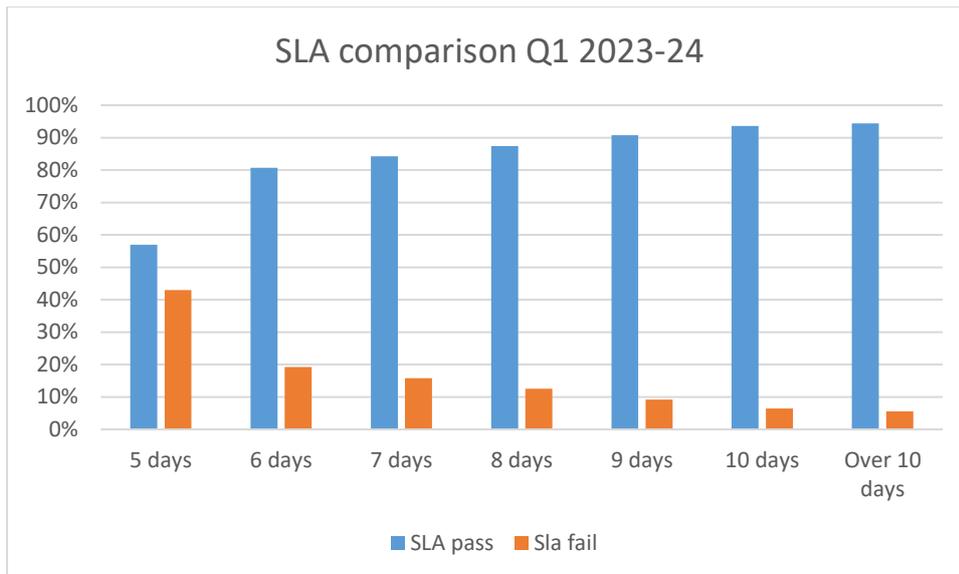


5.12 The reasons for this marked degradation in SLA performance in the “priority” category can be summarised as follows:

- Cases in the “priority” category (retirements and deaths) can be the most complex and fall to the more experienced team members to process.
- There has been a marked increase in “priority” cases (as above - 35%)
- We have lost several experienced staff members during the period, reducing our capacity to respond to rising volumes within the SLA period.

5.13 Cases in the “priority category” (retirements and deaths) all have a five-day SLA attached to them. Given the increasing complexity in the administration of the scheme, this is a very challenging target. Comparisons of the SLA’s used in comparably-sized funds (and being mindful that direct comparisons are problematic given that each organisation will use different processes and may use different definitions of the time taken on cases) show that five-day SLA targets for these types of cases are very rarely in use, which recognises how difficult this is to achieve.

5.14 By way of comparison, the chart below shows how priority case performance would have looked under SLA’s between six and ten days for the same period:



- 5.15 What is reassuring from the above analysis is that, whilst the five-day target has proved difficult to achieve, the vast majority of casework was completed within 10 days.
- 5.16 Further analysis on what SLA's are appropriate for LGPS administration in 2023 and beyond is required and extended across the non-priority caseload, but the conclusions from the analysis so far is that, for some of our processes, a five-day SLA is neither appropriate (given the nature of the scheme in 2023), nor achievable on a consistent basis for the reasons set out in paragraph 5.11 above.
- 5.17 This analysis will continue over the summer with a review to presenting the Authority Board will proposals for change (where appropriate) in the autumn.

*Administration action plan*

- 5.18 As mentioned at the last meeting, the management team were in the process of formulating an action plan to address three key issues: caseload backlogs, employer data processing backlogs and improving data quality.
- 5.19 An initial workshop with Pensions Administration managers and staff was held on 15 March where the various issues were aired. This was followed by a further workshop with the same group on 26 April, where high-level actions were presented. The actions were broken down into two areas: what we can do in the short-term (recovery measures) and what can we do in the longer-term to prevent reoccurrence (preventative measures).
- 5.20 This was very much focussed on the "what" rather than the "how", although two immediate actions were agreed: a capacity planning exercise to inform whether the Benefits Team was "right-sized" for the workloads on hand, and the implementation of UPM functionality that would enable us to automate as much casework as possible.
- 5.21 During July, management held three Focus Group workshops with staff to look deeper into the "how" i.e. what actions do we need to take to prevent reoccurrence

and improve our position. Notes taken and summarised from these workshops are attached at Appendix A. As noted in the Appendix, “we (the management team) will be looking to provide a single list of actions which will include how we will address the issues raised in these Focus Groups as well as other work that will help us address the challenges faced in Pensions Administration and the capacity planning work. This list will be regularly updated so that everyone can see where progress is being made.”

## Customer Services

### **Scheme Member Engagement – Customer Satisfaction – Retirement Survey**

5.22 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 February, March, and April 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	58%	Down 1%	▼
Satisfied	33%		
Dissatisfied	7%	Up 1%	▲
Very Dissatisfied	2%		
Total Number of Respondents	101 out of 559		

The percentage of members in the green category remains above 90% which is always encouraging however some further analysis was carried out into the 9 members who were dissatisfied to identify the root causes. The following comments were made:

- No communication unless I prompted it. regular updates should be communicated automatically.
- Insufficient communication. Slow response times to queries. Emergency tax should be sorted and refunded within a month. Tax code has been changed but no refund processed.
- It has taken 3 months to obtain my pension.

**Action taken in response to this, and earlier feedback, are summarised below.**

- Our processes are gradually being updated to include a new step whereby when a case is placed on hold because we are awaiting further information, members will automatically be updated. A reminder will also be issued to staff to ensure members are informed at each stage throughout the retirement process.
- Feedback with regards the tax codes - The above member retired in February of this year and since then, as previously reported, we have improved this area by asking members to complete a taxation statement. Depending on the information the member supplies then determines the initial tax code that we operate.

- In regards to the above comment whereby the pension took 3 months to obtain, unfortunately the member had AVCs which contributed to the delay in paying benefits, an area we are already aware is causing concern.

**Scheme Member Engagement – Customer Centre – Telephone Calls**

5.23 Members of the Board will be aware that the Customer Centre exists to provide a single point of contact for scheme members and employers. Feedback for the Customer Centre continues to be positive overall, despite the drop in satisfied responses. A survey was issued to 3,782 members, with an email address, who had contacted us by phone over the months of February, March, and April 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	58%	Down 6%	▼
Satisfied	25%		
Dissatisfied	9%	Up 6%	▲
Very Dissatisfied	8%		
Total Number of Respondents	345 out of 3,782		

5.24 The percentage of members in the green category dropped this quarter to 83% which is disappointing, however analysis of the 17%, who were dissatisfied with the service, mainly highlight the issues below. One member who said they couldn't remember contacting the customer centre but went on to say they were dissatisfied with the service.

- Train staff members more and make sure emails are dealt with sooner than 6 weeks.
- Some guidance on wait times would be good.
- Answer emails quicker.
- The call centre each time I rang flagged up my pension request, and something then happened promptly. My main issue was that the behind the scenes pension service did nothing to move my claim for starting my pension until the call centre prompted them. I started the process in early October, as my 60th birthday was 11th November, and I had heard nothing from SYPA. In December, nothing. Then after ringing call centre late February, they got my claim flagged up and within a few days, things finally started to happen. If I hadn't rang, I assume that I would still be waiting.
- I would like to be able to see how much I have in my pension pot on the portal. I have no correspondence of what's happening with my transfer I constantly have the chase what's happening. Both party's blame each other for the transfer not going through. Worries me what it will be like when I come to retire how long will it take to organise that side in all very disappointed as I was told it was one of the best schemes about from what I've experienced so for its far from it.
- Resolve the issue promptly, I understand everyone has workload and staffing issues and the fact I am realistically years from claiming my pension, makes my problem low priority to you but to me it's all that matters I am a customer of yours who deserves their issue being resolved. I understand not all the responsibility is probably yours as you act on information from my employer too, but someone has to own the problem and get the matter resolved

Again, a mixture of comments however in response to the points above:

- The majority of our Customer Service Officers are new members of the team, due to the high turnover of staff in the Customer Centre. We are continuously building on the support, knowledge, and skills of staff in the team which will improve over time.
- With reference to the telephone wait times, it became apparent that the announcement for the queue position had ceased to work. This was later reported and is now working with no issues.

### ***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 February, March and April 2023.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Excellent	49%	Down 2%	▼
Good	26%		
Ok	14%	Up 2%	▲
Poor	11%		
Total Number of Respondents	85 out of 7,296 emails sent		

Unfortunately, as always in this area the response rates are low and not all members provide further information, however from the members who rated the service as poor the following comments were made:

- Three members said that they weren’t dealt with quickly enough.
- One member said they had to request a change of bank details form twice before it eventually arrived.
- One member struggled to access a secure email via egress switch ((secure platform).
- Another member was overquoted on their retirement estimate. They booked a video appointment and no one joined the call due to technical issues, and finally experienced delays with the retirement process

The member who was overquoted went on to initiate the complaints process. The member received an explanation of our failings including an apology and a promise to identify any training needs across the teams.

### ***Scheme Member Engagement – New Joiner Survey***

5.26 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 1,115 members who had joined the scheme in February, March and April 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	17%	Up 14%	▲
Satisfied	60%		
Dissatisfied	17%	Down 14%	▼
Very Dissatisfied	6%		
Total Number of Respondents	30 out of 1,115 emails issued		

The percentages in the Satisfied/Very Satisfied category have increased for a second quarter, which is very encouraging.

When asked if the welcome letter/email provided enough information about the scheme and if it was clear what action the member needed to take, 74% agreed/strongly agreed. One member wasn't happy that they had been auto enrolled back into the scheme, another member had returned on a temporary contract and was confused why they were in the scheme and two members said they hadn't received anything from the Authority at all.

When asked how soon after joining the scheme did the member receive a welcome letter/email, 63% said within the first 3 months, 9% after 3 months and 28% saying they couldn't be sure.

When asked what could be improved with the new starter procedure one member suggested the communications regarding what members need to do to transfer a pension into SYPA.

### Action Taken

Since receiving the above comment we have updated our communications to make it clear under what circumstances we will request a transfer value from a previous pension provider and when the member needs to request and provide their own figures.

Although we still have some way to go, overall, it is pleasing to see we are improving in this area of work.

### Member Engagement – online portal

- 5.27 We continue to encourage all scheme members (regardless of status) to sign up to use the online portal which was enhanced and expanded in 2019. There was a total of **2,137** new registrations in the quarter to the end of June 2023 taking the total number of registrations to 85,958 or around 51% of the total membership, as shown in Appendix B. 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.

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 Local Government Pension Scheme (LGPS) more widely.

## Engagement

### Employer performance

- 5.28 The submission of monthly data by employers is key to ensuring that member records are accurate and up to date. They generate the values used in the direct debits for the collection of contributions due from employers and they provide the pay and service details necessary for us to calculate employee benefits, provide Annual Benefit Statements etc. Given the importance of this data it is extremely important that employers make their data submissions correctly and on time.
- 5.29 A concerted effort both in terms of employer engagement and the application of dedicated resources to investigating and clearing errors on employers monthly data returns has significantly improved the position over recent months:



- 5.30 The above chart shows that as at 30 June 2023, employer monthly returns up to 31 March 2023 had been submitted and accepted into our systems for 526 of 552 of our employers, representing considerable progress when viewed against the position at the beginning of the calendar year when additional management resources were deployed to oversee the processing of these files (as noted elsewhere in this report, at the time of writing all employers are now up-to-date to 31 March 2023).
- 5.31 This revised approach to the management of employers and employer data has proved very successful and management are now considering the best way to embed this permanently into the administration team.

### Individual query employer reporting

- 5.32 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 continued significant improvement in performance across the board when compared

with the position a year ago, with the outstanding queries down by almost 50%. We continue to work with all employers to reduce this even further, whilst acknowledging that there will always be a level of work in hand, given the size of our membership.

### **Engagement activity**

5.33 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:

- 6 Training Sessions
- 2 Employee Presentations – Virtual
- 9 Employee Presentations – In Person
- 4 Employee Presentations – Hybrid (2 x Mid Life Planning and 2 x Deferred Retirement)
- 1 day 1:1 Pension Information Service Appointments at Employers
- 2 Home Visits
- 8 1:1 Sessions Virtual/Civic Offices

5.34 In addition to this, we continue to put considerable focus on addressing specific employers who have been identified as having problems either with data submission or other issues.

5.35 The Team has identified a number of future areas of work, in particular to improve the ill health retirement process, 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))*

5.36 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.

At the time of writing, the summary status for ABS production is as follows:

- Pay and service data for all our active members has now been updated to (at least) 31 March 2023, enabling us to provide ABS for these members over the coming weeks.
- The ABS for 99.65% of our deferred members have been produced and will be released over the next few weeks also.

This puts us in a much better position to meet the statutory deadlines associated with ABS and PSS production.

5.37 In relation to Pension Savings Statements, as previously reported work is being undertaken to ensure that tools are available to enable the Benefits Team to undertake most of this work, which will commence once the Annual Benefit Statements calculations have been produced. In addition, the resolution of a number of historic complex queries has been outsourced to Hymans Robertson – this work is on-going.

## Conclusions

- 5.38 The content and presentation of data in this report will continue to evolve over time, with a view to providing something that is more focussed on key issues.

## 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

**Nigel Keogh**

**Interim Assistant Director - Pensions**

<b>Background papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
None	

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### Summary of Discussion and Conclusions from the Pensions Admin Focus Groups – July 2023

Three focus group sessions were held on 12<sup>th</sup> and 13<sup>th</sup> July to examine three questions aimed at providing assistance in identifying changes to how we organise ourselves which will help address the challenges facing us in the pensions admin area. The three questions were:

- How do we organise our teams and roles and people to best effect for meeting the challenges we face?
- Are there any aspects of our current structure that aren't working well? Why not? – (Even if you're not sure what the alternative is).
- Any other thoughts about how we might improve how we organise the work?

All Service Managers, Team Leaders and Senior Practitioners (or equivalent grades) in Pensions Admin were invited and 25 of the 27 invitees attended, 2 people were on annual leave and could not attend.

In answering the questions, the focus was not on the number of people we have, this is being considered separately in the Capacity Planning work, but on how we organise people however many of them we have.

In considering their answers participants were asked to recognise three constraints

- We can't change to a new pensions admin system (at least in the short – medium term)
- We have to achieve value for money.
- Very limited availability of experienced LGPS people in the external recruitment market

Participants were asked to consider their responses to the questions individually and then in small groups before coming back and sharing thoughts with the whole group. Steph Barker and Simon Tewson provided support to the small groups.

There was a significant degree of consensus in the answers provided to the questions across all three sessions and several positive suggestions and ideas for doing things differently. All of these will be sifted as part of the process of constructing an overall plan of action which will then be discussed further as it moves through the decision-making process.

Taking the questions in turn

*How do we organise our teams and roles and people to best effect for meeting the challenges we face?*

*Are there any aspects of our current structure that aren't working well? Why not? – (Even if you're not sure what the alternative is).*

Participants tended to answer the first two questions together so these are dealt with together in the table below – where the suggestions and comments have been grouped along the different themes that came out of the discussions.

Theme	Ideas and Comments
<b>Employers</b>	<p>The consensus view here was that employer functions, and in particular admissions and terminations, were crowding out the key technical support and training work that the Support Team should be focussing on which had a negative impact in terms of our ability to adequately train staff in the Benefits Team.</p> <p>It was felt that the “employer journey” from admission to termination was too disjointed with too many people involved and that this would be better handled in one place.</p> <p>There was a general view that the creation of the MDC Team had been very successful. There remains a need to improve the validations in the system and related to this it was felt a harder line needs to be taken to get employers to submit data right first time.</p>
<b>Training for Benefits Team and Career Grade</b>	<p>Need for a more focussed training and technical support team. For both benefits and customer services teams.</p> <p>In regard to Benefits Team career grade training, it was felt that more classroom based training putting things in context and developing understanding of the calculations involved, rather than solely the processes to follow on UPM. This would help reduce the risks posed by the age profile within the Team which could lead to a loss of knowledge.</p> <p>There was a consensus view that the current career grade is pushing people through too quickly and that is not helpful for individuals.</p> <p>It was noted that there is an inconsistent application of progression criteria and a feeling that progression should be handled within a strengthened technical training arrangement.</p> <p>Alongside this, the need for a more formal approach to assessment for progression. It was accepted that the old exam type arrangement might have been too much, but some form of testing was required.</p> <p>There was an acknowledgement that career grades and linked grades are also used in other teams across the organisation and there is a need for a consistent set of principles to be followed across all teams’ career grades, with tailoring of the specific knowledge and skills requirements to each team.</p>
<b>Work Allocations for Benefits Team</b>	<p>There is already a plan in place to change the work tray arrangements in the benefits team and it was highlighted that there is a need for this to be implemented as soon as possible to allow work to be more efficiently managed.</p>

	<p>There was a view from members of the Benefits Team that this change could lead, helpfully, to a situation where work allocation and line management / supervision are disconnected with (for example) the next retirement in the queue going to the next available person capable of dealing with a retirement (i.e. fully getting rid of the letter split). There was a feeling that some of these things would create more consistency in practice across the Benefits Team which was felt to be lacking.</p> <p>There was a view that some flexibility to bring groups together for example to address particular backlogs for fixed periods of time. This was perhaps seen as an alternative to the current Projects Team which was felt to lack a clear enough role and was felt to be the “sweep up team”.</p>
<b>Customer Services</b>	<p>Discussions around the continuing churn of staff in this team with people moving across to the benefits team. Some felt that this is due to the ability to progress to a higher grade in benefits compared to customer services.</p> <p>There was a sense that the career grade progression here also needs to be looked at.</p> <p>In addition to this there was a suggestion that Customer Services might take on some “grade B” work on an ongoing basis, although a question was also raised about whether there were capacity issues in Customer Services.</p> <p>There was an idea that scheme member engagement should sit with Customer Services and be separated from Employer Engagement.</p>
<b>Technical Adviser Role</b>	<p>There was a view that the Technical Adviser role needs to be made part of a suitable team and that the role’s scope, purpose and authority needs to be more clearly defined.</p>
<b>Complaint Handling</b>	<p>A number of people mentioned the need for complaints to be addressed in one place and there was a specific suggestion as to how this might be achieved which will be looked into. It was felt that this was important to ensure consistency of response and to allow us to learn from and address the root causes of complaints.</p>

*Any other thoughts about how we might improve how we organise the work?*

There were a number of detailed points which people felt could make life easier. Including

- Get the portal up to date and develop a single knowledge base to replace all the individual notes that people are using which encourage inconsistency.
- Face to face appointments are a drain on resource and are too available. They should be a last resort for people with specific needs.
- Identify what is missing or unclear on the website.

- As part of the training programme there was a suggestion that groups being trained could work on similar cases while physically together, for example 5 Pensions Officers might work together with a Senior Practitioner on a pile of aggregations.
- There was a view (although this was not universal) that staff in Customer Services needed to build up more knowledge before dealing with calls. There was a suggestion that “training placements” in other teams might be beneficial.
- The issue of the time taken in the Benefits Team dealing with “payroll-related work” was a source of some feeling.
- Continuing distrust of UPM giving the right answer was felt to have an impact on times taken and the level of checking required. Examples were given of letters picking up the wrong fields and of things being tested on small samples and then not working when released to a live environment.
- There was a question about the possibility of altering the phone line opening hours.
- The idea of more peer checking was put forward as a way of freeing up time for TL’s and SP’s to support staff.
- Automating key processes such as joiners and leavers was seen as potentially a significant benefit.
- There were some views on whether the arrangement of the office and hybrid working were helpful e.g. teams not necessarily being together and not seeing others regularly resulting in too much chatter.
- The point was made that monitoring of individual as well as overall performance was needed and needed to be a part of the overall process.

*What Comes Next*

Thank you to all those who participated in these groups for both your honesty and the thought that was put into answering the questions.

There are a number of different streams of activity highlighted here that we will need to take up, although some of them are already on the list of things to do (such as looking at the career grades) this exercise has highlighted how important they are and also given a bit more shape to what we need to do.

We plan to shape this list of ideas into more concrete form and possibly provide further opportunities for discussion with more people across pensions admin to focus on some of the specific ideas and how they might work in practice.

If possible, we will also allow the new Assistant Director – Pensions to have some input into that process which would have to be before they start as it will be important to deal with any changes to the set-up of the various teams alongside getting agreement to the results of the capacity planning exercise.

We will be looking to produce a single list of actions which will include how we will address the issues raised in these Focus Groups as well as other work that will help us address the challenges faced in Pensions Admin and the capacity planning work. This list will be regularly updated so that everyone can see where progress is being made.

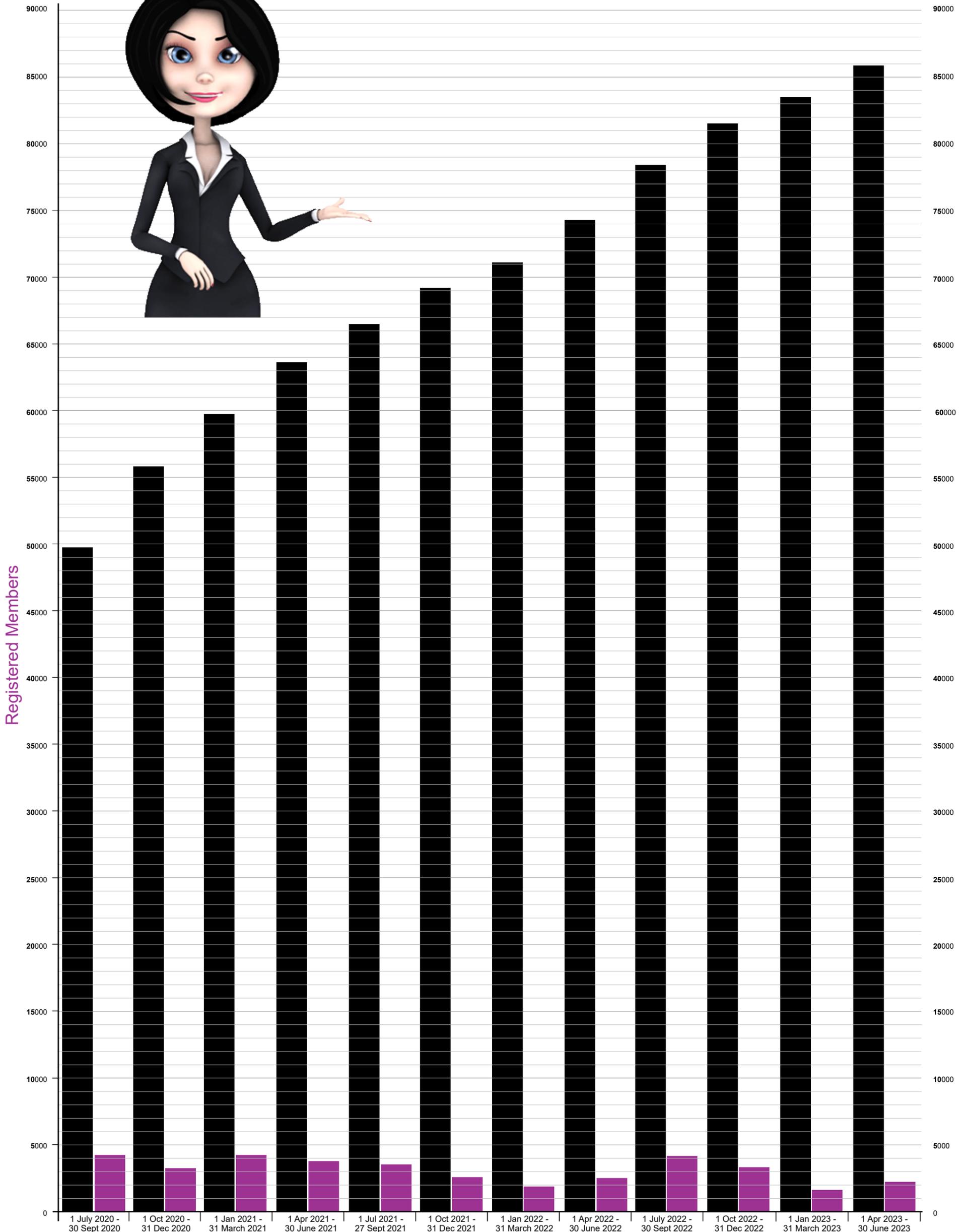
As ever if anyone has any specific suggestions that might help address these challenges, please pass them along either through your line manager or direct to a member of SMT.

George Graham

Director

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**Registrations - 1 April - 30 June 2023**



Numbers registered at quarter end

New registrations in quarter

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Summary of Employer Queries Raised, Completed and Outstanding  
Shown by Quarter for 10 Employers with highest total query volumes to up to 30 June 2023



Employer	Q2 2022/23			Q3 2022/23			Q4 2022/23			Q1 2023/24		
	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	187	292	579	263	609	233	235	429	39	186	199	<b>26</b>
High	60	51	16	54	65	5	36	37	4	70	70	4
Standard	127	241	563	209	544	228	199	392	35	116	129	22
[00400] City Doncaster Council	187	189	283	169	283	169	279	379	69	211	229	<b>51</b>
High	72	60	17	58	66	9	59	63	5	81	84	2
Standard	115	129	266	111	217	160	220	316	64	130	145	49
[00600] Capita	55	39	368	26	119	275	20	29	266	15	15	<b>266</b>
High	11	10	32	8	29	11	10	10	11	4	3	12
Standard	44	29	336	18	90	264	10	19	255	11	12	254
[00600] Sheffield CC	221	253	60	259	178	141	235	202	174	281	240	<b>215</b>
High	78	78	0	80	60	20	68	66	22	140	88	74
Standard	143	175	60	179	118	121	167	136	152	141	152	141
[00600] EPM	22	23	240	14	26	228	10	13	225	6	8	<b>223</b>
High	14	13	9	4	2	11	5	5	11	1	1	11
Standard	8	10	231	10	24	217	5	8	214	5	7	212
[00473] Doncaster Childrens Services	27	95	20	0	18	2	0	0	2	8	0	<b>3</b>
High	3	4	1	0	1	0	0	0	0	0	0	0
Standard	24	91	19	0	17	2	0	0	2	8	7	3
[00300] Barnsley MDC	109	122	43	81	93	31	100	90	41	103	113	<b>31</b>
High	43	45	4	32	32	4	27	21	10	56	58	8
Standard	66	77	39	49	61	27	73	69	31	47	55	23
[00372] Greenacre Academy	3	3	72	6	7	71	14	32	53	10	32	<b>52</b>
High	1	1	3	2	0	5	2	6	1	0	0	1
Standard	2	2	69	4	7	66	12	26	52	10	26	52
[00222] The Sheffield College	25	21	79	13	30	62	24	58	28	26	26	<b>28</b>
High	14	9	14	6	12	8	3	10	1	8	7	2
Standard	11	12	65	7	18	54	21	48	27	18	19	26
[00295] The Chief Constable	35	39	31	39	29	41	24	43	22	50	50	<b>22</b>
High	16	15	1	7	7	1	10	10	1	16	14	3
Standard	19	24	30	32	22	40	14	33	21	34	36	19

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<b>Subject</b>	<b>Internal Audit Review Results</b>	<b>Status</b>	For Publication
<b>Report to</b>	Local Pension Board	<b>Date</b>	10 August 2023
<b>Report of</b>	Team Leader Governance		
<b>Equality Impact Assessment</b>	Not Required	Attached	Na
<b>Contact Officer</b>	Annie Palmer Team Leader Governance	<b>Phone</b>	01226 666404
<b>E Mail</b>	<a href="mailto:APalmer@sypa.org.uk">APalmer@sypa.org.uk</a>		

## 1 **Purpose of the Report**

- 1.1 To provide Members with a summary of the results of internal audit reviews completed during 2022/2023.
- 

## 2 **Recommendations**

- 2.1 Members are recommended to:
- a. Note the results and welcome the positive level of assurance received from the internal audits completed during 2022/2023**
- 

## 3 **Link to Corporate Objectives**

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

**Effective and Transparent Governance**

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

- 3.2 The process of internal audit is a key part of providing assurance on the adequacy of the Authority's corporate governance arrangements, particularly those relating to internal control and financial and risk management.

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

- 4.1 The contents of this report do not link to a specific risk in the corporate risk register.

## 5 **Background and Options**

- 5.1 The Authority's Local Code of Corporate Governance sets out the framework in which the Authority complies with the seven principles of good governance; one of which is "*managing risks and performance through robust internal control and strong public financial management*". One aspect of achieving this is having arrangements for

assurance and effective accountability in place and the work of internal audit is a key element of this framework.

- 5.2 Reports of the Head of Internal Audit are presented to the Audit and Governance Committee at regular intervals throughout the financial year. The report attached at Appendix A summarises the reviews undertaken during 2022/23 and outlines the results and assurances received. It reflects the agreed audits that form part of the annual audit plan. The Internal Audit Plan (which is significantly greater than for most local government pension funds) reflects the unique nature of the Authority as an organisation in its own right.
- 5.3 Where an audit review has resulted in implications and findings, officers provide an agreed management action plan to address these. The progress on implementing these agreed management actions is reported to each meeting of the Authority's Audit and Governance Committee.
- 5.4 The Head of Internal Audit's overall opinion, which is included in the Authority's Annual Governance Statement, is one of Reasonable (Positive) Assurance.
- 5.5 This summary report will be presented to the Local Pensions Board on an annual basis.

## **6 Implications**

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

Financial	No additional financial implications; the costs of the internal audit service are met from existing budgets.
Human Resources	None
ICT	None
Legal	None
Procurement	None

**Annie Palmer**

**Team Leader - Governance**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
None	-

**Internal Audit Review Results 2022/23**

<b>Review Topic</b>	<b>Assurance Level</b>	<b>Number and Priority of Findings / Implications</b>
Online Retirement Tool c/fwd from 2021/22	Substantial	3 Low Impact
Financial Management System Post Implementation Review c/fwd from 2021/22	Reasonable	1 Medium Impact
UPM - Pensioner Payroll c/fwd from 2021/22	Substantial	1 Medium Impact
Main Accounting	Substantial	3 Low Impact
Accounts Receivable	Substantial	2 Low Impact
Transfer Values	Substantial	None
Verification of Assets	Reasonable	1 Medium Impact
Treasury Management	Reasonable	1 Low Impact; 1 Medium Impact
Budget Management & Monitoring	Reasonable	1 Medium Impact
Risk Management	Reasonable	2 Low Impact; 1 Medium Impact
Annual Benefits Statements	Reasonable	1 Low Impact; 1 Medium Impact
Pensions Savings Statements	Reasonable	3 Medium Impact

Internal Audit's different levels of assurance are set out in the table below:

<b>Opinion Type</b>	<b>Current Classification</b>
<i>Positive Opinions</i>	<i>Substantial</i>
	<i>Reasonable</i>
<i>Negative Opinions</i>	<i>Limited</i>
	<i>None</i>

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<b>Subject</b>	<b>Updated Risk Register</b>	<b>Status</b>	For Publication
<b>Report to</b>	Local Pension Board	<b>Date</b>	10 August 2023
<b>Report of</b>	Director		
<b>Equality Impact Assessment</b>	Not Required	Attached	Na
<b>Contact Officer</b>	Annie Palmer Team Leader Governance	<b>Phone</b>	01226 666404
<b>E Mail</b>	<a href="mailto:apalmer@sypa.org.uk">apalmer@sypa.org.uk</a>		

## 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 8 June 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 following changes were made to risk scores at the latest full review:

*Risk O5 – Change to the CARE Revaluation date to bring it in line with the tax year.*

Current risk score reduced from 20 to 16 as a result of re-assessing the probability of the risk from very high to high. The Government decided to make the new regulations changing the CARE revaluation date as per the proposals in their consultation. Software updates are expected imminently and will be tested as soon as they arrive. There remains a risk that this process will impact the timelines for the production of the annual benefits statements. The position continues to be monitored with regular updates to SMT.

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

This was a new risk identified in the Quarter 3 report with an initial risk score of 20. However, this has now been lowered to 12, reflecting a reduction in probability to high and reduction in impact to medium. This change is due to the appointment of an experienced interim assistant director. SMT are considering further actions which could strengthen the overall level of technical knowledge within the service and once completed, these will be brought to members for approval.

- 5.4 The implementation of the new *Pentana* risk management software system is progressing well and remains on schedule to go live at the end of August 2023. Training has been completed for the core implementation team and data upload will take place during July and August, the strategic risk register will be prioritised as part of this process.

- 5.5 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**

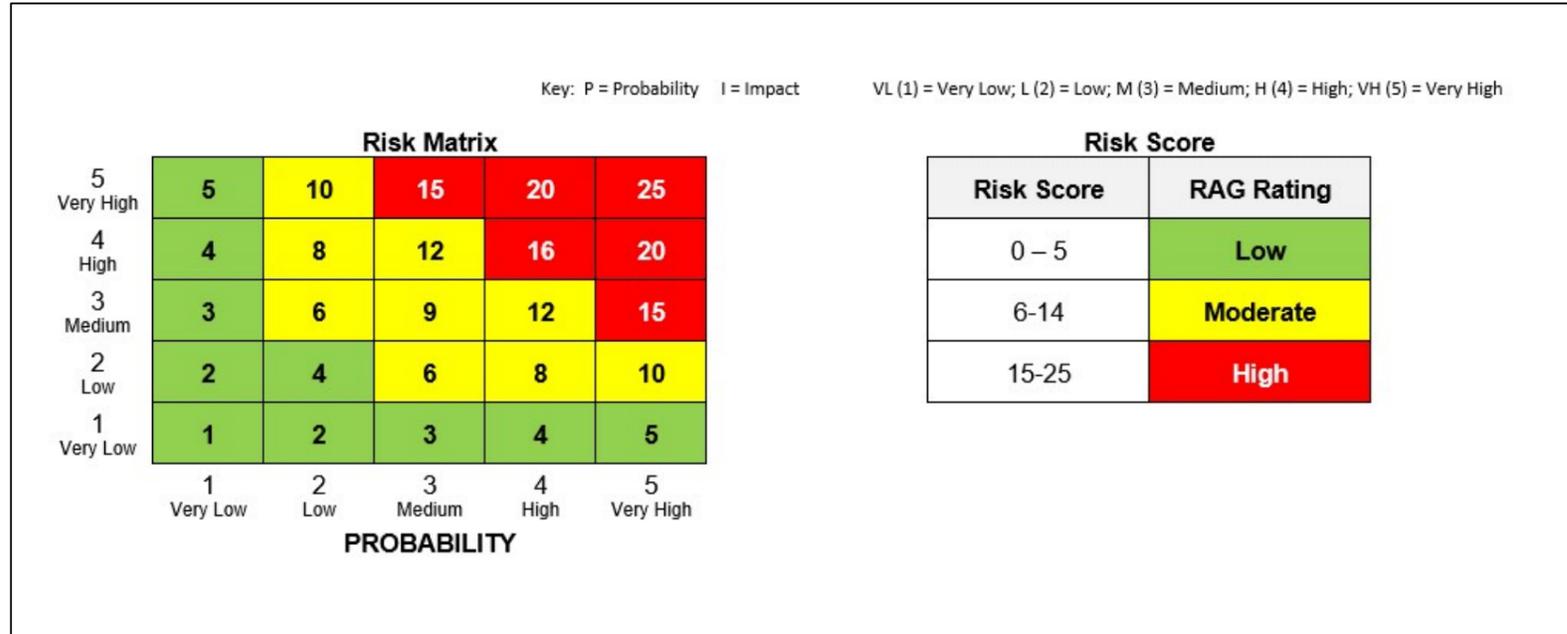
**Director**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
None	N/A

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

Key:



Page 101

Risk scores changed since last review:

Risk No	Risk Type	Risk Title	Prev Score	New Score	Risk Change at Review
O5	Operational	Change to the CARE Revaluation date to bring it in line with the tax year	20	16	↓
P2	People	Reduced levels of technical knowledge and senior management capacity during period of vacancy	20	12	↓

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. As at May 2023 all members of Authority are 100% compliant against mandatory training requirements	9	P=M I=M	6	P=L I=M	Provide further internal seminars and examine options for more individualised "tuition". 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.  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.  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>Comment 09/05/2023 :</i> <i>The current position remains stable however there may be an increase to the risk score at the next review due to change in membership and rotation of chair and vice chair. There is no justification to change the score at this stage.</i>	Head of Governance		09/05/2023
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 As at May 2023 all members of LPB are 100% compliant against mandatory training requirements.	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".  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.  Bespoke training has been identified to enhance LPB members knowledge;  Employer responsibilities and employer risk Responsible investment with the wider framework Administration performance and improving LPB understanding of how to interrogate data Cyber Security/Risk management and measurement of tolerance  <i>Comment 09/05/2023:</i> <i>The current position remains stable however there may be an increase to the risk score at the next review due to change in membership and rotation of chair and vice chair. There is no justification to change the score at this stage.</i>	Head of Governance		09/05/2023
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 09/05/2023:</i> <i>The Internal audit plan continues to be progressed with monthly action updates, no fundamental issues have been raised as part of the process. There is no justification to change the score at this stage.</i>	Assistant Director Resources		09/05/2023

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.  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>Comment 09/05/2023:</i> <i>We continue to progress the development of the project management methodology and the introduction of new systems for the delivery and oversight of projects which will, when implemented, reduce the score.</i>	Service Manager - Programmes and Performance		09/05/2023
11	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 09/05/2022:</i> <i>There is no justification for a change in the score at this stage.</i>	Assistant Director Investment Strategy		09/05/2023
12	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 09/05/2023:</i> <i>It is likely that there will always be a high probability score associated with this issue. Whilst the new investment strategy includes for a separate category for renewables (5% with 2% already invested) and a 2.5% allocation for timber land investment there is no justification for reducing the score at this stage.</i>	Director		09/05/2023
13	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 09/05/2023:</i> <i>It appears that the actions outlined in the strategic plan are having some positive impact but as yet there is no justification for reducing the risk score.</i>	Director		09/05/2023

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 09/05/2023:</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		09/05/2023
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  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>Comment 09/05/2023:</i>  <i>While the results of the 2022 valuation were broadly favourable affordability remains a key risk and there is no justification for reducing the score</i>	Director		09/05/2023
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 Recent implementation of a new phishing attack prevention solution.	16	P=H I=H	12	P=M I=H	Additional testing of disaster recovery arrangements  <i>Comment 09/05/2023:</i>  <i>A third party provider has been engaged to carry out a Microsoft 365 security assessment during May. Outcomes should further strengthen assurance in this area however there is still no justification to reduce the score.</i>	Head of ICT		09/05/2023
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 Work continues to progress data cleansing  <i>Comment 09/05/2023:</i>  <i>The position remains the same. Additional mitigation is a commitment to taking a more strategic approach to data management. The action plan for this is being reviewed by SMT. The outcome and action plan for this will be reflected at the next review of the risk register. There is no justification to reduce the score at this stage.</i>	Assistant Director Pensions		09/05/2023

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
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. The DPIA and ISA have been approved by SMT	12	P=M I=H	6	P=M I=L	Increase in the volume of member correspondence managed through the member portal  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>Comment 09/05/2023:</i> <i>There is no change to the score at this stage. The next quarter will see a review and enhancement to the processes and procedures for DPIA, Data Breaches, DSARs etc. in readiness to launch full suite of information management documents in the Autumn.</i>	Assistant Director Pensions		09/05/2023
04	Operational	Regulatory Compliance	Enforcement action by relevant regulatory authorities	Senior Management Team	Reporting of compliance with relevant standards. Ongoing process of awareness raising and training for staff in relation to operational matters such as TPR Scams requirements. Basic assessment of compliance with TPR CoP 14 in place.	12	P=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 09/05/2023:</i> <i>The Single Code is still awaited. Members of the Authority and LPB will receive training as part of the 23 November CPD away day.</i>  <i>There is no justification to reduce the score at this stage.</i>	Head of Governance		09/05/2023
05	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	16	P=H 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.  <i>Comment 09/05/2023:</i>  <i>The Government decided to make the new regulations. Software updates are expected imminently and will be tested as soon as they arrive.</i>  <i>There remains a risk that this process will impact the timelines for the production of the annual benefits statements. The position continues to be monitored with regular updates to SMT.</i>  <i>The probability of the risk score has been lowered to high.</i>	Director		09/05/2023

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
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	<p>Review of pay and benefits package.</p> <p>Introduction of additional personal development opportunities.</p> <p>Introduction of a structured approach to succession planning.</p> <p>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.</p> <p><i>Comment 09/05/2023:</i></p> <p><i>SMT are currently considering additional actions that could support improvements in the overall delivery of training for pensions officers which will serve to further mitigate this risk.</i></p> <p><i>The score remains unchanged at this stage.</i></p>	Director		09/05/2023
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	12	P=H I=M	9	P=M I=M	<p>Appointment of an interim Senior Manager focussed on delivering key pieces of work</p> <p>Set up and deliver a robust recruitment process as soon as practical including use of executive search</p> <p><i>Comment 09/05/2023:</i></p> <p><i>The appointment of an experienced interim has resulted in some reduction in the level of risk. SMT are considering further actions which could strengthen the overall level of technical knowledge within the service and once completed these will be brought to members for approval.</i></p> <p><i>Probability has been reduced to high and impact to medium for this score.</i></p>	Director		09/05/2023

## Local Pension Board - Cycle of Business 2023-24

Date of Meeting	Timings	Agenda Item	Lead
<b>02 November 2023</b>	10:00	Welcome and Introductions	Chair
		Performance Indicators (including statutory standards, disclosure standards and receipt of employer contributions) Members and Employer Surveys	Assistant Director - Pensions
		Data Quality, Improvement Plans and Progress Updates	Assistant Director - Pensions
		Breaches, Complaints and Appeals	Assistant Director - Pensions
		Review of key communications	Assistant Director - Pensions
		Compliance with Pensions Regulator Code of Practice	Assistant Director - Pensions and Head of Governance
		Updates on regulations, consultations or guidance	Assistant Director - Pensions
		Relevant Policies of the Authority including Internal Controls and Anti-Fraud	Assistant Director - Pensions
		Reports from External Inspection Agencies <b>NB: as required</b>	External Agency
		Authority Governance recent meetings and decisions including progress on actions from audits/inspections auctorial matters	Head of Governance
		LPB Membership & Training updates - feedback from training, training needs analysis of LPB members, forth coming training	Head of Governance
		Information Governance Update	Head of Governance
		LPB Budget Setting - monitoring of spend against budget -	Assistant Director - Resources
12:00		Risk Register (Update and actions )	Team Leader - Governance

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