

Public Document Pack



Date: 06 February 2024

To: MEMBERS OF THE SOUTH YORKSHIRE
LOCAL PENSION BOARD

Oakwell House
2 Beevor Court
Pontefract Road
Barnsley
S71 1HG

www.sypensions.org.uk

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

SOUTH YORKSHIRE LOCAL PENSION BOARD
Thursday, 15 February 2024

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, 15th February, 2024 at 10.00 am.**

The agenda is attached.

Yours sincerely



Sarah Norman
Clerk

WEBCASTING NOTICE

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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, 15 FEBRUARY 2024 AT 10.00 AM, OAKWELL HOUSE, 2 BEEVOR COURT, PONTEFRACT ROAD, BARNSELY, S71 1HG

AGENDA

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SOUTH YORKSHIRE PENSIONS AUTHORITY

LOCAL PENSION BOARD

9 NOVEMBER 2023

PRESENT:

D Gawthorpe (Unite), A Gregory (Scheme Member Representative), N Gregory (Academy Representative), R Nurennabi (Sheffield Hallam University), Councillor K Richardson (Barnsley MBC), Councillor Hoddinott (Rotherham MBC) and D Webster (Scheme Member Representative)

Officers: G Graham (Director), Keogh (Interim Assistant Director - Pensions), J Stone (Head of Governance), Ghuman (Deputy Clerk BMBC), A Palmer (Team Leader - Governance), Knowles and D Sharp (Assistant Director - Pensions)

C Scott (Independent Advisor to the Board)

Apologies for absence were received from G Warwick and N Doolan-Hamer

1 WELCOME AND APOLOGIES

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

2 ANNOUNCEMENTS

The Director introduced Debbie Sharp to the board who has started in post this week as the new Assistant Director – Pensions.

The Director also informed the Board that Nigel Keogh (Interim Assistant Director – Pensions) will be leaving the business today and thanked him for all the work he had produced during his time with the Authority.

3 URGENT ITEMS

None

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

Item 17 – Border to Coast Annual Review deals with the judgements on commercial relations and is to be dealt with in private.

Appendices to the Admin Improvement Report are also private as this is still subject to consultation with staff and the trade unions but the principles can be discussed in public.

5 DECLARATIONS OF INTEREST

Clare Scott declared that she is also an advisor to the Cumbria Pension Fund who are also a Shareholder to Border to Coast.

6 MINUTES OF THE MEETING HELD ON 10/08/2023 AND ACTIONS AND MATTERS ARISING

The Minutes were agreed by the Board.

The Action tracker was also reviewed, and the following changes have been updated:

- Informal consultations have been undertaken and councillor appointments are confirmed to be 3 years for members in place currently. This will be communicated to the district councils and any necessary paperwork will be completed by the Authority alongside this being published on the website.
- Action I3 will be planned for a future meeting as work on Pentana is still ongoing.

Action - The Board requested that all actions from previous LPB meetings this year are backdated on the tracker together with any actions from the effectiveness review and that actions are left open until they have been closed off and carried into the next meeting.

7 REVIEW OF ANNUAL REPORT

The Director presented the report and asked the Board to consider it and make recommendations to improve the presentation of the report and its compliance with relevant guidance.

The Board made the below recommendations to the Authority:

- The Annual report is shared with the Board to review so they can ensure it meets relevant legal requirements and to provide assurance before it goes to the Audit & Governance Committee.
- The Board have a view of the calendar of production for the Annual Report.
- The Report contains less on Responsible Investment.
- A summary of the Annual Report could make it easier for members to understand.

Action – Member Training on page 99 of the Annual report indicates some members have not completed LGPS training despite completing it, this needs to be updated to reflect this.

RESOLVED: Members noted and accepted the report.

8 BORDER TO COAST POOLING CONSULTATION UPDATE

The Director provided the Board with an update on the Investment Consultation. This was the final response, following the draft response which was circulated at the August meeting.

This was accompanied by the responses from the Scheme Advisory Board and the Border to Coast Joint Committee.

The Director explained that the Chancellor is expected to mention this in the autumn statement.

RESOLVED: Members noted the content of the report.

9 UPDATE ON INTERNAL PROCESS FOR INVESTMENTS

The Director presented an update on the Authority's investment process. The Key Points to note were:

- Most effort is focused on improving the oversight process in the next 18 months as the Assistant Director – Investments will retire, and the Authority needs to ensure her knowledge is passed onto the team.
- The Investment Manager who was appointed in post earlier this year is taking some of this risk away and this is working successfully so far.
- A proposal will be brought to the Authority in the new year to set out the process of how the Authority will replace the Assistant Director – Investments upon retirement.

In a response to a question officers explained that the processes around investment and engagement with Border to Coast were audited on a periodic basis.

An independent governance review is also scheduled for Q1 2024.

RESOLVED: Members noted and accepted the report.

10 AUTHORITY/GOVERNANCE RECENT MEETINGS AND DECISIONS INCLUDING PROGRESS ON ACTIONS FROM AUDITS/INSPECTIONS ACTUARIAL MATTERS

The Head of Governance presented the report which highlighted the decisions that were taken as a matter of urgency between Authority meetings.

Key points to note:

- Section 5.2 of the report details one decision which was made since the last meeting, at the Border to Coast Annual Meeting where SYPA was appointed as a shareholder of Border to Coast Limited. Consultation was undertaken with the Chair and the Director, and both approved the resolutions in section 5.3.

The Board commented that the purpose of this agenda item was to consider all decisions of the Authority, not solely those taken between meetings.

Action – The Board requested that future reports include all decisions that were made at recent Authority meetings.

RESOLVED: Members noted the update of decisions taken.

11 RISK REGISTER (UPDATE AND ACTIONS)

The Governance Team Leader delivered the report. This was a standard risk report update following the latest version being reviewed by the Authority in September as part of Corporate Performance review.

The following changes have been made to the Risk Register:

- O5 was successfully completed and has now been removed from the risk register.
- O6 was added as a new risk following an action from the last LPB meeting.

Internal Meetings have been scheduled to review each risk and this will be reported to the Authority in December.

The Board queried G3 (Breakdown of the Control Environment) as to if this risk should be scored higher. The Head of Finance informed the Board that interim measures have been set up internally in conjunction with the internal audit team to provide assurance that we are compliant. As part of the custodian tender, we are working on a replacement for the investment accounting system this will be part of the service. In the interim the spreadsheet we are using is working well therefore not increasing the risk, and by having this as part of the custodian procurement this will significantly reduce the risk.

RESOLVED: Members noted the report.

12 LOCAL PENSIONS BOARD BUDGET SETTING

The Head of Finance delivered the report on the Local Pension Board's proposed budget for 2023/24. Members were recommended to:

- a. Receive and comment on the proposed 2024/25 LPB budget of £38,200.
- b. Recommend the draft LPB budget to the Authority for its approval as part of the Authority's overall budget.

The main change is the addition of the budget for LPB Member Allowances of £18,700 based on assumptions of the number of members in receipt of allowances and an allowance for inflation of up to 3%.

The Board challenged the budget as it appears low. However, the Head of Finance assured the Board that this was realistic.

RESOLVED: Members noted and accepted the report.

13 QUARTERLY PERFORMANCE INDICATORS

The Interim Assistant Director – Pensions presented the report which incorporated item 14 dealing with satisfaction surveys.

The key points to note were:

- Achieved 100% on Annual Benefit Statements issued by the statutory deadline and improvement on the number of Pension Savings Statements issued.
- Customer service satisfaction remains high, and complaints remain low.
- No improvement has yet been made on meeting SLA's for retirement and death cases. However, the action plan seeks to provide solutions to these and will also help reduce backlogs.
- The McCloud project is now past the legal implementation date. The Authority are in the process of installing the necessary software however CIVICA have reported 27 outstanding issues for testing which are complex but hope to have these fixed by the end of the month for testing. Once affected members can be identified,

calculation work can commence but it is not possible to confirm timescales at this stage.

The Board queried a higher number of staff turnover this quarter. The Authority assured the Board this is due to staff retirements and is not a cause for concern.

Action – The Board would like to see more detail on the backlog issues at the next meeting to provide context and give assurance to the board.

Action – The Board requested the Authority attempts to provide a shorter, more succinct report on pensions administration for future meetings.

RESOLVED – Members noted and accepted the report.

14 DATA QUALITY, IMPROVEMENT PLANS AND PROGRESS UPDATES

The Interim Assistant Director – Pensions presented the report.

The report highlighted how the Authority are looking to improve administrative performance to reduce the backlogs and manage caseloads more effectively.

The Key Points to note are:

- To deliver on these improvements resourcing will have the biggest impact. Staff have been consulted on the proposed Pensions Admin restructure which has been well received.
- Increasing staffing resource will allow the Authority to focus on delivering training and effectively upskilling staff, and then focus on engagement with employers to receive better quality data in the first instance.
- A data improvement plan so the Authority can direct resources where necessary to make process improvements.

RESOLVED: Members noted the report.

15 BREACHES, COMPLAINTS AND APPEALS

The Director delivered the report.

The key points to note were:

- One Stage 1 appeal has been dealt with and learning has come from this to ensure this would be better dealt with in future.
- Breaches have been reported, all of which were human error and the report outlines the action taken and additional controls put in place.
- The number of complaints remains low and in line with previous quarters.
- The Authority have experienced 8 Cyber Security incidents this quarter, 6 of which were genuine. All of these cases were reported by staff and no action was taken which could have led to an increase in risk. This shows the training and awareness providing to staff is having an effect.

Action – Discuss persistent and vexatious complaints at next LPB meeting.

Action – ICT Infrastructure Manager to attend the next LPB to educate members on the Cyber Security measures we have in place at the Authority.

RESOLVED: Members noted the report.

16 BORDER TO COAST ANNUAL REVIEW

The Board discussed the Border to Coast Annual Review which deals with the judgements on commercial relations.

RESOLVED: Members noted the paper.

CHAIR

South Yorkshire Pensions Authority Local Pension Board Action Tracker

Action Number	Meeting Date When Action was Set	Agreed Action (Completed actions listed first)	Responsible Officer	Status	Date Closed	Update	Target Date for Completion
1	March 2023 Effectiveness Review	Developing communications between the Board and the Authority.	Head of Governance	Closed	Closed	A joint Authority & LPB Members away day was held on Thurs 30th November 2023. Feedback is being collated and will be shared with Members. Joint Chair and Vice Chair meetings in place. Joint training sessions in place where appropriate.	
2	March 2023 Effectiveness Review	Informal actions agreed at Board meetings to be recorded.	Head of Governance	Closed	14-Dec-23	LPB Action Tracker created and updated	
3	March 2023 Effectiveness Review	Introducing rotation of the chair and vice-chair roles.	Director	Closed	Closed	LPB Constitution updated to reflect this	
4	March 2023 Effectiveness Review	Ensuring diversity characteristics of Board members are recorded and monitored.	Head of Governance	Closed	Closed	Responses received and collated and will be updated as necessary for new appointments	
9	10 August 2023	Reflect recommendations from the Board in the Constitution presented to the Authority for approval.	Director/Head of Governance	Closed	Closed	Revisions were completed in the final version issued to the Authority on 07 September and approved, subject to the ongoing request of revision to request 3-year membership cycles.	
10	10 August 2023	Share draft response on the consultation of future investments with the Board at the same time it is circulated to the members of the Authority.	Director	Closed	09-Nov-23	Complete and further information provided at Nov meeting	
12	10 August 2023	Employer representative vacancy to be advertised in the next employer bulletin.	Director	Closed	03-Oct-23	Vacancy advertised in employer newsletter.	
13	10 August 2023	Terms of Office coming to an end in the next 6-12months to be brought to the board.	Head of Governance	In progress	15-Feb-24	An update on this is included in the Governance Update Report on the agenda for 15 February 2024 meeting	
16	10 August 2023	SMT to include backlogs on risk register more explicitly.	Director	Closed	07-Dec-23	Specific risk now included on teh Strategic Risk Register	
17	10 August 2023	Future agendas to be structured under broad subject headings e.g. Governance, Administration etc.	Head of Governance	Closed	09-Nov-23	Noted and actioned	
18	09 November 2023	All actions from previous LPB meetings this year are backdated on the tracker together with any actions from the effectiveness review and that actions are left open until they have been closed off and carried into the next meeting.	Head of Governance	Closed	Closed	As per this tracker	
19	09 November 2023	Member Training on page 99 of the Annual Report indicates some members have not completed LGPS training despite completing it, this needs to be updated to reflect this.	Head of Governance	Closed	Closed	The training records have been updated and will be kept up to date	
20	09 November 2023	The Board requested that future reports include all decisions that were made at recent Authority meetings.	Head of Governance	Closed	Closed	Appendix to be added to next decisions report	
24	27 November 2023	4 Council Democratic Services updated re: membership	Head of Governance	Closed	27-Nov-23	E-mail sent updating the 4 democratic services to changes to LPB Constitution - Terms of Office and members allowances.	

South Yorkshire Pensions Authority Local Pension Board Action Tracker

Action Number	Meeting Date When Action was Set	Agreed Action (Completed actions listed first)	Responsible Officer	Status	Date Closed	Update	Target Date for Completion
5	March 2023 Effectiveness Review	Shorter more succinct report on pensions administration for future meetings.	Assistant Director - Pensions	In progress		New Assistant Director Pensions is currently working with Chair and Independent Adviser to capture detail required	August 2024
6	March 2023 Effectiveness Review	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. Manage the time at meetings	Head of Governance	In progress		Agenda has been restructured to enable more efficient use of meeting time. Pre-meetings taking place between Chair, Vice Chair, Adviser and Officers a few weeks before each Board meeting to plan for them.	Review how this is going at the next Effectiveness Review March 2024
7	March 2023 Effectiveness Review	Reflects on the Board's feedback on the on-line training and knowledge assessment when planning future activities.	Head of Governance	In progress		A variety of training formats are being used and feedback sought from Members after each session	Review how this is going at the next Effectiveness Review March 2024
8	March 2023 Effectiveness Review	Develop plan to improve succession planning for Board membership.	Head of Governance/Chair	In progress		Plan is in progress for succession planning for forthcoming changes in 2024	August 2024
11	10 August 2023	More areas of governance to be included on 2024-2025 Audit plan.	Head of Governance	In progress		This will be fed back to be considered as part of the Audit Plan 2024/25 which will be taken to the A&G Committee in March 2024. There will also be a separate independent governance review carried out by external consultants - to be completed by June 2024.	June 2024
14	10 August 2023	Present Pentana Dummy report to LPB in the new year.	Head of Governance	In progress		New Service Manager Programmes and Performance will be developing the reporting format.	August 2024
15	10 August 2023	Project Plan which outlines the agreed actions to address the service pressures to be brought to the Board at the next meeting.	Assistant Director - Pensions	In progress		AD - Pensions to work on these areas in developing the reporting on pensions administration for the Board - which will be in consultation with the Board.	
21	09 November 2023	The Board would like to see more detail on the backlog issues at the next meeting to provide context and give assurance to the Board.	Assistant Director - Pensions	Open			
22	09 November 2023	Discuss persistent and vexatious complaints at a future meeting.	Director/Assistant Director - Pensions	Open		Director, AD - Pensions and Head of Governance to take this forward and provide opportunity for discussion either through a report or by covering this in one of the regular Governance Update reports.	April 2024
23	09 November 2023	ICT Infrastructure Manager to attend the next LPB meeting to educate members on the cyber security measures we have in place at the Authority.	Head of Governance	In Progress	12-Jan-24	A separate training session has been scheduled for 25 April 2024	April 2024

Agenda Item

Subject	Governance Update	Status	For Publication
Report to	Local Pension Board	Date	15 February 2024
Report of	Head of Governance		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jo Stone Head of Governance	Phone	01226 666418
E Mail	jstone@sypa.org.uk		

1 Purpose of the Report

- 1.1 To provide Local Pension Board members with an update on current governance related activity and regulatory matters.

2 Recommendations

- 2.1 Board Members are recommended to:
- a. **Note the updates included in this report; and**
 - b. **Welcome the action being taken to undertake an independent Governance Review.**

3 Link to Corporate Objectives

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

Effective and Transparent Governance

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

- 3.2 The contents of this report are part of the arrangements in place to ensure good governance.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report relate to actions that will contribute to addressing risks around regulatory compliance.

5 Background and Options

- 5.1 This report provides updates on current activities and regulatory matters relevant to the Authority's overall governance framework.

LGPS Investments Consultation Outcome

- 5.2 Further to the report considered by Board members at the November meeting, which set out details of the Authority's response to the Government's consultation on LGPS Investments, the Government published its response alongside the Autumn Statement on 22 November 2023. The Director provided a report to the December Authority meeting setting out the details and the implications of the consultation outcome for future work programmes.
- 5.3 A copy of this report is attached at **Appendix A** for Board members' information and consideration.

Regulatory Update: The Pensions Regulator – General Code of Practice

- 5.4 The Pensions Regulator (TPR) has published its new **General Code of Practice** which was laid in Parliament on 10 January 2024. Its laying period lasts for 40 days, and the Code is expected to come into force on 27 March.
- 5.5 As Board Members will be aware, the new General Code merges 10 of the TPR's existing codes of practice into a single new code of practice. For the LGPS (and other public service pension schemes) specifically, it replaces Code of Practice 14 *Governance & Administration of Public Service Pension Schemes*.
- 5.6 The General Code comprises five sections:
- a. The Governing Body
 - b. Funding and Investment
 - c. Administration
 - d. Communications & Disclosure
 - e. Reporting to TPR

The Governance team, along with the Senior Management Team, are now working through the detail and will also attend webinars on the new General Code and the implications for LGPS funds that are being offered. We will consider and assess the Authority's current arrangements against the General Code and produce a plan for making any changes or enhancements needed to ensure compliance. This work will also be informed and supported by the Independent Governance Review, further details of which are set out from paragraph 5.8 below.

- 5.7 Ensuring compliance with the General Code has also been added as an objective in the Corporate Strategy. Progress against this objective will be reported regularly throughout the year to both the Authority and the Local Pension Board.

Independent Governance Review

- 5.8 The Scheme Advisory Board's Good Governance proposals when implemented will require LGPS Funds to undertake an independent review of their governance arrangements every two years. The Authority aims to do this as a matter of good practice pending this becoming mandatory. The last such review was undertaken during 2020 and reported to the September 2020 Authority meeting. Therefore, arrangements have now been made to commission an independent review to take place this year and to plan these reviews to be undertaken every 2 years in future.
- 5.9 A competitive procurement process was carried out using one of the LGPS National Frameworks and Aon have been appointed to undertake the 2024 governance review.

- 5.10 The outline scope of the review includes assessing the Authority's governance with regard to:
- a. The thinking derived from the Scheme Advisory Board's Good Governance Review Phase III report and action plan.
 - b. Best practice reflected in the Pensions Regulator's new General Code of Practice.
 - c. The LGPS Regulations
 - d. Local Government law as it applies to the Authority.
- 5.11 The aim is for the review to provide an overall assessment of the effectiveness of the Authority's governance arrangements and to identify and make recommendations in respect of:
- a. Any areas where the Authority falls short of current best practice.
 - b. Any areas where the Authority is ahead of current best practice.
 - c. Any resource and / or skill deficits in relation to any of the above.
 - d. Any areas where the Authority will have to make changes in order to meet requirements arising from the Good Governance Review
- 5.12 The review work will involve the team from Aon observing meetings, reviewing various policies and documentation, conducting an effectiveness survey with Authority and Local Pension Board members and engaging with relevant stakeholders, including both officers and members, over the next few months. The Aon team will ensure that engagement is face-to-face as much as possible but will also support the use of online and virtual meetings as necessary. The aim is for the work to be completed to enable the final report to be presented to both Authority and Local Pension Board in June 2024.

Local Code of Corporate Governance

- 5.13 The Authority's Local Code of Corporate Governance has been reviewed and updated and this was approved by the Audit & Governance Committee at their December meeting.
- 5.14 The CIPFA / SOLACE Good Governance Framework sets out requirements based on seven key principles and requires that local authorities should:
- a. Review existing governance arrangements;
 - b. Develop and maintain an up-to-date local code of corporate governance, including arrangements to ensure ongoing effectiveness; and
 - c. Report publicly on compliance on an annual basis.
- 5.15 The Local Code describes how South Yorkshire Pensions Authority discharges its responsibilities in meeting the seven principles of delivering good governance, by identifying sources of evidence of compliance and assurance.
- 5.16 These details have been fully reviewed and updated as necessary to reflect improvements and any other changes made since the last review.
- 5.17 The Annual Governance Statement, which forms part of the Authority's Statement of Accounts, demonstrates on an ongoing basis how the Authority is complying with this Local Code.
- 5.18 The updated Local Code of Corporate Governance is attached at **Appendix B**.

Progress on Agreed Management Actions Arising from Audits

- 5.19 A report is taken to each meeting of the Authority's Audit & Governance Committee to update the committee on progress being made on management actions agreed in response to the findings of audit reviews.

- 5.20 The latest update as provided to the December meeting of the Audit & Governance Committee is attached at **Appendix C**.
- 5.21 Further explanation regarding some of the individual items is provided below.
- 5.22 End to End Interfund Process: The Service Manager – Benefits has extended the target date in relation to addressing process delays caused by employers as work is being done to strengthen the escalation procedure through engagement with employers.
- 5.23 Information Governance: Progress has been made on the further development of the Information Governance suite of policies with a view to approval by SMT before the end of the financial year. The retention policy will be a priority in the new year; however, it is recognised that this links to a larger piece of work on the asset register and may require a revised target date.
- 5.24 Procurement: Following the Procurement Compliance follow up audit this year, three new actions have been added. Progress has already been made with some actions already completed and we are on track to have the remainder in place by the target date. The CIPFA training for relevant members of staff took place in January and the gateway approval document is being trialled in a number of current procurements and will be rolled out in the coming weeks following the completion of the training session.
- 5.25 The progress of implementation of agreed management actions will continue to be reported to the Local Pension Board at regular intervals.

Update on Local Pension Board Membership and Succession Planning

- 5.26 There is a current vacancy for an employer representative on the Board. Actions are in progress to try and fill this vacancy. This was promoted in the Authority’s employer newsletter but received no response. Following which, officers are taking other actions including liaising with other employer representative members to target interest from particular sectors of the employer membership such as multi-academy trust employers. The Board will be kept informed of progress.
- 5.27 The terms of membership of two of the trades union representatives are due to come to an end during 2024 and the Head of Governance is in contact with the relevant trades unions to make arrangements for these roles to be taken over in time to ensure a seamless transition with handover from the current to the new Board members.

6 Implications

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

Financial	There are no direct financial implications arising from this report. The costs of the Governance Review are included in the budget.
Human Resources	None.
ICT	None.
Legal	The Authority will ensure compliance with TPR’s General Code in line with its legal requirements.
Procurement	A suitable procurement process was followed to appoint the consultants for the Governance Review, in accordance with the Authority’s Contract Standing Orders.

Jo Stone

Head of Governance & Monitoring Officer

Background Papers	
Document	Place of Inspection
The Pensions Regulator – General Code of Practice	TPR website: www.thepensionsregulator.gov.uk The General Code of Practice

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Agenda Item

Subject	Policy and Regulatory Update – LGPS Investment Consultation Outcome	Status	For Publication
Report to	Authority	Date	7 th December 2023
Report of	Director		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	George Graham Director	Phone	01226 666439
E Mail	ggraham@sypa.org.uk		

1 Purpose of the Report

- 1.1 To update members of the Authority on the outcome of the consultation on LGPS investments which was announced alongside the Autumn Statement and the implications for SYPA.

2 Recommendations

- 2.1 Members are recommended to:
- a. Note the contents of this report and the implications of the consultation outcome for future work programmes.**

3 Link to Corporate Objectives

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

Investment Returns

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

Responsible Investment

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

Effective and Transparent Governance

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

The proposals set out by Government have implications for how the Authority invests and hence potential returns and the ability to achieve particular responsible

investment goals. In addition the continuing development of the pooling process is likely to require further evolution of the Authority's governance arrangements.

4 Implications for the Corporate Risk Register

- 4.1 Implementation of the outcomes of the consultation will potentially impact various investment and governance risks already contained in the Corporate Risk Register and there may be new risks which emerge when the proposed statutory guidance is produced.

5 Background and Options

- 5.1 The Government published the outcome of the consultation on LGPS Investments which closed on 2nd October alongside the Autumn Statement on 22nd November 2023 (see link in background papers). The Authority had previously considered its response at its September meeting. The more rapid response to a consultation than the sector is accustomed to possibly indicates the strength of the drive from the Treasury behind the broader package of Mansion House reforms of which this exercise forms a part.

- 5.2 There was a significant level of response to the consultation with 82 of the 86 administering authorities and all 8 pools responding among a total of 152 responses. As members will be aware there was a significant degree of collaboration between Border to Coast partners to agree a common core approach to the issues raised in the consultation.

- 5.3 Broadly the Government now propose to proceed with all of the proposals which they outlined in the original consultation with some small variations and softening in some areas, in particular:

- The March 2025 timeline for transitioning listed assets will remain but will be on a comply or explain basis, which will reduce some of the practical challenges that a hard deadline would have posed for some funds although this is not an issue for SYPA.
- The proposal to adopt standardised asset class benchmarks has been dropped.
- There is clarity that the proposals in relation to private equity and so called "levelling up" investments are not intended to cut across fiduciary duty but point to wider opportunity sets.

- 5.4 The following sections of this report deal with the main issues considered in the consultation in turn the Government's response and the implications for SYPA.

Pooling and Driving Scale

- 5.5 The response to the Government's proposal that pools should target a minimum size of £50bn is at best described as cautious scepticism. The Government continues to believe that fewer pools is an optimum position but does not intend to force the issue although it makes clear based on an estimate of future asset values that by 2040 it would want to see 4 or 5 pools of in excess of £200bn rather than the current 8. Government encourages greater collaboration between pools to exploit specialism and avoid duplication.

- 5.6 With regard to the timetable for transition of listed assets there was significant opposition to the proposed 2025 date for a variety of practical reasons. The Government's view is that they need to provide some clearer direction to deliver a step change in the rate of progress being made in pooling assets. Therefore they propose that funds should either transition listed assets or provide in their Investment Strategy Statement a detailed rationale for those that remain outside the pool including any value for money considerations and when the decision not to pool will be reviewed.
- 5.7 The Government set out a view about how funds and pools should work together including a clearer division of responsibilities and pool entities being more actively involved in advising on investment strategy. There was significant opposition to this approach, and in particular to a more active advisory role for pools. The Government propose to provide revised guidance which includes a preferred model which pools will be expected to adopt over time. This model will be based on characteristics and outcomes rather than prescribed structures.
- 5.8 There was almost unanimous support for proposals to formalise requirements for a training policy for members of pension committees (in SYPA's case the Authority). The Government intends to enact these proposals through further guidance which stops short of setting the requirements around knowledge and understanding as called for by the Scheme Advisory Board in the Good Governance review.
- 5.9 The Government made proposals to increase the transparency of reporting around asset allocation and around the savings delivered by pooling, including additional reporting by the Scheme Advisory Board. There was broad support for these proposals. The area of most contention was the suggestion of reporting asset class returns against standardised benchmarks. The Government will bring forward guidance to implement these proposals and will work with the SAB to develop a scheme return looking to achieve some consistency with other parts of the pensions industry. The proposal to use standardised asset class benchmarks will not be taken forward.

LGPS and "Levelling Up"

- 5.10 There was broad support for the Government's proposed definition of a "levelling up" investment. The Government will therefore proceed on this basis although guidance will provide additional clarity to the definition.
- 5.11 The Government sought views on the ability of pools to invest in another pools products. This was broadly supported although in many cases with significant caveats. The Government will take forward this proposal through guidance although it will be a matter for each pool whether it pursues this approach.
- 5.12 The Government sought views on a requirement for Funds to publish a plan to invest 5% of assets in projects to support "levelling up". A majority of respondents opposed this on the ground that it was dictating asset allocation and therefore not in line with Funds' fiduciary responsibilities. The Government intends to proceed with these proposals but has accepted the "levelling up" investment are not an asset class in their own right.

- 5.13 A large proportion of responses opposed the Government's proposals in terms of reporting in relation to "levelling up" in particular drawing attention to the increasing reporting burden on funds. The Government intends to proceed with these proposals and will work with SAB on proposals to minimise the burden of these requirements including through producing reporting templates.

Investment in Private Equity

- 5.14 The Government consulted on whether Funds should have an "ambition" to invest 10% of AUM in private equity. This was opposed by 84% of respondents largely on the grounds that direction of asset allocation was contrary to Funds' fiduciary responsibilities. The Government believes that the well funded position of LGPS and its long time horizon means the scheme is well placed to benefit from more illiquid but **potentially** (emphasis added) higher returning investments and will therefore proceed with their proposals. The Government has clarified that this requirement is not restricted to the UK private equity investments, but has not widened the definition to include other forms of growth capital.

Other Issues

- 5.15 The other issues covered in the consultation including the use of investment consultants were largely technical and received a significant weight of support.

Implications for SYPA

- 5.16 The direct implications of the proposals for accelerating pooling on SYPA are limited as we have completed the transition of listed assets. However, there are requirements in this area that will impact and in particular the need to provide a clear transition plan. Work has already begun on this plan with a view to bringing it to the March meeting of the Authority and if appropriate this will be incorporated in revisions to the Investment Strategy Statement. We already comply with the spirit of the reporting requirements suggested in this area but will need to await clarity on the templates and forms of reporting in order to understand whether there are significant implications.
- 5.17 The more significant implications in this area are around the development of the relationship with Border to Coast and the impact of any consolidation amongst the pools, although the Government's preferred model reflects existing practice within the Pool. These have already been recognised as part of the 2030 Strategy on which members have been briefed. In the short term it is likely that the operating company will require further regulatory permissions and the need to facilitate the pooling of listed assets by 2025 may necessitate some alterations to the order in which new products are delivered.
- 5.18 In relation to "levelling up" or as SYPA has termed it place based impact we have already developed a strategy although the outline requirements for a plan do indicate that this will need some further work to ensure compliance. If possible this work will be undertaken to allow it to be considered at the March Authority, if not this will come to the June Authority alongside any amendments necessary to the Investment Strategy Statement.
- 5.19 SYPA already reports on the impact achieved through the place based impact strategy. However, the consultation indicates some additional requirements in this area which do not seem unduly onerous and which we will seek to meet in the next annual report.

- 5.20 In terms of the Private Equity issue the current Strategic Asset Allocation is for this to be 7.5% of AUM. In the overall context of the Fund, its risk appetite and importantly the requirement to access regular income this for the moment seems sufficient and is 50% greater than the average across the LGPS. However, this is an issue that will need to be examined at the next strategy review which will be conducted to reflect the results of the 2025 valuation.

Conclusion

- 5.21 Overall the outcome of this consultation is as anticipated and there does seem to be a broad political consensus around the direction of travel, if not always about some of the detail. The Government has indicated an intention to publish revised guidance next summer although given both past performance and the wider political timetable this may be a little optimistic.

6 Implications

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

Financial	None directly although there may be budget pressures resulting from the increased reporting burdens included in the Government's proposals.
Human Resources	None identified
ICT	None
Legal	The Government proposes to enact most of its proposals through the issuing of statutory guidance. While this does allow more detail to be provided on specific requirements it also increases the latitude for individual funds in terms of how they comply which can result in issues in terms of the comparison of performance and other metrics between funds.
Procurement	Some of the changes proposed by Government (for example the extension of the pool role in provision of advice) may need careful consideration to ensure that the nature of the arrangements put in place do not run counter to the requirements of procurement law to ensure proper and fair competition for work.

George Graham

Director

Background Papers	
Document	Place of Inspection
Government Response to the consultation on LGPS Investments	Local Government Pension Scheme (England and Wales): Next steps on investments - government response - GOV.UK (www.gov.uk)
SYPA response to the original consultation on LGPS Investments	Auth Sept 23 - Investment Consultation Response Appendix A.pdf (sypensions.org.uk)

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December 2023

Local Code Of Corporate Governance

December 2023

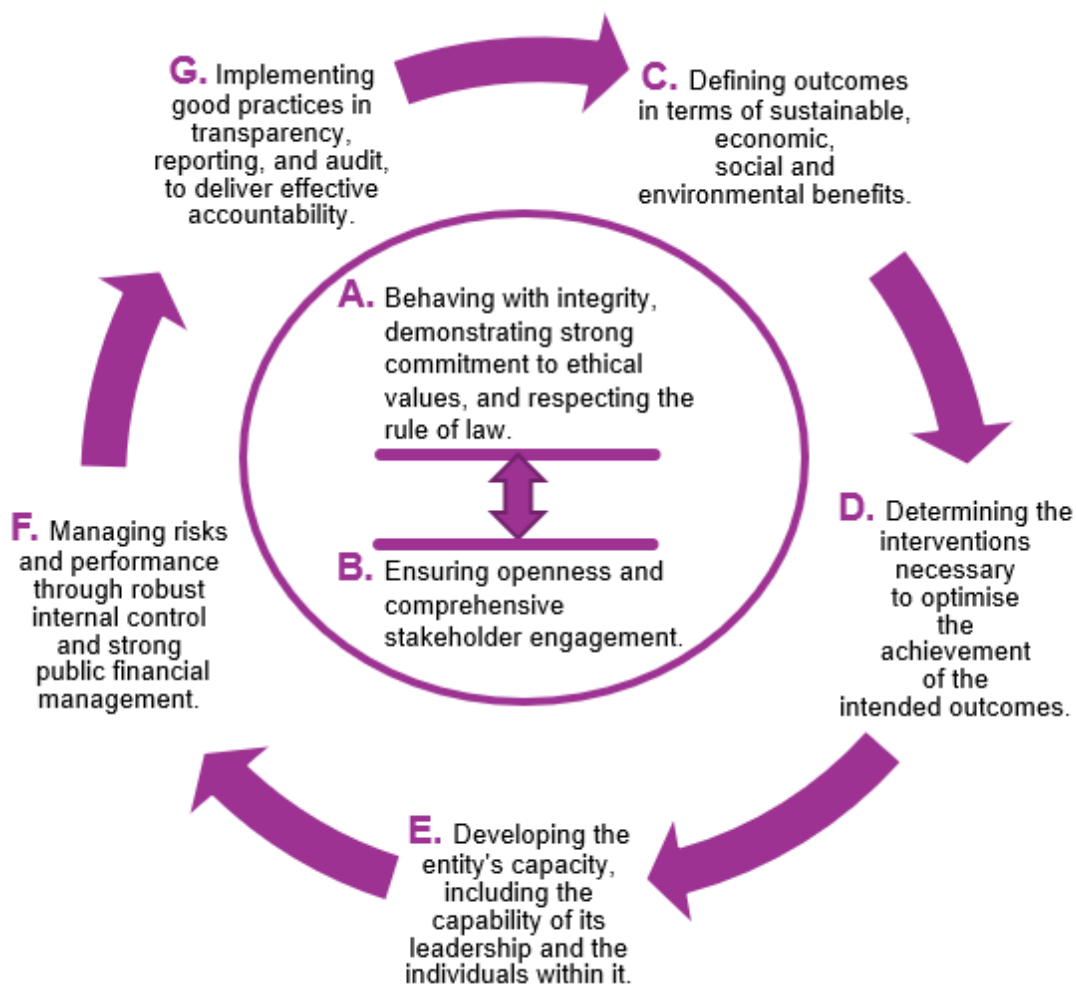
Local Code of Corporate Governance

Governance is about how South Yorkshire Pensions Authority (SYPA) ensures that is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest, and accountable manner.

SYPA is committed to upholding the highest possible standards of good corporate governance, believing that good governance leads to high standards of management, strong performance, effective use of resources, increased public involvement and trust in SYPA's good outcomes.

Good governance flows from shared values, cultures, and behaviour and from systems and control measures. This Code of Corporate Governance is a public statement that sets out the framework through which SYPA meets its commitment to good corporate governance.

Good corporate governance can be summarised as “*achieving the intended outcomes while acting in the public interest at all times*” (CIPFA / IFAC International Framework: Good Governance in the Public Sector (2014)). In this sense good corporate governance is founded on seven key principles as set out in the diagram below:



Source: International Framework: Good Governance in the Public Sector (CIPFA/IFAC 2014)

The International Framework states that *“acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.”*

The international framework has been transposed into UK professional standards in the CIPFA / SOLACE framework *“Delivering good governance in Local Government”* (2016) which applies to all local government bodies including joint authorities such as the South Yorkshire Pensions Authority.

The framework and the associated guidance are not a prescriptive checklist, and it is for each individual organisation to apply the framework to its own context.

This *Local Code of Corporate Governance* describes how South Yorkshire Pensions Authority discharges its responsibilities in this respect, by identifying sources of evidence of compliance and assurance in relation to each of the seven principles and supporting defining factors within the framework. The Annual Governance Statement, which forms part of the Authority’s Statement of Accounts, demonstrates on an ongoing basis how the Authority is complying with this code. In addition, the Code itself will be reviewed on a regular basis.

Key governance principles and supporting actions and behaviours:	How do we achieve this?
<p>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p>	<ul style="list-style-type: none"> ➤ Codes of conduct covering the behaviour of both members and officers, form part of the Constitution, with appropriate mechanisms for ensuring that action can be taken where transgressions are reported. For officers these are reinforced through a framework of values and behaviours, including specific management behaviours, which are reflected upon at individual level as part of the appraisal system. ➤ The standing orders set out the required standards of conduct at meetings. ➤ A member induction and development programme is in place. ➤ Maintains the SYPA's Constitution, setting out how decisions are made, and the procedures followed to ensure that these are efficient, transparent, and accountable to local people. ➤ Incorporates in the Constitution a formal scheme of delegation, setting out the delegated powers of the Authority's most senior officers. ➤ As required under local government law, elected members are required to complete declarations of interest which are publicly available and to declare any conflicts which might arise in discussion of specific matters at meetings of the Authority and its committees. Similar arrangements apply to members of the Local Pension Board, under requirements governed by the Local Government Pension Scheme regulations and the Public Service Pensions Act 2013. ➤ Registers of potential conflicts, including personal relationships, for staff and a register of gifts and hospitality for both staff and officers. ➤ A comprehensive policy framework in relation to issues such as fraud and corruption and a Whistleblowing Policy should any individual wish to make a confidential disclosure. Complaints policies in relation to quality of service, and statutory appeals processes in relation to decisions made under the Pensions Regulations. ➤ The Authority operates with an extremely strong value base in relation to ethical standards and values reflecting the seriousness of its responsibility as steward of the pension savings of a very large number of individual scheme members. The values and behaviours framework are central to both the Corporate Strategy and the appraisal process and the wider policy and constitutional framework covering issues such as recruitment and selection and procurement. The Authority also seeks to bring its commitment to these values into the role it plays within any partnership in which it participates, particularly the Border to Coast Pensions Partnership which is central to the delivery of its corporate objectives.

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	<ul style="list-style-type: none"> ➤ The Authority ensures that it is aware, through the employment of specialist officers and advisers, of the statutory requirements which are placed upon it and takes steps to ensure that it complies with them in an open and transparent way. This includes the maintenance of an up-to-date Constitution which is regularly reviewed and includes definitions of both the Corporate Planning Framework and Pensions Policy Framework, together with terms of reference for committees and an appropriate scheme of delegation to officers. ➤ The Authority maintains up to date role profiles for all posts within the organisation and ensures that it has appropriately qualified statutory officers in post who are able to operate in a way which complies with the relevant professional codes. ➤ Formal records are kept of decisions taken by both officers and members together with the advice considered in making such decisions. ➤ The Authority has a formal policy on the reporting of breaches of the relevant pension regulations and any breaches which occur are reviewed by the Local Pension Board at each of its meetings. The Authority also has clear and effective policies in relation to fraud and corruption and participates in the National Fraud Initiative.
<p>B. Ensuring openness and comprehensive stakeholder engagement</p>	<ul style="list-style-type: none"> ➤ The Authority seeks to be as open as possible with stakeholders, conscious that it is the steward of the savings of around 170,000 individuals, working for close to 600 different employers. To this end it complies with its obligations under the Freedom of Information Act and makes a considerable volume of information automatically and freely available through its website. The Freedom of Information Act Publication Scheme, which specifies the information published by the Authority and how to access this, is used as one means of signposting information electronically. ➤ This includes a range of information on investment holdings, performance, the policy frameworks, and responsible investment issues such as how shares have been voted. ➤ Meeting agendas and papers for the Authority, the various committees and the Local Pension Board are published online a week before each meeting and all meetings are open to the public, and webcast. ➤ Key decisions made by officers are formally recorded and details published on the website.

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	<ul style="list-style-type: none"> ➤ To promote clarity in the information provided to support decision making, reports for decision making bodies follow a standard format which ensures that, for example, implications for the financial position of the Authority of a decision are clearly explained. In addition, all reports for decision are required to outline relevant risk considerations, so that these can be understood by decision makers. All reports must be reviewed and cleared by the statutory officers prior to submission to elected members for decision. ➤ The Authority has in place clear protocols regarding its participation as a Partner Fund in the Border to Coast Pensions Partnership. Clearly defined roles are set out for each participant in the Partnership in its Governance Charter and the relevant legal agreements. Regular reports are provided to the Authority by officers on the activity and performance of the Partnership, including a comprehensive annual review which considers the achievement of both the Authority's and the Partnership's objectives. ➤ To ensure the views of stakeholders are considered in a systematic way by decision makers when relevant, the Authority has adopted a Communications and Consultation Strategy which provides a standard framework for engaging with stakeholders. ➤ A communications team is in place, increasing the professional resource available to focus on our corporate communications with all our stakeholders. ➤ Resources are specifically allocated to engagement with employers to support the maintenance of a productive and supportive relationship between them and the Authority. All engagement with employers takes place within the context of the Communications and Consultation Strategy which requires the results of any consultation process to be reported back alongside the actions proposed following the consultation. ➤ Emphasis is placed on increasing the volume and improving the quality of interaction with employers and an employer forum session and surveys have been undertaken during the year. The Authority's website includes an area for employers and an employer newsletter is sent to all employers quarterly with updates on relevant information, training, and events. ➤ There is a current focus on monitoring the performance of employers in relation to data submission; including quality, timeliness and resolving queries; and reporting on this to the Local Pension Board. ➤ The processes for engaging with and understanding the views of scheme members are also set out in the Communications and Consultation Strategy.

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	<ul style="list-style-type: none"> ➤ Interaction with scheme members includes offering appointments to meet with staff either through remote meeting sessions or in-person appointments at our office in Barnsley. ➤ The Authority’s complaints and appeals processes are available to scheme members in relation either to quality of service, or specific decisions made under the LGPS regulations. Information from the complaints and appeals processes forms part of the Authority’s performance management framework and influences the development of policy, practice, and processes, including specific projects reflected in the Corporate Strategy. ➤ As part of its assurance and scrutiny role, the Local Pension Board receives a quarterly report outlining the nature of all appeals and complaints and the subsequent actions and learning as well as quarterly information on the results of various rolling customer satisfaction surveys which examine specific aspects of the service to scheme members, which also include information on learning and actions from this feedback.

Key governance principles and supporting actions and behaviours:	How do we achieve this?
<p>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits</p>	<ul style="list-style-type: none"> ➤ The Authority sets out a clear vision supported by specific objectives for achieving that vision within its Corporate Strategy which is at the heart of its corporate planning framework. Delivery against these objectives and key quality of service standards is reported quarterly to members of the Authority within a comprehensive report, allowing action to be taken to address any variations if required. All activity is undertaken within a risk management framework which covers all aspects of the Authority’s work. ➤ The Authority’s Responsible Investment Policy sets out how it reflects the balance between economic, social, environmental and governance issues within its investment decision making process and the areas where it seeks to move partners within the Border to Coast Pensions Partnership to a shared position. Responsible investment is central to the Authority’s approach to the management of the funds for which it is responsible, and it is an active participant in a range of initiatives which seek to support the achievement of its objectives in this area. Work has continued during the year to develop new approaches to reporting the impact of various investments and the results of this will be reflected in future annual reports. ➤ The Authority’s decision making on key issues of this sort is transparent with appropriate decisions either taken in public meetings or published and supporting information placed in the public domain whenever possible. (Exceptions to this are limited and would include, for example, commercially sensitive market information that cannot be made public). ➤ The Authority actively engages with groups seeking to influence its policies in different ways and uses its Communication and Consultation Strategy to seek views on issues where appropriate and to consider differing views when making decisions. ➤ Beyond the investment sphere, the Authority maintains an Equality and Diversity Scheme to guide its approach to the delivery of fair access to its services for any individual with a protected characteristic.
<p>D. Determining the interventions necessary to optimise the achievement of the intended outcomes</p>	<ul style="list-style-type: none"> ➤ The Authority’s officers ensure that when making decisions, elected members have access to as much objective information as possible, as well as to the views of appropriately skilled and experienced independent advisers where specialist areas such as investment strategy are under consideration. Where members require additional information, officers agree specific timescales for its provision.

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	<ul style="list-style-type: none"> ➤ The corporate planning process and the medium-term financial strategy are how the Authority agrees the relative priority and resource requirements of specific interventions. ➤ The Authority has a well-defined and robust corporate planning framework with the review cycle linked at a high level to the major cyclical events impacting its operations (principally the triennial actuarial valuation of the Pension Fund). This framework is supported by well-established consultation arrangements ensuring that stakeholder views can influence plans where appropriate and a risk management framework that ensures that both risks to service delivery and risks impacting the assets and liabilities of the Pension Fund can be addressed holistically. ➤ A robust framework for monitoring the delivery of all the various plans and strategies is in place with a comprehensive report including both financial and performance information presented to the Authority on a quarterly basis with more detailed reports covering pension administration presented quarterly to the Local Pension Board and on investment performance to the Authority. These reports highlight deviations from plans and identify and assess the risks relevant to the achievement of objectives as well as including information around feedback received and how it has been acted on. ➤ The Authority’s medium-term financial strategy and corporate strategy draw on inputs from both stakeholder feedback mechanisms, the views of elected members and the Senior Management Team’s assessment of developments in the wider external environment to direct resources to address priority areas. The medium-term financial strategy examines both the Authority’s operating budget and the financial position of the Pension Fund ensuring that all areas of cost and income are fully considered. Strong budgetary control is evident, and managers are conscious of the need to demonstrate financial probity. ➤ In addition, given the centrality of being a responsible investor to the way in which the Authority invests the Pension Fund, regular publicly available reports are provided to the Authority detailing responsible investment activity undertaken and the outcomes achieved through this activity. These include summaries of the Fund’s votes at company annual meetings. As part of this approach the Authority subscribes to the principles set out in the FRC’s Stewardship Code which requires investors to report to stakeholders in a clear way on how they have managed the funds for which they are responsible.

Key governance principles and supporting actions and behaviours:	How do we achieve this?
<p>E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it</p>	<ul style="list-style-type: none"> ➤ The Authority has strong constitutional arrangements in place including an effective scheme of delegation, financial regulations and contract standing orders that define which individuals can take which decisions. These arrangements are subject to regular review. ➤ Clear role profiles are in place for all posts within the organisation, which are linked to a consistent organisational design framework. The Director’s role profile is agreed with elected members. This and the Constitution clearly set out the dividing lines between member and officer responsibilities. Means of maintaining regular dialogue between the Director and the Chair are agreed with each Chair on their taking office. ➤ The role of Monitoring Officer is undertaken by the Authority’s Head of Governance. Support for this individual officer is in place with a programme of mentoring from Barnsley MBC’s Monitoring Officer, who is also the Authority’s Deputy Clerk. Additionally, the Head of Governance has been supported to complete a professionally accredited Diploma in Corporate Governance delivered by CIPFA, and is supported in keeping CPD up-to-date. ➤ The role of Chief Finance Officer (under s.73 of the 1985 Local Government Act), is undertaken (from 1 April 2023) by the Authority’s Assistant Director – Resources who is CIPFA qualified and previously performed the Deputy Treasurer role since May 2019. This role holder was supported to complete the CIPFA Chief Finance Officer Leadership Academy during 2022/23. The Head of Finance is the designated Deputy Chief Finance Officer and is also CIPFA qualified and supported in maintaining up-to-date CPD. ➤ The Authority’s statutory role holders – the Director as Head of Paid Service, the Head of Governance as Monitoring Officer and the Assistant Director – Resources as Chief Finance Officer, along with the Deputy Clerk meet on a quarterly basis. ➤ Independent Advisers with suitable skills and experience are employed to support both the Local Pension Board and the Authority. Training for members of the LPB and of the Audit & Governance Committee is provided to enable them to provide more effective challenge. These have previously included briefing sessions on relevant topics before each meeting, an effectiveness review and training from CIPFA’s Governance Adviser and a training session on the scrutiny role from the Centre for Governance & Scrutiny

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	<p>(CfGS). The Audit & Governance Committee updated its Terms of Reference in March 2023 to ensure compliance with best practice as per the CIPFA Position Statement on Audit Committees.</p> <ul style="list-style-type: none"> ➤ Plans are in place to recruit for an independent member for the Audit & Governance Committee with relevant audit and risk knowledge and skills. ➤ A Learning and Development Strategy is in place for elected members supported by the allocation of specific time within the overall programme of meetings. This strategy is set within the context of the CIPFA Knowledge and Skills Framework for LGPS and has regard to the requirements of the Pensions Regulator. The current status is 100% completion by Authority and LPB members of the mandatory training requirements within the strategy. Members participate in the National Knowledge Assessment (run by Hymans Robertson) and this helps to inform the Member Learning and Development Strategy each year, which is targeted and bespoke. ➤ For staff of the Authority, an appraisal system is used to manage individual performance, plan learning and development, and support the succession planning process which is in place in key risk areas. In October 2022, following a comprehensive review, the Authority approved an Organisational Resilience and Sustainability plan which includes the establishment of a range of additional resources and changes to reporting lines across the organisation, to be implemented over the course of the period to March 2025, designed to strengthen capacity, enhance capability, and increase sustainability. ➤ Ongoing learning and development plans for the Authority’s workforce are devised annually to support the goals set out in individual appraisals and are kept under review throughout the year. In addition to competency-based progression through the pension administration career grade, this can include professional qualification training, external training courses, and internally provided technical updates and system specific training. ➤ Learning and development activity is further supported through access to online resources through a range of systems such as online reading rooms, SharePoint, modern.gov and LinkedIn Learning. ➤ Health, Safety and Wellbeing arrangements are prominent and embedded across the organisation. An external Health & Safety adviser is retained, and the range of additional health and wellbeing support continues to grow each year, including workplace health checks and a range of webinars and other activities which target a variety of key physical, emotional, and mental health and wellbeing topics.

Key governance principles and supporting actions and behaviours:	How do we achieve this?
<p>F. Managing risks and performance through robust internal control and strong public financial management</p>	<p>Managing Risk</p> <ul style="list-style-type: none"> ➤ A risk management framework is in place reviewed annually by the Audit & Governance Committee. This framework sets out clearly the responsibilities for managing the risks facing the organisation, how they should be assessed and reported. The strategic risk register is reviewed monthly by the Senior Management Team with reporting on a quarterly basis to meetings of the Authority as part of the overall performance management framework, together with review and challenge by the Local Pension Board. ➤ The Governance team provide specific resource and focus to this area. A risk and performance management software system has been implemented to enhance the Authority’s arrangements by enabling more efficient recording and reporting of risk and performance and with input from various levels of management throughout the organisation. This is also supported by additional training for the relevant staff and managers. <p>Managing Performance</p> <ul style="list-style-type: none"> ➤ Arrangements for the reporting and monitoring of performance are in place, including clearly defined timetables for the reporting of information across the full range of activity, integrated with financial monitoring. Wherever possible, data is placed in the public domain and statutory reporting timescales are adhered to. ➤ The Authority undertakes benchmarking of its cost base and performance across both the main streams of operational activity, pensions administration and investment. ➤ The Authority welcomes external challenge and is due to commission a second review of its Governance arrangements in the final quarter of 2023/24 in line with the proposals set out in the Good Governance Review Project sponsored by the Scheme Advisory Board. ➤ A small team consisting of a Service Manager – Programmes and Performance, and a Projects and Performance Officer is in place under the Head of Governance to bring an expert and dedicated resource to develop and enhance the performance management framework as well as applying project management methodology and control to the delivery of specific projects for meeting the Authority’s corporate objectives. ➤ High quality data is central to the effectiveness of the organisation in its core function as a pension administrator. The Authority has a strong policy framework in place to ensure both the security and integrity of the large quantities of data which it holds.

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	<ul style="list-style-type: none"> ➤ The Authority’s Head of Governance is now the Senior Information Risk Owner (SIRO), providing a dedicated resource, supported by the Team Leader – Governance, to work on the continuing development of the information governance framework. ➤ The Head of Internal Audit acts as the Authority’s Data Protection Officer and his work is supported by an annual programme of review activity to ensure compliance with the policy framework. ➤ The Authority has received and continues to maintain the Cyber Essentials Plus accreditation – which is the highest level of certification offered from government in relation to its arrangements for cyber security. ➤ An annual assessment of the quality of data held for pension administration purposes is undertaken and a data improvement plan is produced to ensure that any issues identified are addressed. Progress with delivering the data improvement plan is overseen by the Local Pension Board. <p>Robust Internal Control</p> <ul style="list-style-type: none"> ➤ The Authority has an Audit & Governance Committee in place whose terms of reference are consistent with the relevant professional standards and were updated from March 2023 in line with CIPFA’s updated Position Statement on Audit Committees. The Committee produces its own Annual report, available within the Governance section of the Authority’s website, which sets out the work it has undertaken during the year. ➤ The Committee is responsible for overseeing the work of Internal Audit, provided by Barnsley MBC’s Internal Audit Service, and in particular ensuring that the Internal Audit plan addresses key control risks facing the Authority. The Head of Internal Audit is required under the relevant professional standards to produce an annual opinion on the adequacy of the control environment. This is reported within the Annual Governance Statement each year. ➤ Progress made in implementing actions agreed following audit reviews is reported to every meeting of the Committee and this helps to ensure that the control environment continues to be strengthened through the audit process. ➤ The importance of internal control is well-embedded across the organisation and officers ensure a strong and effective working relationship is maintained with both Internal and External Audit, including regular liaison

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	<p>meetings and ensuring independent access is available to the Audit & Governance Committee Chair and members.</p> <p>Strong Public Financial Management</p> <ul style="list-style-type: none"> ➤ The Authority is steward of a very large pension fund and therefore strong financial management is crucial to its effective operation. ➤ A strong framework of budgetary control is in place and monitoring against the operational budget, along with monitoring of investment performance, is reported quarterly to the Authority. Key projects are required to operate within defined budgets which receive approval through the appropriate decision-making processes. ➤ The Authority’s Medium Term Financial Strategy defines various fiscal rules which constrain the growth in expenditure, mirroring to some extent, the constraints which apply to conventional local authorities through the council tax capping regime.
<p>G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p>	<ul style="list-style-type: none"> ➤ The Authority seeks to be open and transparent in all its activities, seeking to minimise the amount of information that must remain confidential. ➤ A substantial amount of information about the Authority’s services and activities is published on its website: https://www.sypensions.org.uk/ including, for example, details of investment holdings and voting records. The agendas and public reports for all meetings of the Authority, its committees and the Local Pension Board are published and the public parts of these meetings are webcast. The Authority’s annual report also contains a significant amount of information on its activities in a more user-friendly format. ➤ The Freedom of Information Publication Scheme provides clear signposting to the information which is publicly available and where it can be found. ➤ The Authority regards telling its story as a key activity, to report and demonstrate its performance, achievement of value for money and effective stewardship of scheme members’ savings. For key documents such as the Annual Report and Accounts, the Authority follows the relevant professional codes in terms of the provision of information and seeks to go beyond them where possible, particularly in terms of presenting the information in a way which allows the reader to set information in the context of the Authority’s work and

Key governance principles and supporting actions and behaviours:	How do we achieve this?
	<p>easily understand it. Plans are in place to enhance this further with the professional expertise of the relatively newly formed Communications team.</p> <ul style="list-style-type: none"> ➤ The Authority has continued to publish its audited accounts and annual report in advance of the statutory publication deadlines every year, ensuring that information for stakeholders is provided on a timely basis to promote effective accountability. ➤ The Authority uses the governance framework set out in this Local Code of Corporate Governance to ensure that the information provided in reporting is accurate and consistent and that the same standards are met by key partnerships such as the Border to Coast Pensions Partnership. ➤ The Internal Audit function operates under a charter which conforms to the relevant public sector internal audit standards ensuring that the Authority complies with the relevant professional standards. ➤ The Audit & Governance Committee reviews progress on implementation of actions agreed following audit reviews carried out by both internal and external audit and will do so in relation to the work of any potential other review agencies when the Scheme Advisory Board’s Good Governance reforms are introduced. ➤ The Authority embedded the recommendations made in the previous review of governance arrangements in 2021. This included taking action to bring the statutory roles of Chief Finance Officer and Monitoring Officer in-house (having previously been held by officers of Barnsley MBC) as set out in relation to Principle E above. A further independent review of governance arrangements is due to be undertaken in the final quarter of 2023/24. ➤ All these arrangements also apply to the way in which the Authority engages with various partners and a comprehensive process of gathering assurance from those managing money on behalf of the Authority is undertaken each year. ➤ The Authority seeks to ensure that the activity undertaken on its behalf by the Border to Coast Pensions Partnership reflects the agreed Governance Charter which applies similar standards to the Authority’s arrangements in the Partnership’s unique context.

Managing and Reporting

The Authority is committed to review its governance arrangements regularly to ensure continuing compliance with best practice to provide assurance that corporate governance arrangements are adequate and operating effectively in practice. Where reviews of the corporate governance arrangements reveal areas for improvement, actions will be planned and undertaken to address these.

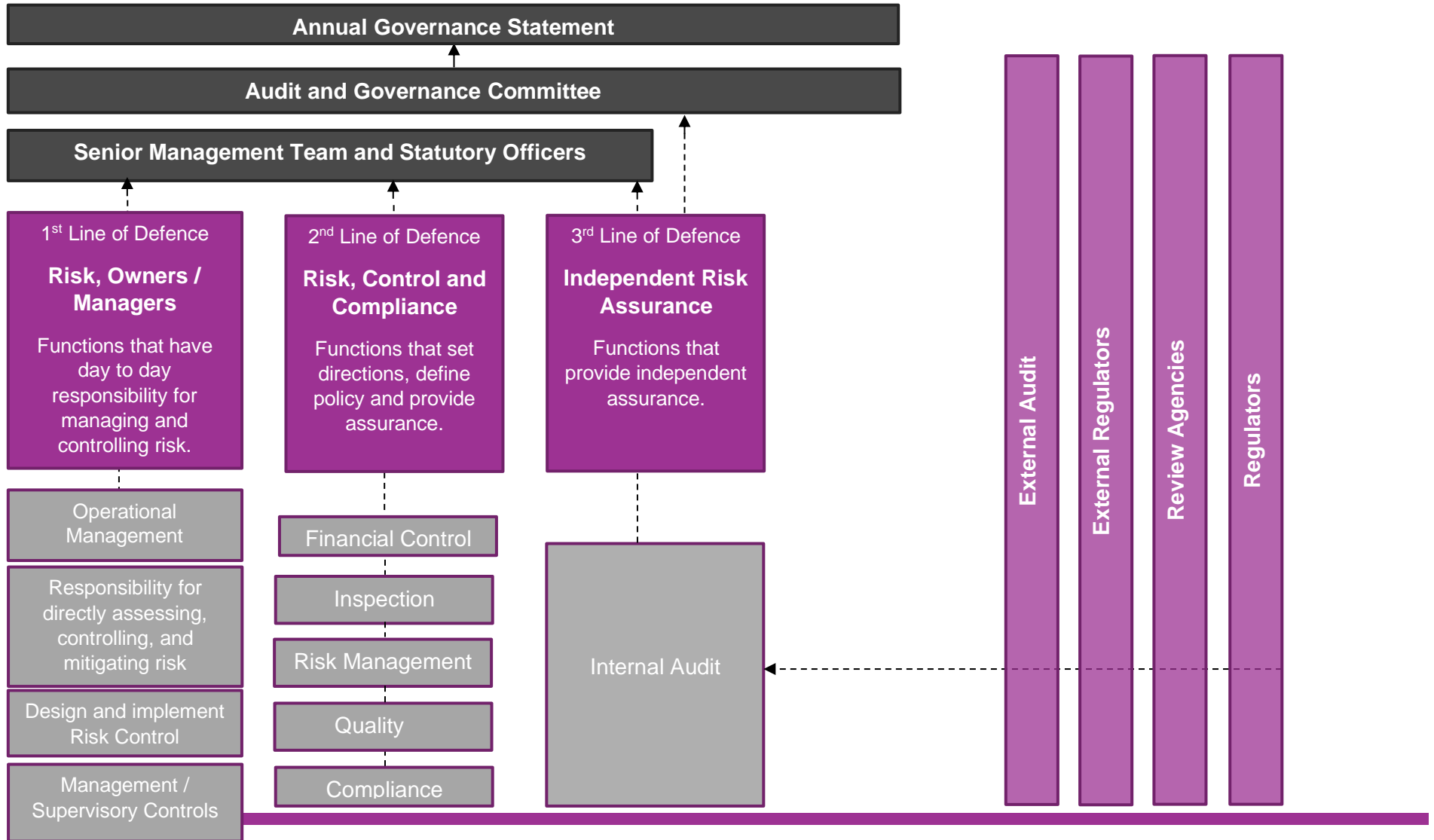
The Authority will prepare an Annual Governance Statement which will be submitted to the Audit and Governance Committee for consideration and will form part of the Authority's annual Statement of Accounts and Annual Report.

In reviewing and approving the Annual Governance Statement, members will be provided with detailed information regarding the effectiveness of the governance arrangements and systems of internal control and how these address the key risks faced by the Authority. Those assurances will be available from a wide range of sources, including internal and external audit, a range of external stakeholders and senior staff and statutory officers of SYPA.

The Authority continually strives to operate an assurance framework, embedded into its business processes, that maps corporate objectives to risks, controls and assurances. This framework and regular reports on its application and effectiveness will provide members with assurance to support the Annual Governance Statement and will help members to identify whether corporate objectives and significant business risks are being properly managed.

Assurance Channels

Our assurance channels the review of effectiveness is informed from various sources (also known as the Lines of Defence)



Seven Principles for the Conduct of Individuals in Public Life

The governance framework is supported by the seven Principles of Public Life and apply to anyone who works as a public officeholder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the Civil Service, local government, the police, courts and probation services, non-departmental public bodies (NDPBs), and in the health, education, social and care services. All public officeholders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.

Selflessness	Holders of public office should act solely in terms of the public interest.
Integrity	Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
Objectivity	Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
Accountability	Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
Openness	Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
Honesty	Holders of public office should be truthful.
Leadership	Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

Table 1: Progress Updates on Actions Agreed from Internal Audit Reviews

Audit Review Title	Report Issued Date	Finding / Implication	Progress Update	Officer Responsible and Timescale
End to End Interfund Transfer In 2022/23 - Interfund Transfer Process Delays	May 2023	<p>Delays in the interfund process may impact on the member's ability to transfer their previous pension rights and impact on the benefits available to them when accessing their pension.</p> <p>A review of the reminder process is required which will consider the frequency of reminders issued, content within standard reminder documentation and how reminders are evidenced on the UPM system to provide for a complete audit trail.</p>	<p>The reminder process review has now been completed.</p> <p>The outcomes evidence that many of the delays are relating to delays in employers providing information. Whilst we have no control over the ceding schemes processes, action is being taken to assess how these issues can be escalated with the employers via engagement.</p> <p>The target has been extended to allow time to put a robust escalation process in place along with the following actions:</p> <ul style="list-style-type: none"> • Review of the wording within the reminders to ensure employers are aware of the impact being caused due to no response. • Communication to the benefit teams to ensure all reminders are processed as new ones so we have evidence of the dates they were sent. • Further review of the intervals that reminders are be sent 	<p>Service Manager – Benefits</p> <p>Revised from Sept 2023 to December 2023</p>
End to End Interfund Transfer In 2022/23 - Lack of Escalation Procedure	May 2023	<p>A formal escalation route to report issues / concerns in relation to the receipt of pension contributions from the previous pension provider is required.</p>	<p>Pensions officers currently raise any issues around delays with their Team Leader or Service Manager and emails of this escalation are scanned to the members' file.</p> <p>There is however a lack of consistency in the timeframes for escalation, this will be addressed as part of the review of reminder intervals.</p>	<p>Service Manager – Benefits</p> <p>Revised from Sept 2023 to December 2023</p>

Progress Update on Agreed Management Actions

Audit Review Title	Report Issued Date	Finding / Implication	Progress Update	Officer Responsible and Timescale
Information Governance - Records Management / Document Retention Policy	2021 - updated by annual work programme of DPO	Although a Records Management Policy is in place, it is acknowledged that this is currently lacking a sufficient level of detail to make it a practical basis for determining document retention for the many different categories of records across the organisation.	<p>The initial draft suite of Data Protection documents was considered by SMT in September. Further amendments have been made in order to ensure distinct policies for scheme members and for corporate data protection.</p> <p>The breach process has been reviewed and a revised internal breach reporting form developed. This will be tested and then rolled out early in the new year.</p> <p>The review of the retention policy is scheduled to follow on from the above, however it is likely that, due to the large amount of work that will be required to carry out a robust review of this, the target date will need to be extended.</p>	<p>Head of Governance</p> <p>Revised from Sept 2023 to January 2024</p>
Pensions Admin System PIR - Improvement Plan	June 2023	An up-to-date Improvement Plan that captures all gaps and areas for improvement arising from the review of the Specification of Requirements is required to assist in monitoring delivery of agreed actions.	<p>Whilst the Improvement Plan and associated actions were being reviewed within the monthly account meetings, regulatory changes have impacted and delayed their implementation, these will be re-prioritised in the new year.</p> <p>The RAG rated actions in the plan were reviewed by the Interim Assistant Director – Pensions and the new Assistant Director- Pensions will continue to have oversight of these.</p>	<p>Service Manager - Pensions Systems</p> <p>Revised from Sept 2023 to January 2024</p>

Progress Update on Agreed Management Actions

Audit Review Title	Report Issued Date	Finding / Implication	Progress Update	Officer Responsible and Timescale
Pensions Admin System PIR - User Acceptance Testing	June 2023	Detailed and timely user acceptance testing is required to mitigate increasing the risk of adopting a system that is not fit for purpose and upon which to supplier has not fulfilled its contractual obligations.	<p>AMA: The work to be delivered by CIVICA on improvements to Monthly Data Collection and Aggregations is expected around August 2023. A plan and project management approach for UAT will be in place to ensure this is carried out promptly and properly documented in order to ensure the updates are rigorously tested and feedback provided to CIVICA as required. This UAT will involve the Systems team and relevant teams in Pensions Admin who are the main users of the processes being tested.</p> <p>Internally, any system improvements would be tested within 1 month of receiving a release with a focus on the changes mentioned in the release notes from CIVICA.</p> <p>The Database Management improvements require an update from CIVICA, which has been requested and is being monitored by the Head of ICT.</p> <p><u>Update:</u> The review of new MDC process has dropped down the list of priorities from both a CIVICA and SYPA perspective due to other work priorities. This will be a focus for the new year.</p>	<p>Service Manager - Pensions Systems</p> <p>Revised from Sept 2023 to January 2024</p>
PA - Pensions Savings Statements 2022/23 - I2 - Improvement Plan		An Improvement Plan that captures all issues / concerns arising from the annual Pension Savings Statement exercise is required to effectively manage and monitor delivery of agreed actions to full implementation and the Service's ability to address the concerns identified and complete the exercise by the deadline.	<p>The process has been dealt with in a timelier manner this year by working with the Benefits Team and employers to obtain pay figures and use estimated figures. This has enabled more cases to be processed by the deadline date.</p> <p>The target date has been changed to match the remainder of this project.</p>	<p>Team Leader - Support</p> <p>Revised from Sept 2023 to December 2023</p>

Progress Update on Agreed Management Actions

Audit Review Title	Report Issued Date	Finding / Implication	Progress Update	Officer Responsible and Timescale
Risk Management 2022/23 - Operational Procedures	August 2022	Lack of operational procedures and relevant training may result in uncertainty of roles and responsibilities, inconsistencies in processes, failure to adhere to requirements.	<p>AMA: As part of the plan to involve middle management in the risk management work, we will provide training and produce an operational guidance / procedure document for reference to complement and support the Risk Management Framework already in place.</p> <p><u>Update</u></p> <p>The majority of this has been completed – specialist training was delivered to senior and middle managers together in September 2023. The risk management framework is in the process of being updated to reflect changes identified from the training and a full review of the strategic risk register was carried out in November 2023 involving middle managers as well as senior managers.</p> <p>The next stage is for middle managers to create their own Operational Risk Registers for each of the teams, which will be done on a phased basis.</p> <p>The Governance Team will aim to build their Operational Risk Register on Pentana to use as a template for other teams during January and February 2024.</p>	<p>Head of Governance</p> <p>Revised from Sept 2023 to February 2024</p>

Progress Update on Agreed Management Actions

Table 2: Actions Fully Completed Since Last Report

Audit Review Title	Report Issued Date	Finding / Implication	Progress Update	Officer Responsible and Timescale
Pensions Admin System - LGPS User Group Action Log	June 2023	Failure to maintain an accurate and up to date Action Log, including the detailed actions required, by whom and when may result in a lack of clarity with regards to the actions required and a lack of a framework upon which these can be proactively managed, monitored and escalated where concerns arise.	Minutes and actions are now being taken in account meetings. A new Civica Account Manager has been appointed and we continue to work with them to progress actions. AMA Completed	Service Manager - Pensions Systems Completed September 2024

Table 3: Actions Added Since Last Report

Audit Review Title	Report Issued Date	Finding / Implication and Agreed Actions	Officer Responsible and Timescale
Procurement Compliance - Procurement Governance Framework	October 2023	<p>Guidance requires updating to mitigate the risk of not complying with legislative requirements and ensure a consistent approach be applied to procurement processes undertaken.</p> <p>AMA: A gateway approval document has already been created and is now being piloted. The Contract Standing Orders will be further updated as required to reflect the introduction of the Gateway Approval Document and to incorporate best practice requirements.</p> <p>Procurement guidance will be updated to ensure alignment with the revised CSOs and the Gateway approval document which will incorporate the standard templates required to facilitate and guide staff to follow the correct procurement procedures.</p>	Team Leader – Governance January 2024

Progress Update on Agreed Management Actions

Audit Review Title	Report Issued Date	Finding / Implication and Agreed Actions	Officer Responsible and Timescale
Procurement Compliance	October 2023	<p>Further assurance that legislative and regulatory requirements are in place mitigate the risk of supplier challenge.</p> <p>AMA: The Equality Impact Assessment and Data Protection Impact Assessment templates have already been developed and are currently being taken through a formal approval process internally before being included in the gateway approval document.</p> <p>The gateway approval document includes a form to evidence decisions made and the revised guidance will include the requirement for tender evaluation to be undertaken by a minimum of 2 officers.</p>	Team Leader – Governance January 2024
Procurement Compliance - Contract Register Format and Monitoring Arrangements	October 2023	<p>Risk of non-compliance with the requirements of the Local Government Transparency Code and ICO Model Publication Scheme as the YORTender contracts register is not in the recommended format per the Transparency Code.</p> <p>AMA: South Yorkshire Pensions Authority are not included in the scope of the LG Transparency Code although we do aim to meet its requirements as best practice. We have to use YORTender as our main contracts register as it is our system for contracts and procurements. Nevertheless, we will review and consider whether it would be useful to additionally publish contracts register information with any further details required separately on our website.</p> <p>The contracts register will be subject to enhanced monthly monitoring and management moving forward to ensure the accuracy of data / information publicised (i.e., contract values, durations including options to extend reconciled to contract documentation) for both new and existing contracts.</p>	Team Leader – Governance January 2024



Subject	Compliance with The Pensions Regulator's Code of Practice 14	Status	For Publication
Report to	Local Pension Board	Date	15 February 2024
Report of	Director Assistant Director - Pensions		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	George Graham Director Debbie Sharp Assistant Director - Pensions	Phone	01226 666439 01226 666480
E Mail	ggraham@sypa.org.uk dsharp@sypa.org.uk		

1 Purpose of the Report

- 1.1 To provide the Board with an update on compliance with the Regulator's Code of Practice for Public Sector Pension Schemes.

2 Recommendations

- 2.1 Members are recommended to:
- a. **Note the contents of this report and provide officers with feedback on areas which they feel require attention.**

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.

Compliance with the Regulator's Code of Practice provides a demonstration of the achievement of the Authority's objective of delivering effective and transparent governance.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report relate to the identified risks related to regulatory compliance set out in the Corporate Risk Register.

5 **Background and Options**

5.1 The Board received periodic updates on compliance with the Pensions Regulator's Code of Practice 14 for Public Sector Pension Schemes as part of its process for gaining assurance that the Scheme Manager (the Pensions Authority) is effectively fulfilling its role. The latest update is set out in detail at Appendix A. Please note that updates have only been provided where there has been some change, no update indicates that the degree of compliance remains unchanged.

5.2 Key developments since the last update are as follows:

- The delivery of risk management training for all managers which has significantly widened the input into the preparation of the risk register.
- The completion of work to document and standardise the process for dealing with appeals under the Internal Dispute Resolution Procedure, including ensuring that all records are maintained in a single repository.
- The allocation of specific resources to support improvements in scheme member data and provide increased focus on employer issues as part of changes to the organisation of the Pensions Administration service.

5.3 Code of Practice 14 will be replaced from 27th March by the Regulator's new general code which significantly "raises the bar" in several areas and covers a broader range of activities. The General Code consolidates and modernises 10 previous Codes into a single Code and sets out governance standards for pension schemes.

- The Code applies to governing bodies of occupational schemes (Defined Benefit and Defined Contribution), personal pension schemes and public service pension schemes.
- For Public Service Pension Schemes specifically, the Code replaces Code of Practice 14 (Governance and Administration of Public Service Pension Schemes).
- As expected, there are five sections within the Code: The governing body, Funding and Investment, Administration, Communications and disclosure and Reporting to TPR.
- The Code will be accessible online and the paper version runs to 171 pages comprising of 51 modules (and not all modules apply to all schemes).

5.4 The new Code highlights a number of areas of good practice which sit alongside core modules (highlighted by an * in the list below). Whilst compliance with the good practice modules is not a legal requirement, it is suggested that all administering authorities and Public Service Pension Schemes consider all areas of the new Code including a number of new modules in the Code when compared with Code of Practice 14. These are:

Governing Body

- Meetings and decision-making*
- Remuneration and fee policy*
- Managing advisers and service providers*
- Scheme continuity planning*
- Own risk assessment*

Funding and Investment

- Investment governance*
- Investment monitoring*
- Climate change*

Administration

- Planning and maintaining administration
- Financial transactions
- Transfers out
- Record-keeping
- Data monitoring and Improvement
- Maintenance of IT systems
- Cyber controls*

Communications and disclosure

- General principles for member communications
- Scams

5.5 The independent governance review which is about to commence will provide the Authority with a baseline in terms of compliance with the new code and this will be built into the developing performance management framework. The results of this work will be reported to the Board when available.

6 Implications

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

Financial	None directly
Human Resources	There are likely to be additional training requirements arising from the new code which will be addressed through the appraisal process and the existing training budget.
ICT	None
Legal	Clearly compliance with the Code is a legal requirement. However, it must be recognised that in some cases determining whether or not there is compliance is a subjective judgement rather than objective fact.
Procurement	None

George Graham

Debbie Sharp

Director

Assistant Director - Pensions

Background Papers	
Document	Place of Inspection

TPR Code of Practice 14	Public service code of practice The Pensions Regulator
TPR General Code	Single code of practice consultation The Pensions Regulator

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes

Compliance Statement - Governance

Code Section / Sub Section	Legal Requirements	TPR's Guidance	How we comply	Feb 2024 Update	Further Actions Required (if any)	Owner	
Knowledge and understanding required by pension board members [30 - 60]	<p>A member of the pension board of a public service pension scheme must be conversant with:</p> <p>a) the rules of the scheme</p> <p>b) any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme</p> <p>A member of a pension board must have knowledge and understanding of:</p> <p>a) the law relating to pensions</p> <p>b) any other matters that are prescribed in regulations</p>	1	00	Requirements set out in LPB Constitution			Head of Governance
		2	Schemes should designate a person to take responsibility for 1 above [38]	Clerk as set out in the Authority's constitution			Head of Governance
		3	Schemes should prepare and keep an updated list of documents and legislation, with which they consider pension board members need to be conversant [41 & 46]	Member Handbook updated annually and provided to all Board and Authority members contains signposts to relevant documents. Documents and learning materials stored in an on line reading room			Head of Governance
		4	Clear guidance on the roles and responsibilities and duties of boards and its members should be set out in scheme documentation [47]	Set out in the Board's Constitution and Terms of Reference.			Head of Governance
		5	Schemes should assist pension board members to determine the degree of knowledge an understanding needed [48]	Training Needs Analysis conducted by the Clerk with support from the Board's Independent Adviser			Head of Governance
		6	Schemes should provide board members with the relevant training and support that they require [55]	Programme of internally organised seminars for all Board and Authority members, Pre Board meeting sessions with Independent Adviser. Specific external activities signposted and sufficient budget available to fund attendance.			Head of Governance
		7	Schemes should offer pre-appointment training or arrange for mentoring by existing board members [56]	1:1 induction session offered to new members with Director and also introductory conversation with the Independent Adviser.			Head of Governance

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes

Compliance Statement - Governance

Code Section / Sub Section	Legal Requirements	TPR's Guidance	How we comply	Feb 2024 Update	Further Actions Required (if any)	Owner
		8 Pension Board members should undertake a personal training needs analysis and use a personalised training plan to document and address any identified gaps or weaknesses [57]	TNA undertaken with Clerk			Head of Governance
		9 Learning programs should be flexible, cover the type and degrees of knowledge and understanding required, reflect the legal requirements and be delivered with an appropriate timescale [58]	The Learning and Development Strategy is reviewed annually to determine the most appropriate mediums through which to deliver training on key issues - a key objective is to ensure it is delivered in a proportionate and understandable manner			Head of Governance
		10 Schemes should keep appropriate records of learning activities of board members [60]	Maintained by the Clerk			Head of Governance
Conflicts of interest and representation [61 - 91]	<p>In relation to the Pension Board, scheme regulations must include provision requiring the scheme manager to be satisfied :</p> <p>a) that a person to be appointed as a member of the Pension Board does not have a conflict of interest</p> <p>b) from time to time, that non of the members of the Pension Board has a conflict of interest.</p> <p>Scheme regulations must require each member or proposed member of a Pension Board to provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of meeting the requirements referred to above.</p> <p>Scheme regulations must include provision requiring the Pension Board to include employer representatives and member representatives in equal numbers.</p>	1 Only potential conflicts of interest are identified for pension board members (actual conflicts of interest are prohibited) [68]	Conflicts policy in place and provided to new members and covered in 1:1 induction,			Head of Governance
		2 The 'Seven principles of public life' should be applied to all board members [70]	Reflected in the conflicts policy			Head of Governance
		3 Schemes should incorporate these principles into any codes of conduct (and across their policies and processes) and other internal standards for boards [70]	Reflected in the conflicts policy for the Board and the codes of conduct for Authority members and officers.			Head of Governance
		4 Schemes should set out clear guidance on the roles, responsibilities and duties of those pension boards and the members of those boards in scheme documentation [73]	Reflected in the constitution of the Board and the Constitution of the Authority.			Head of Governance
		5 Take professional legal advice when considering issue to do with conflict of interests [74]	Legal advice available when required through the monitoring officer initially and specialist advice can be called from the LGPS legal framework if necessary			Head of Governance
		6 Schemes should ensure that there is an agreed and documented conflicts policy and procedure that should be kept under regular review [76]	In place and reviewed in 2019.			Head of Governance
		7 Schemes should cultivate a culture of openness and transparency [78]	Very significant amount of information placed in the public domain through the Authority's website including details of policies and practices, corporate strategies reports and investment holdings			Head of Governance
		8 Board members should have a clear understanding of their role and the circumstances in which they may find themselves in a position of conflict of interest [78]	Delivered as part of the Appointment/Induction Process.			Head of Governance
		9 Board members should know how to manage potential conflicts [78]	<i>Process set out in the policy</i>			Head of Governance

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes

Compliance Statement - Governance

Code Section / Sub Section	Legal Requirements	TPR's Guidance	How we comply	Feb 2024 Update	Further Actions Required (if any)	Owner
		10 Pension Board members should be appointed under procedures that require them to disclose any interest or responsibilities that could become conflicts of interest [80]	In place			Head of Governance
		11 All terms of engagement should include a clause requiring disclosure of all interests and responsibilities that could become conflicts of interest as soon as they arise [81]	Referenced in the Declaration of Interests form			Head of Governance
		12 All disclosed interests should be recorded [81]	Declarations process in place.			Head of Governance
		13 Schemes should consider what important matters or decisions are likely to be considered during, for example, the year ahead and identify and consider any potential or actual conflicts of interest [82]	A work programme for the forthcoming year is devised and whilst a fluid document provides for such scrutiny			Head of Governance
		14 Identify, evaluate and manage dual interests [84]	Identified via the statement of particulars form			Head of Governance
		15 Use a register of interests to record and monitor dual interests [84]	ref above			Head of Governance
		16 Capture decisions about how to manage potential conflicts of interest in their risk register or elsewhere [84]	Not specifically captured in the risk register (although effective operation of the Board is) how to manage conflicts is covered in the Policy.			Head of Governance
		17 The register of interest and other relevant documents should be circulated to the board for ongoing review [84]	For the Pensions Authority it is available on the Authority's website			Head of Governance
		18 The register of interest and other relevant documents should be published [84]	In place			Head of Governance
		19 Conflicts of interest should be included as an opening agenda item at board meetings and revisited during the meeting where necessary [85]	In place			Head of Governance
		20 Establish and operate procedures that ensure boards are not compromised by potentially conflicted members [86]	On an Authority level arrangements are in place to liaise with constituent councils Monitoring Officers to provide updated information where required. Annual exercise undertaken in establishing any such conflicts. Potential conflicts in relation to Board members would be considered as part of the appointment process			Head of Governance
		21 Be open and transparent about the way they manage potential conflicts of interest [87]	Any such scenario would be reported to the Authority. Advice provided where necessary.			Head of Governance
		22 Consider seeking professional legal advice when assessing any option when seeking to manage a potential conflict of interest [88]	The Authority through an SLA is able to call on the legal services dept of Barnsley MBC to offer advice in this area.			Head of Governance

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes

Compliance Statement - Governance

Code Section / Sub Section	Legal Requirements	TPR's Guidance	How we comply	Feb 2024 Update	Further Actions Required (if any)	Owner
		23 Membership of boards should be designated with regard to proportionality, fairness and transparency and with the aim of ensuring that the board has the right balance of skills, experience and representation [91]	Make up of Board - split between Employer/Employee reps/sector reps/tu reps			Head of Governance
Publishing information about schemes [92 - 99]	The scheme manager for a public service scheme must publish information about the pension board for the scheme(s) and keep that information up-to-date.	1 Scheme managers must publish the information required about the pension board and keep that information up to date [95]	Relevant web pages maintained			Head of Governance
	The information must include: a) who the members of the pension board are	2 Schemes should also publish useful related information about the Pension Board (such as set out in 96 and 97)	<i>ref above</i>			Head of Governance
	b) representation on the board of members of the scheme(s) c) the matters falling within the pension board's responsibility	3 Have policies and processes to monitor all published data on an ongoing basis to ensure it is accurate and complete [98]	<i>ref above</i>			

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes
Compliance Statement - Managing Risks

Code Section / Sub Section	Legal Requirements	TPR's Guidance	How we comply	Feb 2024 Update	Further Actions Required (if any)	Owner	
Internal controls [101 - 120]	The scheme manager of a public service pension scheme must establish and operate internal controls. These must be adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and in accordance with the requirements of the law.	1	Internal controls should include a clear separation of duties, processes for escalation and decision making and documented procedures for assessing risks, reviewing breached of the law and managing contributions to the scheme [103]	Constitution sets out clear scheme of delegation and decision making authorities		Full documentation of sub delegations to managers within Pensions Administration	Head of Governance
				Breaches policy in place			Assistant Director Pensions Head of Governance
				Information on breaches complaints compliments and appeals provided to each meeting of the Local Pension Board			Director Assistant Director Pensions Head of Governance
				Contributions collection information included in the annual report as required			Assistant Director Resources
		2	Internal controls should address significant risks that are likely to have a material impact on the scheme [105]	Corporate Risk Management Framework in place and risk register included within the Quarterly Report to the Authority with additional oversight from the Audit Committee and Local Pension Board	Corporate Risk Register comprehensively reviewed as part of the process for importing it into Pentana, Go live date missed but will be operational for 24/25 financial year. Risk Management Training provided to all managers with the intention of introducing a more operational level into the risk management process.	Completion of roll out of Pentana risk system	Team Leader Governance
		3	Sufficient time and attention should be spent on identifying, evaluating, and managing risks and developing and monitoring appropriate controls [105]	The review of the risk register is a standing item on the agenda for the monthly meetings of the Senior Management Team			SMT Team Leader Governance
		4	Schemes should carry out a risk assessment [106]	Annual full reassessment and rebasing of the risk register forms part of the process of updating the Corporate Strategy			SMT Team Leader Governance
		5	Schemes should record risks in a risk register and review it regularly [108]	See above			SMT Team Leader Governance
		6	Schemes should keep appropriate records to demonstrate compliance with legal requirements [108]	Records retention policy and associated GDPR policies in place	This area requires further development covering not just the TPR code but also other areas where it is necessary to demonstrate compliance (Fol responses Data Protection etc)	Develop more comprehensive approach to compliance reporting	Assistant Director Pensions Head of Governance
		7	Prioritise risks where the impact and likelihood of the risk materialising is high [109]	Reflected in both the risk management framework and the register itself			SMT Team Leader Governance
		8	Review any existing internal controls	Part of the ongoing process of business improvement and a consequence of ongoing internal and external audit work			Assistant Director Resources Head of Governance Team Leader Governance
9	Design internal controls to mitigate main risks and consider how best to monitor them [111]				SMT		
10	Schemes should periodically review the adequacy of internal controls [115]	Forms part of the annual internal audit plan and is also fundamental to the process for producing the Annual Governance Statement			Assistant Director Resources Head of Governance Team Leader Governance		
11	Internal or external audits and / or quality assurance processes should ensure that adequate internal controls are in place and being operated effectively [116]	Comprehensive internal and external audit arrangements in place overseen by an Audit Committee of the Authority			Assistant Director Resources Head of Governance Team Leader Governance		

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes
Compliance Statement - Managing Risks

Code Section / Sub Section	Legal Requirements	TPR's Guidance	How we comply	Feb 2024 Update	Further Actions Required (if any)	Owner	
		12	Review internal controls when substantial changes take place or where a control has been found to be inadequate [116]	Forms part of routine custom and practice	Taken into account in recently approved resourcing proposals	Extend Lessons Learnt from projects to other areas such as complaints.	SMT Customer Feedback Officer (when in post)
		13	Internal controls that regularly assess the effectiveness of investment-related decision making	Independent monitoring of performance is in place and there is an independent overview of the investment process through the independent advisers. However, due to pooling decisions are now largely restricted to strategic allocations and rebalancing.			Director Assistant Director Investments
		14	Internal controls that regularly assess the effectiveness of data management and record keeping	Ongoing data improvement plan in place using common and conditional data scores to determine a focus for activity			Assistant Director Pensions
		15	Internal controls that ensure that new employers understand what member data is required and how it should be supplied [112]	New employer on boarding process includes an internal checklist of requirements.			Team Leader Support
		16	Internal controls that require internal or external auditors to audit any automated systems [112]	In place			Assistant Director Resources Head of Governance Team Leader Governance
		17	Internal controls to ensure that systems support the maintenance and retention of good member records [112]	DART software used to monitor quality of scheme member data			Assistant Director Pensions Head of ICT?
		18	Internal controls that ensure data are complete (e.g. undertake a data cleansing or member tracing exercise and review this on a regular basis (at least annually or at regular intervals that they consider appropriate) [112]	DART software used to monitor quality of scheme member data	Marginal improvements in conditional data scores at the latest review		Assistant Director Pensions
		19	Ensure that all staff completes information management training before they are given access to sensitive data	Forms part of induction process together with annual refresher			Head of Governance HR
		20	Ensure that member communications are reviewed regularly [112]	Regular communications such as Benefit Statements and newsletters are tested with the customer group.			Assistant Director Pensions
		21	Schemes should put in place systems and processes for making an objective assessment of the strength of an employer's covenant	Employers with no guarantor from tax-raising body were identified as part of the 2019 valuation preparations and individual funding discussions were held with impacted employers.	Discussions have resulted in the exit of a small number of non-guaranteed employers due to the improved overall funding level and with no significant cessation payments. This has also been taken into account in the realignment of responsibilities between teams within Pensions Administration.		Assistant Director Pensions Team Leader Support

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes
Compliance Statement - Administration

Code Section / Sub Section	Legal Requirements	TPR's Guidance	How we comply	Feb 2024 Update	Further Actions Required (if any)	Owner		
Scheme record-keeping [122 - 146]	<p>Scheme managers must keep records of information relating to:</p> <ul style="list-style-type: none"> - member information - transactions - pension board meetings and decisions <p>Legal requirements for this are set out in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014.</p> <p>Schemes must ensure that processes that are created to manage scheme member data meet the requirements of the relevant Data Protection Act(s) and the data protection principles.</p>	1	Schemes must keep records relating to member information, transactions and pension board meetings and decisions [122]	All Pension Board meetings are documented and minuted, with agendas and reports published publicly in advance.			Assistant Director Pensions Head of Governance	
		2	Schemes should be able to demonstrate to the Regulator, where required, that they keep accurate, up-to-date and enduring records [124]	Record-keeping monitored through the Data Improvement Plan and pro-actively managed using the DART tool.	Additional priority is attached to scheme member issues within the Corporate Strategy and specific additional resources have been identified to address data issues	Recruit additional resources and develop a prioritised plan of action alongside the plan to address processing backlogs	Assistant Director Pensions	
		3	Schemes should establish and operate adequate internal controls to support record-keeping requirements [125]	All data changes in relation to individual scheme data are managed by a change control process.			Assistant Director Pensions	
		4	Scheme managers must ensure that member data across all membership categories specified in the Record Keeping Regulations is complete and accurate [126]	Record-keeping monitored through the Data Improvement Plan and pro-actively managed using the DART tool.			Assistant Director Pensions	
		5	Member data should be subject to regular data evaluation [126]	See above See above			Assistant Director Pensions Assistant Director Pensions	
		6	Scheme managers must keep specific member data to enable them to uniquely identify a scheme member and calculate benefits correctly [127]	See above			Assistant Director Pensions	
		7	Schemes should require employers to provide them with timely and accurate data and ensure that appropriate procedures and timescales are in place to do this [128 and 130]	Employers must provide individual scheme data on a monthly basis since 1 April 2018.		Targeted and prioritised action to improve the quality of initial submissions as part of the overall Administration Improvement Plan	Assistant Director Pensions	
			Individual query reporting has been developed to ensure that employers respond to queries in a timely manner.				Assistant Director Pensions	

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes
Compliance Statement - Administration

Code Section / Sub Section	Legal Requirements	TPR's Guidance	How we comply	Feb 2024 Update	Further Actions Required (if any)	Owner
		8 Schemes should seek to ensure that employers understand the main events that require information to be passed to the Scheme [129]	Support and Engagement Team created from Administration Service restructure to improve employer engagement. Team offers training and support to employers. Employer Forum held annually.	Plans agreed to create a new Employer Services Team which will be a point of focus for all employer related activity	Recruit to new Team and develop additional guidance and training for employers	Assistant Director Pensions
		9 Schemes should be able to trace the flow of funds into and out of the scheme and reconcile these against expected contributions and scheme costs [131]	Collection of contributions is now driven directly from the individual monthly returns via Direct Debit so contributions paid must match individual member records. Employer contributions automatically calculated from valuation data to ensure accuracy.			Assistant Director Resources
		10 Records should be kept of any amounts due to the scheme that have been written off [132]	All write-offs on the pensioner payroll are managed by an agreed policy and reported on a monthly basis.			Assistant Director Resources
		11 In respect of keeping information about the pension board, schemes should keep records of pension board meetings, including decisions made, and should also keep records of key discussions [133]	All Pension Board meetings are documented and minuted, with agendas and reports published publicly in advance.			Head of Governance
		12 Scheme managers should also keep records of any decisions taken by members of the pensions board other than at a pension board meeting [134]	All decisions by Pension Board members are documented and minuted.			Head of Governance
		13 Records should be retained for as long as they are needed [135]	All records for Board meetings are retained indefinitely.			Head of Governance
		14 Schemes should have in place adequate systems and processes to enable the retention of records for the necessary time periods	All member records retained indefinitely.			Head of Governance
		15 Schemes should monitor data (based on a proportionate and risk based approach) on an ongoing basis to ensure it is accurate and complete [136, 137]	Record-keeping monitored through the Data Improvement Plan and pro-actively managed using the DART tool.			Head of Governance Team Leader Governance Assistant Director Pensions
		16 Schemes should carry out a data review exercise at least annually [138]	As above	Marginal improvements in data quality for conditional data recorded in the latest exercise		Assistant Director Pensions
		17 Schemes should continually review their data [138]	As above			Assistant Director Pensions
		18 Upon change of admin system, schemes should review and cleanse data records [140]	NA. Would be addressed as part of any system migration.			Assistant Director Pensions
		19 Schemes should put in place a data improvement plan where poor quality or missing data is identified [141]	Record-keeping monitored through the Data Improvement Plan and pro-actively managed using the DART tool.	Work to improve data quality is identified as a priority within the Administration Improvement Plan and resources have been identified to address this within the changes to the staffing structure of the administration service	Implement changes to the staffing structure	Assistant Director Pensions
		20 Schemes should reconcile member records with information held by the employer [142]	Monthly Returns process ensures records are consistent between employer and administering authority.			Assistant Director Pensions
		21 Schemes should ensure their processes are GDPR compliant and should understand their data protection responsibilities [143, 144]	Data flow mapping carried out and all staff provided with GDPR training.			Head of Governance Team Leader Governance

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes
Compliance Statement - Administration

Code Section / Sub Section	Legal Requirements	TPR's Guidance	How we comply	Feb 2024 Update	Further Actions Required (if any)	Owner
		22 Schemes should be able to demonstrate that they keep records in line with all legal requirements that relate to record-keeping in public service pension schemes [145, 146]	All member records retained indefinitely.			Head of Governance Team Leader Governance
Maintaining contributions [147 - 186]	<p>Employer contributions must be paid to the scheme in accordance with any requirements in the scheme regulations.</p> <p>Where employer contributions are not paid on or before the date they are due under the scheme and the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to the Regulator in the exercise of any of its functions, the scheme manager must give a written report of the matter to the regulator as soon as reasonably practicable.</p> <p>Where employee contributions are not paid within the prescribed period, if the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to the Regulator in the exercise of any of its functions, they must give notice of the failure to the Regulator and the member within a reasonable period after the end of the prescribed period.</p> <p>Where there is a failure to pay employee contributions on an earlier date in accordance with scheme regulations, schemes should also consider their statutory duty under section 70 of the Pensions Act 2004 to assess and if necessary report breaches of the law.</p>	1 Scheme managers should have effective procedures and processes in place to identify payment of failures that are - and are not - of material significance to the Regulator [150 - 151]	New Direct Debit collection process ensures that contributions are paid in a timely manner for all employers. Estimated collection rates apply where no monthly return available.		Reduce the proportion of estimated collections by ongoing education of employers	Assistant Director Pensions Assistant Director Resources
		2 Such procedures are likely to involve: a) Developing a record to monitor the payment of contributions b) Monitoring the payment of contributions c) Managing overdue contributions d) Reporting payment failures that are likely to be of material significance to the Regulator [152]	Employer Costing system reports all early retirement costs to be invoiced to employers.			Assistant Director Pensions Assistant Director Resources
			Contributions due and contributions received are recorded using EPIC system and main accounting system; contributions payments are reconciled monthly and non-payment or late payment identified & followed up with the employer. Escalation and penalties such as late payment interest used as required.			Assistant Director Pensions Assistant Director Resources
		3 Schemes should have a contributions monitoring record [155 - 157]	See above.			Assistant Director Pensions Assistant Director Resources
		4 Schemes should monitor contributions on an on-going basis [161]	See above.			Assistant Director Pensions Assistant Director Resources
		5 A risk based and proportionate monitoring approach should be used to identify employers and situations that present a higher risk of payment failure [162]				Assistant Director Pensions Assistant Director Resources
		6 Schemes should have a process in place to identify where payments are late or have been underpaid, overpaid or not at all [163]	Estimated collection rates apply where monthly return is late. Monitoring of late payment submissions. <i>Data on contributions due and payments received is reconciled and any under or over payments resolved with the employer.</i>			Assistant Director Resources Head of Finance
		7 Scheme managers must record and retain information on transactions (including any employer and employee contributions) [166]	All contributions data recorded via the Ledger and via the EPIC recording system.			Assistant Director Resources Head of Finance
		8 Where payment failure is identified, there should be a process to follow to resolve the issue quickly (including the suggested steps set out in the Code) [169]	Formal escalation process in place.			Assistant Director Pensions Assistant Director Resources
9 Schemes should keep a record of their investigation and communications between themselves and the employers [170]	Correspondence recorded on UPM and Mimecast.			Assistant Director Pensions Assistant Director Resources		

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes
Compliance Statement - Administration

Code Section / Sub Section	Legal Requirements	TPR's Guidance	How we comply	Feb 2024 Update	Further Actions Required (if any)	Owner
		10 Schemes should have a process that is able to detect deliberate underpayment or non-payment or other fraudulent behaviour by an employer [171]	New Direct Debit collection process ensures that accurate contributions are paid and mitigates this risk.			Assistant Director Pensions Assistant Director Resources
		11 Schemes should maintain a record of their investigation and communications with an employer following payment failure	Correspondence recorded on UPM and Mimecast.			Assistant Director Pensions Assistant Director Resources
		12 Where schemes identify a payment failure, they should attempt to recover contributions within 90 days of their due date [174]	Part of contributions monitoring process.			Assistant Director Resources Head of Finance
		13 Where payment failure is identified, it should at least ask the employer the 3 questions set out in 175	Formal escalation process in place.			Assistant Director Resources Head of Finance
		14 Schemes should investigate the payment failure and use their judgement when deciding whether to report to the Regulator taking into account the wording of the Code [177]	Formal escalation process in place.			Assistant Director Pensions Assistant Director Resources
		15 Schemes should identify and report to the Regulator, as appropriate, any payment failures that may not be of material significance when taken individually, but which could indicate a systematic problem [181]	Formal escalation process in place.			Assistant Director Pensions Assistant Director Resources
		16 Schemes should consider whether it is appropriate to report payment failures of employer contributions to members where it is reported to the Regulator	Formal escalation process in place.			Assistant Director Pensions Assistant Director Resources
		17 In the case of an employer failing to pay employee contributions to the pension scheme, if the scheme manager has reasonable cause to believe the payment failure to be of material significance to the Regulator, the failure must be reported to the Regulator and members within a reasonable period [184]	Formal escalation process in place.			Assistant Director Pensions Assistant Director Resources
		18 Reports to the Regulator should be made in accordance with the Code	Formal escalation process in place.			Assistant Director Pensions Assistant Director Resources
Providing information to members [187 - 211]	The law requires schemes to disclose information about benefits and scheme administration to scheme members and others.	1 Managers of the scheme must ensure that scheme members and others are given information in accordance with the Disclosure Regulations 2013 and other legal requirements, unless they are an 'excluded person' [188 - 206]	Service level targets set for all case types to ensure compliance with disclosure Regulations.		Simplify reporting of compliance with the disclosure standards	Assistant Director Pensions
	The Code summarises the legal requirements around: a) Benefit Statements [188 - 195] b) Other information about scheme administration [196 - 197] c) Who is entitled to information [198 - 199] d) When basic scheme information must be provided [200 - 201] e) What information must be disclosed on request [202] f) How benefit statements and other	2 Schemes should design and deliver communications to scheme members in a way that ensures they are able to engage with their pension [207]	Communications written in plain english and issued electronically. Members encouraged to register for the online portal on commencing membership. Hard copies available if no internet access. Ongoing engagement strategy to promote membership.			Assistant Director Pensions
		3 Information should be clear and simple to understand as well as being accurate and easily accessible [207]	<i>communications reviewed by customer groups.</i>			Assistant Director Pensions

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes
Compliance Statement - Administration

Code Section / Sub Section	Legal Requirements	TPR's Guidance	How we comply	Feb 2024 Update	Further Actions Required (if any)	Owner
	information must be provided [203 - 206]					
	Schemes should also comply as appropriate with other legal disclosure requirements [211]					
		4 Schemes should attempt to make contact with their scheme members and, where contact is not possible, schemes should carry out a tracing exercise to locate the member and ensure that their member data are up-to-date [208]	Pensioner records screened via external tracing service. Individual tracing carried out for 'lost' members approaching retirement.			Assistant Director Pensions
		5 Where a person has made a request for information, schemes should acknowledge receipt if they are unable to provide information at that stage	UPM process created for general enquiries from members.			Assistant Director Pensions
		6 Schemes may encounter situations where the time period for providing information takes longer than expected. In these circumstances, schemes should notify the person and let them know when they are likely to receive the information [209]	UPM process created for general enquiries from members.			Assistant Director Pensions
		7 Scheme managers must provide information in accordance with the time periods specified in the 2013 Act and the Disclosure Regulations 2013 [209]	Service level targets set for all case types to ensure compliance with disclosure Regulations.	Service level targets have been revised from 1/4/2024 following a review of the deliverability of previous targets	Implement and report on new targets	Assistant Director Pensions
		8 Information should be readily available at all times to ensure that members are able to access it when they require [210]	Full scheme Information on main website and MyPension portal.			Assistant Director Pensions

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes
Compliance Statement - Resolving Issues

Code Section / Sub Section	Legal Requirements	TPR's Guidance	How we comply	Feb 2024 Update	Further Actions Required (if any)	Owner	
Internal dispute resolution [212-240]	Scheme managers must make and implement dispute resolution arrangements that comply with the requirements of the law and help resolve pensions disputes between the scheme manager and a person with an interest in the scheme	1	Scheme managers must implement IDRPs arrangements that comply with the LGPS regulations and help resolve disputes [213 - 224]	Constitution sets out delegated authority for nominated adjudicators. Professional adviser engaged to support preparation of appeal decisions.			Director Assistant Director Pensions Head of Governance
		2	Schemes should publish and make IDRPs time limits readily available [225]	IDRP documentation available on website and send to scheme members on request.			Assistant Director Pensions
		3	Schemes should be satisfied that the time taken to reach a decision is appropriate to the situation and be able to demonstrate this [230 & 240]	Adjudicators and professional adviser fully conversant with time scales and processes.			Director Assistant Director Pensions Head of Governance
		4	Schemes should provide the applicant with regular updates on the progress of their investigation. They should notify the applicant where the time period for a decision is expected to be shorter or longer than the reasonable time period and let them know when they are likely to receive an outcome [232]	Adjudicators and professional adviser fully conversant with time scales and processes.			Director Assistant Director Pensions Head of Governance
		5	Scheme regulations or other documents recording policy about the administration of the scheme should specify internal dispute resolution arrangements [233]	<i>Reference to appeal process is included in all notifications of decisions to members.</i>			Assistant Director Pensions
		6	Schemes should focus on educating and raising awareness of their internal dispute resolution arrangements and ensuring that are implemented [233]	<i>Reference to appeal process is included in all notifications of decisions to members. Customer Centre staff trained on explaining complaints process.</i>			Assistant Director Pensions
		7	Schemes should ensure that the effectiveness of the arrangements is assessed regularly and be satisfied that those following the process are complying with the requirements set, which includes effective decision making [234]	Adjudicators are members of the Senior Management Team and therefore demonstrate the appropriate level of knowledge and understanding through wider governance processes.			Director Assistant Director Pensions Head of Governance
		8	Schemes should confirm and communicate their arrangements to members, for example, in the joining booklet [235]	Information on the complaints process issued to new members.			Assistant Director Pensions
		9	Schemes should make their arrangements accessible to potential applicants, for example by publishing them on a scheme website [235]	IDRP documentation available on website and send to scheme members on request.			Assistant Director Pensions
		10	Schemes should ensure they make the following information available to applicants: a) The procedure and processes to apply for a dispute to be resolved b) The information that an applicant must include c) The process by which any decisions are reached d) An acknowledgement once an application has been received [239]	IDRP documentation available on website and send to scheme members on request.			Assistant Director Pensions

The Pensions Regulator (TPR) Code of Practice 14 - Governance and Administration of Public Service Pension Schemes
Compliance Statement - Resolving Issues

Code Section / Sub Section	Legal Requirements	TPR's Guidance	How we comply	Feb 2024 Update	Further Actions Required (if any)	Owner
Reporting breaches of the law [241 - 275]	Certain people are required to report breaches of the law to the Regulator where they have reasonable cause to believe that: a) a legal duty that is relevant to administration of the scheme has not been, or is not being, complied with b) the failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions	1	Schemes should be satisfied that those who are responsible for reporting breaches are made aware of the Code [244]	Reporting Breaches Procedure in place and published for the benefit of those responsible.		Assistant Director Pensions
		2	Training should be provided for scheme managers and pension board members [244]	Programme of internally organised seminars for all Board and Authority members, Pre Board meeting sessions with Independent Adviser. Specific external activities signposted and sufficient budget available to fund attendance.		Assistant Director Pensions Head of Governance
		3	All others under a statutory duty to report should ensure they have a sufficient level of knowledge and understanding to fulfil that duty [244]	Reporting Breaches Procedure in place and published for the benefit of those responsible.		Assistant Director Pensions Head of Governance
		4	Those with a statutory duty to report should establish and operate appropriate and effective procedures in regards to reporting breaches [245]	Reporting Breaches Procedure in place and published for the benefit of those responsible.		Assistant Director Pensions Head of Governance
		5	Those procedures should be in accordance with and take into account paragraphs 245 and 262 of the Code [245]	Reporting Breaches Procedure in place and published for the benefit of those responsible.		Assistant Director Pensions Head of Governance
		6	Reports made to the Regulator should be submitted in accordance with paragraphs 263 to 271 [263]	As appropriate		Assistant Director Pensions Head of Governance
		7	Procedures should reference whistleblowing protection and confidentiality [272 to 275]	Reporting Breaches Procedure covers whistleblowing protection		Assistant Director Pensions Head of Governance

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Agenda Item

Subject	Update on Decisions Made by the Authority	Status	For Publication
Report to	Local Pension Board	Date	15 February 2024
Report of	Head of Governance		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jo Stone Head of Governance	Phone	01226 666418
E Mail	jistone@sypa.org.uk		

1 Purpose of the Report

- 1.1 To provide Local Pension Board members with an update on decisions made by the Authority and its Committees, and any decisions taken under the urgency procedure between meetings of the Authority.

2 Recommendations

- 2.1 Board Members are recommended to:
- a. Note and comment upon the decisions included in this report.**

3 Link to Corporate Objectives

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

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

- 3.2 The contents of this report are part of the arrangements in place to ensure good governance and that the Local Pension Board is enabled to fulfil its duties to scrutinise the decision making of the Authority in relation to the administering of the South Yorkshire Pension Fund.

4 Implications for the Corporate Risk Register

- 4.1 The contents of this report will contribute to addressing risks around regulatory compliance.

5 **Background and Options**

- 5.1 This report provides an update for the Local Pension Board on decisions taken by the Authority in the period since the last meeting of the Local Pension Board. (Excluding any substantive items already included in reports elsewhere on the Board’s agenda).
- 5.2 There has been one meeting of the Full Authority and one meeting of the Authority’s Audit & Governance Committee since the Board’s last meeting on 9 November 2023.
- 5.3 The decisions taken at the Authority meeting are set out in the table at paragraph 5.6 below.
- 5.4 The only decisions taken at the Audit & Governance Committee meeting relate to items that have been separately reported to the Board on items elsewhere on the agenda.
- 5.5 Note that there is a Full Authority meeting scheduled to take place on 8 February 2024 – before this meeting of the Board – but it has not taken place at the date of preparing this update report, so decisions taken will be reported at the April Board meeting. The Board may also wish to note that this February meeting of the Authority has a different purpose and agenda than the rest of the meetings during the year in that it is held for the purpose of making decisions in respect of running the Authority as a corporate organisation – including the approval of the Corporate Strategy, the Budget, and the Medium Term Financial Strategy.
- 5.6 The table below sets out the decisions of the Authority taken at its meeting on 7 December 2023.

Decisions Made at Authority Meeting 7 December 2023	
Full agenda and the public reports referred to below are available at: South Yorkshire Pensions Authority - Thursday 7th December 2023	
<i>Exempt reports from the December Authority meeting are included in the exempt part of the agenda for this Local Pension Board meeting.</i>	
Item 7: Minutes of the Meeting Held on 07/09/2023	The minutes of the meeting were agreed as a true record of the meeting held on 7 September 2023.
Item 9: Quarter 2 Corporate Performance Report 2023/24	Members approved a supplementary estimate of £197,500 as set out in paragraphs 4.27 to 4.33 of the report.
Item 10: Levy 2024/25	Members approved a total levy of £286,792 for 2024/25 in accordance with <i>The Levying Bodies (General) Regulations 1992</i> , to be allocated to the District Councils in proportion to their approved council tax base shares.
Item 11: Staff Survey 2023	Members noted and commented on the results of the staff survey and the actions outlined in relation to the areas for further improvement.
Item 15: Annual Review of Border to Coast Responsible Investment Policies	Members endorsed the various Border to Coast policies at Appendices A to C of the report. Councillor Dimond asked that his dissent be noted.
Item 16: Place Based Impact Investing – Memorandum of Understanding with South Yorkshire Mayoral Combined Authority	Members authorised the Director to sign on behalf of the Authority the Memorandum of Understanding with South Yorkshire Mayoral Combined Authority at Appendix A to the report.

Decisions Made at Authority Meeting 7 December 2023	
Item 19: Governance Meeting and Training Calendar 2024/25	Members approved the 2024/25 Governance Meeting and Training Calendar.
Item 20: Border to Coast UK Property Proposition (Exemption Paragraph 3)	Members noted the progress made by Border to Coast in delivering a UK Real Estate proposition and the implications for the Authority of the transition of assets in the new proposition.

Decisions Taken Between Meetings Under the Urgency Procedure

- 5.7 It is often necessary for decisions to be taken between meetings of the Authority due to the time sensitive nature of the matters involved. These decisions are taken by the Chair in consultation with the s41 members and the Director, then published on the Authority’s website and reported to the next Authority meeting for transparency. A report is also provided to update the Local Pension Board on such decisions.
- 5.8 One decision was required between the September and the December meetings of the Authority.
- 5.9 In September 2023, a decision was taken to implement the 2023 national pay award in the September payroll based on the employer side final offer. Whilst the award had not yet been finally agreed by the NJC, this decision was made on the basis that the largest union involved had failed to gain a majority in a ballot for strike action and intended to move for a settlement based on the final offer. Given the balance of union membership it was apparent that a settlement at the employers’ final offer was inevitable.
- 5.10 UNISON were consulted and raised no objection. The Chair and Vice Chair of the Authority were also consulted and supported this decision.
- 5.11 Since that decision was made, the agreement of the pay award was subsequently confirmed by the NJC on 1 November 2023.

6 Implications

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

Financial	No direct implications.
Human Resources	No direct implications.
ICT	No direct implications.
Legal	No direct implications.
Procurement	No direct implications.

Jo Stone

Head of Governance & Monitoring Officer

Background Papers	
Document	Place of Inspection

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Agenda Item

Subject	Meetings and Training Calendar 2024-25	Status	For Publication
Report to	Local Pension Board	Date	15 February 2024
Report of	Head of Governance		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jo Stone Head of Governance	Phone	01226 666418
E Mail	jistone@sypa.org.uk		

1 Purpose of the Report

1.1 To present the Local Pension Board with the 2024-25 Governance Meetings and Training Calendar for review and approval.

1.2

2 Recommendations

2.1 Board Members are recommended to:

- a. **Approve the 2024/25 Local Pension Board Meetings Calendar and Outline Work Programme at Appendix A.**
-

3 Link to Corporate Objectives

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

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

3.2 The planned programme of meetings and training events supports the operation of effective and transparent governance arrangements.

4 Implications for the Corporate Risk Register

4.1 The provision of dates for training and development events is a key part of addressing the strategic risk around Member knowledge and understanding.

5 Background and Options

- 5.1 Attached at Appendix A is a schedule of:
- a. Local Pension Board meeting dates for the 2024/25 municipal year and an outline work programme for the year.
 - b. Dates for training and development events for both Authority and Local Pension Board members.
 - c. A summary of dates for all meetings of the Authority, its committees, and the Local Pension Board for the 2024/25 municipal year.
- 5.2 The proposed outline work programme for 2024/25 is based on the requirements previously agreed or requested by the Board and on discussions held with the Board Chair, Vice Chair and Independent Adviser.
- 5.3 The presentation to the Board of the final report from the independent Governance Review (referred to in the separate Governance Update report on this agenda), will be scheduled to take place by June 2024 but is likely to fall outside of the Board's main meeting cycle so it was not possible to include it in the work programme attached.
- 5.4 Cyber security updates will be provided for the Board at regular intervals but these have not been added as separate items in the work programme as it is anticipated that such updates will form part of other reports – primarily the risk register updates – and in some cases where a more detailed report is provided, these will be provided in the exempt (private) section of the agenda as necessary due to the nature of the information being provided.
- 5.5 The programme can of course be updated throughout the year as required to meet the needs of the Board and respond to any changing circumstances as relevant. To facilitate this, there is a standing item on each meeting for the Board to discuss the detailed agenda for the next meeting.
- 5.6 Additionally, pre-meetings for the Chair, Vice Chair and Independent Adviser with Officers are now scheduled to take place around 6 weeks before each Board meeting to enhance the arrangements for agenda planning, action tracking and to ensure that all requirements of the Board will be sufficiently considered and provided for throughout the year.

6 Implications

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

Financial	No direct implications.
Human Resources	No direct implications.
ICT	No direct implications.
Legal	No direct implications.
Procurement	No direct implications.

Jo Stone

Head of Governance & Monitoring Officer

Background Papers	
Document	Place of Inspection

Local Pension Board Meeting Dates and Outline Work Programme 2024/25		
Date of Meeting	Time	Venue
Thursday 08 August 2024	10:00 - 12:00	Oakwell House
Thursday 07 November 2024	10:00 - 12:00	Oakwell House
Thursday 20 February 2025	10:00 - 12:00	Oakwell House
Thursday 27 March 2025: Effectiveness Review	13:00 - 16:00	Oakwell House
Thursday 24 April 2025	10:00 - 12:00	Oakwell House

August 2024 Meeting	
Governance	Review of Action Tracker Governance, Regulatory and Policy Update Progress on Actions from Audits or Inspections Update on Decisions Made by Authority Corporate Risk Register Compliance with The Pensions Regulator General Code of Practice (Bi-Annual Update) Local Pension Board Member Training Update Authority Annual Report - Draft for Local Pension Board Review
Pensions Administration	Pensions Administration Quarterly Report Breaches, Complaints and Appeals
Other	Planning of Local Pension Board Next Meeting Agenda Exempt Reports (if any) from Authority Meeting June 2024

November 2024 Meeting	
Governance	Review of Action Tracker Governance, Regulatory and Policy Update Progress on Actions from Audits or Inspections Update on Decisions Made by Authority Corporate Risk Register Local Pension Board Budget 2025/26
Pensions Administration	Pensions Administration Quarterly Report Breaches, Complaints and Appeals Data Quality, Improvement Plans and Progress Updates
Investments	Investments Update Border to Coast Annual Review
Other	Planning of Local Pension Board Next Meeting Agenda Exempt Reports (if any) from Authority Meeting June 2024

February 2025 Meeting	
Governance	Review of Action Tracker Governance, Regulatory and Policy Update Progress on Actions from Audits or Inspections Update on Decisions Made by Authority Meeting Calendar 2025/26 Governance Compliance Statement Annual Review Corporate Risk Register Compliance with The Pensions Regulator General Code of Practice (Bi-Annual Update) Pensions Administration and Investments Annual Benchmarking Results
Pensions Administration	Pensions Administration Quarterly Report Breaches, Complaints and Appeals
Funding	Scheme Funding Update
Other	Planning of Local Pension Board Next Meeting Agenda Private papers (if any) from Authority Meeting December 2024

March 2025 Effectiveness Review Meeting	
Internal Effectiveness Review 2024/25	

April 2025 Meeting	
Governance	Review of Action Tracker Governance, Regulatory and Policy Update Progress on Actions from Audits or Inspections Update on Decisions Made by Authority Corporate Risk Register Effectiveness Review Findings and Review Work Programme Annual Report of the Local Pension Board Members Learning & Development Strategy 2025/26
Pensions Administration	Pensions Administration Quarterly Report Breaches, Complaints and Appeals Data Quality, Improvement Plans and Progress Updates Review of Key Communications
Investments	Investments Update
Other	Planning of Local Pension Board Next Meeting Agenda Private papers (if any) from Authority Meeting March 2025

Training and Development Events - 2024/25					
Event	Dates	Time	Venue	Expected Attendance:	Optional Attendance:
Authority Induction	Thursday 06 June 2024	09:00 - 12:00	Oakwell House	All Authority Members	
PLSA Local Authority Conference	TBC - Expected to be Monday 17 June 2024 to Wednesday 19 June 2024	TBC	Gloucestershire	Chair and Vice Chair	
Audit & Governance Training*	Thursday 18 July 2024	13:00 - 14:00	Oakwell House	All A&G Committee Members	
Local Pension Board Training**	Thursday 08 August	13:00 - 14:00	Oakwell House	All LPB Members	
LGC Investment Summit	Thursday 7 September & Friday 8 September 2024	TBC	Birmingham	None	Authority Members LPB Members
Authority Seminar*	Thursday 12 September 2024	13:30 - 14:30	Oakwell House	All Authority Members	Possibly LPB (TBC)
Audit & Governance Training*	Thursday 26 September 2024	13:00 - 14:00	Oakwell House	All A&G Members	
Authority Seminar*	Thursday 08 October 2024	10:00 - 12:00	Oakwell House	All Authority Members	Possibly LPB (TBC)
Border to Coast Responsible Investment Seminar	Tuesday 12 November 2024	TBC	Virtual TBC	Chair Only	
LGPS Governance Conference	Thursday 18 January 2025 & Friday 19 January 2025	TBC	York	None	Authority Members LPB Members
Authority Seminar*	Thursday 13 February 2025	13:00 - 14:00	Oakwell House	All Authority Members	Possibly LPB (TBC)
Local Pension Board Training**	Thursday 20 February 2025	13:00 - 14:00	Oakwell House	All LPB Members	
Audit & Governance Training*	Thursday 06 March 2025	13:00 - 14:00	Oakwell House	All A&G Committee Members	
Authority Seminar*	Thursday 13 March 2025	13:00 - 14:00	Oakwell House	All Authority Members	Possibly LPB (TBC)
Local Pension Board Training**	Thursday 24 April 2025	13:00 - 14:00	Oakwell House	All LPB Members	

* Authority and A&G Committee Training / Seminar topics to be advised. February or March Authority Seminar topic will be Valuation Assumptions

** LPB Training - Topics to be advised; there will be a topic on the pensions dashboard at the appropriate time for updates

Authority Meeting Dates 2024/25		
Date of Meeting	Time	Venue
Thursday 06 June 2024	13:00 - 15:30	Oakwell House
Thursday 12 September 2024	10:00 - 12:30	Oakwell House
Thursday 12 December 2024	10:00 - 12:30	Oakwell House
Thursday 13 February 2025	10:00 - 12:30	Oakwell House
Thursday 13 March 2025	10:00 - 12:30	Oakwell House

Audit & Governance Committee Meeting Dates 2024/25		
Date of Meeting	Time	Venue
Thursday 18 July 2024	10:00 - 12:00	Oakwell House
Thursday 26 September 2024	10:00 - 12:00	Oakwell House
Wednesday 04 December 2024	10:00 - 12:00	Oakwell House
Wednesday 04 December 2024: Effectiveness Review	12:30 - 13:30	Oakwell House
Thursday 06 March 2025	10:00 - 12:00	Oakwell House

Staffing Committee Meeting Dates 2024/25
To be arranged as required.

Appointments and Appeals Committee Meeting Dates 2024/25
To be arranged as required.

Local Pension Board Meeting Dates 2024/25		
Date of Meeting	Time	Venue
Thursday 08 August 2024	10:00 - 12:00	Oakwell House
Thursday 07 November 2024	10:00 - 12:00	Oakwell House
Thursday 20 February 2025	10:00 - 12:00	Oakwell House
Thursday 27 March 2025: Effectiveness Review	13:00 - 16:00	Oakwell House
Thursday 24 April 2025	10:00 - 12:00	Oakwell House

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Agenda Item

Subject	Annual Review of Governance Compliance Statement	Status	For Publication
Report to	Local Pension Board	Date	15 February 2024
Report of	Head of Governance		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jo Stone Head of Governance	Phone	01226 666418
E Mail	jstone@sypa.org.uk		

1 Purpose of the Report

- 1.1 To seek the Local Pension Board’s review of the Governance Compliance Statement and for the Board to provide comment and any recommended changes or additions to the Audit & Governance Committee.

2 Recommendations

- 2.1 Board Members are recommended to:
- a. **Review the Governance Compliance Statement at Appendix A.**
 - b. **Provide comments on the Governance Compliance Statement for the Authority’s Audit & Governance Committee consideration.**

3 Link to Corporate Objectives

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

Effective and Transparent Governance

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

- 3.2 The contents of this report are part of the arrangements in place to ensure good governance.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report relate to actions that will contribute to addressing risks around regulatory compliance.

5 Background and Options

- 5.1 Section 55(1) of the *Local Government Pension Scheme Regulations 2013*, requires that an administering authority must prepare a written statement setting out:

- a. Whether the authority delegates its functions, or part of its functions under these Regulations to a committee, a sub-committee or an officer of the authority.
 - b. If the authority does so—
 - (i) the terms, structure and operational procedures of the delegation
 - (ii) the frequency of any committee or sub-committee meetings
 - (iii) whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights.
 - c. The extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying; and
 - d. Details of the terms, structure and operational procedures relating to the local pension board established under regulation 53(4) (Scheme managers).
- 5.2 An administering authority must keep a statement prepared under paragraph (1) under review, and make such revisions as are appropriate, following a material change to any of the matters mentioned in that paragraph.
- 5.3 The Statement produced under s 55(1) is known as the Governance Compliance Statement and an updated version of the Authority’s statement, following its annual review, is at **Appendix A**. There have been no fundamental changes made as a result of this review. The statement has been re-formatted throughout to improve its presentation, a small number of substantive updates to the text have been made to reflect minor changes made to the arrangements in the year and to provide some further detail on the support provided for member knowledge and understanding.
- 5.4 As part of the overall assurance gathering process associated with the Annual Governance Statement, it is appropriate that the Local Pension Board are provided this opportunity to consider the Statement and comment upon or recommend any changes to the Authority’s Audit & Governance Committee who will consider the Statement at its next meeting.

6 **Implications**

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

Financial	None.
Human Resources	None.
ICT	None.
Legal	The Governance Compliance Statement ensures the Authority complies with its obligations under s.55(1) of the Local Government Pension Scheme Regulations 2013.
Procurement	None.

Jo Stone

Head of Governance & Monitoring Officer

Background Papers	
Document	Place of Inspection

February 2024

Governance Compliance Statement February 2024

Document Control Information

Document title	Governance Compliance Statement
Version	February 2024
Status	Draft for LPB and Audit & Governance Committee Review
Owner	Head of Governance
Department	Resources
Publication date	
Approved by	
Next review date	

1. Introduction

1.1 As a statutory public service scheme, the Local Government Pension Scheme (LGPS) has a different legal status compared to trust-based schemes and therefore, the governance arrangements are different as well. This is especially true given the interface with local democratic practice since it is elected councillors who ultimately bear responsibility for the stewardship and management of local authority pension funds. Publication of this Statement is a statutory requirement under s 55(1) of the Local Government Pension Scheme Regulations 2013, which requires:

An administering authority must prepare a written statement setting out—

(a) whether the authority delegates its functions, or part of its functions under these Regulations to a committee, a sub-committee, or an officer of the authority.

(b) if the authority does so—

- (i) the terms, structure, and operational procedures of the delegation,
- (ii) the frequency of any committee or sub-committee meetings,
- (iii) whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights.

(c) the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying; and

(d) details of the terms, structure and operational procedures relating to the local pension board established under regulation 53(4) (Scheme managers).

An administering authority must keep a statement prepared under paragraph (1) under review, and make such revisions as are appropriate, following a material change to any of the matters mentioned in that paragraph.

Before preparing or revising a statement under this regulation, an administering authority must consult such persons as it considers appropriate.

An administering authority must publish its statement under this regulation, and any revised statement.

1.2 This statement has been revised following an annual review undertaken in preparing the Authority's report and accounts for 2023/24.

2. Governance of the South Yorkshire Pension Fund

- 2.1 The Authority was created by the *Local Government Reorganisation (Pensions etc.) (South Yorkshire) Order 1987* made under the *Local Government Act 1985*, and is a Joint Authority created under that act. As such it is a local authority, albeit with a prescribed set of functions, limited to fulfilling the role of LGPS administering authority and meeting the unfunded pension liabilities of the former South Yorkshire County Council for which it is able to make a levy on the District Councils.
- 2.2 The Authority does not operate under a cabinet structure. The Chair and Vice-Chair are nominated from and elected by its own membership, but the Authority carries the strategic responsibilities of an administering authority.
- 2.3 Under Section 41 of the *Local Government Act 1985*, arrangements are made enabling the members of the district councils to raise questions at council meetings. The Authority is required to nominate a member or members to answer questions on the discharge of the Authority's functions in meetings of each of the constituent councils. One member from each district has been nominated as the Section 41 spokesperson.
- 2.4 The Authority has created three committees to support it in its work:
- 2.5 The **Audit and Governance Committee** which is responsible for fulfilling the core audit committee functions in accordance with CIPFA's *Position Statement on Audit Committees in Local Authorities and Police 2022*. Further details of the Audit & Governance Committee's functions are set out in the Authority's Constitution available at: [Governance \(sypensions.org.uk\)](https://www.sypensions.org.uk/governance).
- 2.6 The **Appointments and Appeals Committee** which is responsible for the following functions.

Appointments and Appeals Committee

- 1) To exercise all the Authority's functions in respect of:
 - a. Appeals by staff (where a right of appeal exists).
 - b. Complaints against senior officers.
- 2) To exercise the Authority's functions in relation to the appointment of Statutory Officers and Chief Officers, subject to legislative requirements regarding the approval of statutory officer appointments by the Authority.
- 3) Determining appeals and requests under the Local Government Pension Scheme Regulations not otherwise delegated to officers.
- 4) To make appointments of Independent Investment Adviser (s) on behalf of the Authority.
- 5) To approve arrangements for the procurement of external fund managers, the Fund Actuary and Custodian
- 6) To deal with all matters concerning complaints concerning member conduct under the Standards regime.

2.7 The **Staffing Committee** which is responsible for the following functions.

Staffing Committee:

- 1) To approve proposals for changes to the organisation of the Authority's staffing where more than 5 posts are affected.

3. Representation

3.1 Unlike other Administering Authorities within the Local Government Pension Scheme, the Authority's membership is laid down in the *Local Government Reorganisation (Pensions etc.) (South Yorkshire) Order 1987* made under the *Local Government Act 1985*. The four district councils in South Yorkshire nominate members to the Authority, from their own elected members, in the specified proportions as shown below.

Constituent Council	Number of Members
Barnsley Metropolitan Borough Council	2
City of Doncaster Council	3
Rotherham Metropolitan Borough Council	2
Sheffield City Council	5
Total	12

3.2 In addition, the Authority has co-opted 3 non-voting members nominated by the Regional Secretaries of the three largest trade unions recognised by the National Joint Council for Local Government Services. These individuals are provided with the facility to attend and participate in meetings of the Authority and its committees, other than in matters concerned with staffing and labour relations.

3.3 The **Audit and Governance Committee** is chaired by the Authority's Vice-Chair and contains 5 other Authority Members (and may not include the Chair). Representatives from the trade unions attend as non-voting co-optees.

3.4 The **Staffing Committee** and the **Appointments and Appeals Committee** are both chaired by the Authority's Chair and each contain 5 other Authority members. Given that the major business of these Committees is concerned with staffing and labour relations, the non-voting co-opted members nominated by the Trades Unions do not routinely attend meetings of these Committees.

3.5 All Committees have full delegated powers but only the Elected Members have voting rights.

4. Reasons for Current Representation

4.1 Myners' first Principle states that decisions should only be taken by persons or organisations with the skills, information, and resources necessary to take them effectively. Where trustees elect to take investment decisions, they must have sufficient expertise and appropriate training to be able to evaluate critically any advice they take.

4.2 Formal statutory responsibility for the LGPS and fund investment remains with the administering authority that is answerable for the effective and prudent management of the scheme. Current representation on the Authority provides the appropriate balance between accountability and inclusion as required by best practice with councillors serving on the Authority having full voting rights as a matter of course.

The Authority has approved a formal policy statement setting out the rationale for the way in which various employer and scheme member interests are represented in its governance. This is the Policy Statement on Representation which is available on the following page of the Authority's website: [Governance \(sypensions.org.uk\)](http://sypensions.org.uk)

5. Arrangements Outside of Formal Governance

5.1 The Authority is committed to inclusion of all stakeholders in consultation and communication outside of the formal governance arrangements. A separate Consultation, Communications and Engagement Strategy can be viewed on our website (at: [Pensions Policies \(sypensions.org.uk\)](http://sypensions.org.uk)) and is included with the Annual Report as required by the relevant regulations.

5.2 Meetings of the Authority, its committees and the Local Pension Board are webcast to provide scheme members and other stakeholders with the opportunity to see the decisions that are being made on their behalf.

5.3 The Authority holds an annual meeting, in October or November, to which scheme members and employers are invited to attend in person or view a livestream online. Scheme members attending receive presentations on the financial position of the Fund, a review of investment and administration performance together with news of topical issues. Attendees are encouraged to raise questions. A recording of this meeting is also made available on the Authority's website.

5.4 The Authority provides scheme members with periodic newsletters which cover issues such as developments in the scheme, investment performance, how to access services, scam avoidance and details of educational and awareness events.

5.5 The Authority, in line with the requirements of the *Public Sector Pensions Act 2013*, has an established Local Pension Board comprising equal numbers of employer and scheme member representatives.

5.6 The Authority provides each participating organisation with an employer's guide to the Scheme. In addition, regular newsletters are produced to keep employers up to date with scheme developments and administration issues. These are provided via our dedicated employers' website and can also be made available in hard copy. Employers' attention is drawn to LGPC Circulars whenever these are published so that they can view the national perspective as well as the local view.

- 5.7 A variety of meetings are used to communicate with employers. In addition to the Annual Fund Meeting described earlier, the Authority normally holds an annual employers' forum. This is primarily aimed at topical and administrative issues but is also valuable in providing an opportunity for employer representatives to raise questions and discussion points. Further to these, ad-hoc meetings are called to consider specific issues as and when appropriate. Every employer is offered at least one annual meeting with the Authority's officers on a one-to-one basis to discuss any topic either side wishes to raise, although experience shows that very few take advantage of this facility.
- 5.7 Focus Groups of scheme members and employers are also used on a regular basis to support service improvement work of various types.
- 5.8 Officers attend the meetings with the finance officers of the local authorities as required and make an annual presentation to the Leaders of the four district councils.

6. Comparison with 'Best Practice' Principles

- 6.1 The Authority is required to make a statement as to the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying.
- 6.2 The appendix to this document provides that statement, setting out against each of the principles the extent of compliance supported by further explanation or comments where further action is to be considered.

7. Maintaining Knowledge and Understanding

- 7.1 All members of the Authority and the Local Pension Board are required to complete an e-learning course consisting of several modules designed to cover all key areas needed for Authority and Board members to successfully manage the running of a Fund. Members are also supported to undertake the LGA's 3-day fundamentals training programme, which provides an opportunity to being exposed, on the occasions that they review investment performance and strategy, to presentations on topical issues, and differing types of investment.
- 7.2 A Learning and Development Strategy for all members is in place which includes an annual plan of training events and seminars on relevant topics, and the Strategy identifies individual learning needs and aims to address those individual needs through internal and external means.
- 7.3 An annual 'away day' event to support maintaining up-to-date knowledge and understanding, as well as provide opportunities for collaboration and networking, is held for all Authority and Local Pension Board members together.
- 7.4 The Authority takes part in a National Knowledge Assessment to assess the effectiveness of these arrangements and to inform the member L&D Strategy.

Appendix A

Principle A – Structure

		Compliant*
a)	The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	Yes
b)	That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Mainly**
c)	That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Yes
d)	That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	Yes

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Not applicable.

**Please use this space if you wish to add anything to explain or expand on the ratings given above: -

The Authority's separate legal status ensures that a), c) and d) are complied with and ensure representation (proportionate to size) of the major local authority employers. It is not practical for the many (around 600) non-local authority employers, whose activities are extremely diverse, to be separately represented. Trades unions representatives attend meetings of the Authority and the Audit and Governance Committee as non-voting co-opted members representing the interests of scheme members. The Local Pension Board, as required by regulations, operates alongside the formal Authority structure but is intrinsically linked with it and includes representation from other employer and scheme member groups.

Principle B – Representation

		Compliant*
a)	That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include: - i) employing authorities (including non-scheme employers, e.g., admitted bodies). ii) scheme members (including deferred and pensioner scheme members), iii) independent professional observers, and iv) expert advisers (on an ad-hoc basis).	Mainly**
b)	That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision-making process, with or without voting rights.	Yes

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Not applicable.

**Please use this space if you wish to add anything to explain or expand on the ratings given above: -

The Authority appoints 2 independent investment advisers who attend meetings of the Authority and give advice to members during discussion of investment related matters.

The work of the Local Pension Board is also supported by an Independent Adviser who ensures that the Board, which acts in a form of scrutiny role, is not inadvertently led by those it is scrutinising.

Please also see the answer to Principle A, item (b) above in respect of employer representation.

Principle C - Selection and role of lay members

		Compliant*
a)	That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	Yes**

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Not applicable.

**Please use this space if you wish to add anything to explain or expand on the ratings given above: -

Induction courses are held for all new members who are also required to attend initial basic training via an online learning academy and the Pensions Regulator's Public Sector Toolkit. New members who can attend are also automatically supported to attend the LGA's 3-day fundamentals course. Members are also provided with an annually updated handbook which clearly sets out their responsibilities as "quasi-trustees".

A series of member seminars to address new topics or cyclical issues such as the actuarial valuation are included in the programme of meetings and members (whether elected or co-optees or members of the Local Pension Board) can attend these and approved conferences and external seminars, details of which are circulated to all members at the beginning of the year and throughout the year as they become available.

Principle D – Voting

		Compliant*
a)	The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Yes**

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Not applicable.

**Please use this space if you wish to add anything to explain or expand on the ratings given above:

The Order creating the Authority and its Constitution provides full voting rights to all elected Members. Co-optees do not have voting rights. All members of the Local Pension Board have equal voting rights.

Principle E – Training/Facility time/Expenses

		Compliant*
a)	That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	Yes
b)	That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Yes
c)	That the administering authority considers the adoption of training plans for committee members and maintains a log of all such training undertaken.	Mainly

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Please use this space if you wish to add anything to explain or expand on the ratings given above: -

Induction and in-house training events are made available to all members of the Authority, its Boards and Committees, including non-voting co-opted members. In addition, all Authority members are required to undertake an online Learning Academy and the Pensions Regulators Public Service Toolkit, and where they can attend supported to undertake the Fundamentals course provided by the LGA within the first year of their appointment.

Members are offered individual training plans. Records of training received are logged and published as part of the Annual Report.

All members (whether councillors, co-optees or members of the Local Pension Board) are eligible for the reimbursement of legitimate expenses incurred in undertaking learning and development activity. Councillors receive allowances paid by the Authority in respect of their membership of the Authority. Co-opted members and members of the Local Pension Board are also eligible for such allowances.

Principle F – Meetings (frequency/quorum)

		Compliant*
a)	That an administering authority’s main committee or committees meet at least quarterly.	Yes
b)	That an administering authority’s secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	Yes
c)	That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented	Yes

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Please use this space if you wish to add anything to explain or expand on the ratings given above:-

The Authority meets at least quarterly, and the Audit and Governance Committee meets four times per year. The Staffing Committee and the Appointments and Appeals Committee, given the nature of its business meets as required. In addition, annual forums are held for both fund employers and Scheme members. The Local Pension Board meets 4 times per year which is more than the minimum set out in regulations.

Principle G – Access

		Compliant*
a)	That subject to any rules in the council’s constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	Yes

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

The only exception to this general principle is that non-voting co-optees are not permitted access to papers concerned with individual staffing matters.

Please use this space if you wish to add anything to explain or expand on the ratings given above: -

Principle H Scope

		Compliant*
a)	That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements	Yes

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Principle I – Publicity

		Compliant*
a)	That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	Yes

* Please use this space to explain the reason for non-compliance (regulation 73A(1)(c)/1997 Regulations)

Please use this space if you wish to add anything to explain or expand on the ratings given above: -

Details of the Authority’s governance arrangements are published both on its website and in its annual report. The details of the Authority’s meetings are publicised both on the website and social media and the public parts of meetings of the full Authority its Committees and the Local Pension Board are webcast.

The Authority maintains a specific policy that the number of items to be considered in private is minimised thus opening the maximum amount of its business to scrutiny by scheme members and the wider public.

The Authority’s constitution also includes provision for members of the public to ask questions at meetings of the Authority.

Subject	Risk Register Update	Status	For Publication
Report to	Local Pension Board	Date	15 February 2024
Report of	Director		
Equality Impact Assessment	Not Required	Attached	Na
Contact Officer	Annie Palmer Team Leader Governance	Phone	01226 666404
E Mail	apalmer@sypa.org.uk		

1 **Purpose of the Report**

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

2 **Recommendations**

- 2.1 Members are recommended to:
- a. **Note and comment upon the revised corporate Risk Register at Appendix A.**
 - b. **Note the updated Risk Management Framework at Appendix B.**
-

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 7 December 2023, is at **Appendix A**.
- 5.2 As part of agreed management actions arising from an internal audit review of risk management arrangements, a training course on risk management was delivered to SMT and Middle Managers in September 2023 alongside a plan to introduce an additional layer of operational risk registers managed by the Heads of Service and Service Managers that will feed into the strategic corporate risk register.
- 5.3 Outcomes from the training and wider preparation for the additional layer of risk management have resulted in some changes to the format of the strategic register that are incorporated in the document at Appendix A. These include separating out each risk into the component parts of the 'Risk Event' from the 'Risk Causes' and the 'Risk Effects'. The measures to manage the risks – both the existing ones in place and the planned actions – now include the *preventative* measures designed to reduce the likelihood of the risk event occurring and the *mitigating* measures designed to reduce or mitigate the impact should the risk event occur.
- 5.4 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. The following changes were made to risk scores at the latest full review.

Risk Scores Changed:

- 5.5 *Risk G3 – Breakdown of Control Environment.*
Current risk score reduced from 6 to 4. Now at target and will be removed from the register.
- This risk was originally identified in relation to the specific COVID risk register that was put in place to cover risks arising from lockdown and moving to fully remote working in 2020. The controls and processes and any changes since then have been fully embedded with assurance from internal and external audit.

The control environment is continually kept up to date and risk assessed as part of business as usual activities such as the annual plans for internal audit work, the planning and interim work undertaken by external audit, and the review for annual governance statement assurance. Additionally, operational risk registers will deal with the management of controls and assurance at each service level and any concerns will be escalated to SMT as part of the regular review as and when necessary.

- 5.6 *Risk I1 – Material changes to the value of investment assets and/or liabilities due to major market movements. Current risk score reduced from 12 to 9.*

Evidence over the last 12 months indicates that the Fund has broadly held its value during a period of market volatility, indicating that the impact score can be reduced and the target score achieved. Given nature of this risk however it will remain on the register to be kept under review.

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

Current risk score reduced from 12 to 9. Now at target and will be removed from the register.

This risk was originally added in relation to a specific SMT vacancy to which we have now successfully appointed. This specific risk has therefore been fully mitigated, reached the target score and will be removed from the risk register. (Although, note that a new people risk has been added instead as outlined at paragraph 5.8 below).

New Risks Added:

- 5.8 *Risk P3 – Single point of failure due to unexpected vacancies or long term absence/s in specialist knowledge roles.*

This is a new risk and has a moderate risk score at 12 (yellow) reflecting an assessed likelihood of Medium and impact of High. The risk is present partly due to the size of the organisation meaning that some team sizes are very small, and some individual roles carry out a range of specialist tasks without any deputising capacity in place for example.

The measures identified for this risk include those aimed at improving recruitment and retention generally, focus on wellbeing and prevention of absence, maintenance of detailed procedure manuals / work instructions, learning and development strategies to support knowledge transfer, and the intention to produce succession plans and identify specific issues and actions to improve resilience in each of the different teams.

- 5.9 The Board are asked to review the Risk Register and in particular to consider whether any significant areas of risk are not captured.

Risk Management Framework

- 5.10 The organisation maintains a risk management policy document entitled the Risk Management Framework. This is reviewed on an annual basis and the latest version, following review and approval of the Audit & Governance Committee in December 2023, is provided at **Appendix B**.

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

George Graham

Director

Background Papers	
Document	Place of Inspection
None	N/A

**South Yorkshire Pensions Authority Risk Register As At
22 November 2023**



Key:

IMPACT	5 Very High	5	10	15	20	25
	4 High	4	8	12	16	20
	3 Medium	3	6	9	12	15
	2 Low	2	4	6	8	10
	1 Very Low	1	2	3	4	5
		1 Very Low	2 Low	3 Medium	4 High	5 Very High
		LIKELIHOOD				

Risk Score	
Risk Score	RAG Rating
0 – 5	Low
6-14	Moderate
15-25	High



Risk scores changed since last review:

Risk No	Risk Type	Risk Event	Prev Score	New Score	Risk Change at Review
G3	Governance	Breakdown of the control environment	6	4	↓
I1	Investment and Funding	Material changes to the value of investment assets and/or liabilities due to major market movements	12	9	↓
P2	People	Reduced levels of technical knowledge and senior management capacity during period of vacancy	12	9	↓
P3	People	Single point of failure due to unexpected vacancies or long term absence/s in specialist knowledge roles	N/A	12	+

Risk No	Risk Type	Risk Event	Risk Causes	Risk Effects	Existing Preventative Measures (Designed to Reduce Likelihood Score) Existing Mitigation Measures (Designed to Reduce Impact Score)	Current Score	Likelihood & Impact	Target Score	Likelihood & Impact	Additional Preventative Actions (May Reduce Likelihood Score) Additional Mitigation Action (May Reduce Impact Score)	Comment on Current Status	Owner	Risk Change at Review	Last Review Date
G1	Governance	Failure of members of the Authority and Local Pension Board to maintain adequate levels of knowledge and understanding to enable them to fulfil their role.	Lack of suitable and appropriate training and development provided to members Ineffective identification of skill gaps	Poorly informed decision making Regulatory / legislative non-compliance Insufficient questioning and challenge of officers.	Member Learning and Development Strategy and associated mandatory training requirements in place. Annual effectiveness review and action plan Identify changes to legislation and key regulatory requirements that require enhanced knowledge and skills development Continuation of collaborative engagement of Independent Advisors, Internal Auditors and Officers	9	L=M I=M	6	L=L I=M	Any municipal year or ad hoc changes in members will be require new members to undertake mandatory training to ensure the Authority and Local Pensions Board has 100% compliance. Continuous review of the pensions landscape for legislative and regulatory change	20/11/2023 <i>This risk was previously on the register as two separate risks (G1 and G2), one applying to the Authority and one to the Local Pensions Board. As part of the November review it was agreed that these be merged into one risk for the purposes of the strategic register. The operational risk register will assess and manage any differences in training needs between the two.</i> <i>The Local Pension Board and Authority are currently 100% compliant with the mandatory training requirements, however there is no justification to change the score at this stage, due to upcoming changes in trade union membership.</i>	Head of Governance		20/11/2023
G3	Governance	Breakdown of the control environment	Lack of applied and documented processes supported by structured assurance procedures.	Exposure to the risk of loss due to fraud or error. Critical external audit reports leading to regulatory action.	Documented internal controls. Effective Internal Audit service to provide assurance to management in relation to the control framework. Senior Management review of controls to provide assurance as part of the process for developing the Annual Governance Statement. Ongoing replacement of aging systems which require manual controls with more modern systems which allow controls to be automated	4	L=L I=L	4	L=L I=L	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. Completion of system replacement and upgrade programmes. Extension of management assurance process to Team Managers. Adoption of Governance Assurance Framework suggested by Internal Audit	Comment 13/11/2023 <i>This risk was only identified in relation to the specific COVID risk register that was put in place to cover risks arising from lockdown and moving to fully remote working in 2020. The controls and processes and any changes since then have been fully embedded with assurance from internal and external audit and this risk score has now reached its target and will be removed from the register. The control environment is continually kept up to date and risk assessed as part of BAU activities such as the annual plans for internal audit work, the planning and interim work undertaken by external audit, and the review for annual governance statement assurance. Additionally, operational risk registers will deal with the management of controls and assurance at each Service level and any concerns will be escalated to SMT as part of the regular review.</i>	Assistant Director Resources		13/11/2023
G4	Governance	Failure to deliver key objectives included within the Corporate Strategy	Lack of consistent programme management framework Insufficient human resource dedicated to programme management Insufficient systems resource dedicated to programme management	We will not deliver the service to our scheme members set out in our mission statement.	Programmes and Performance Management Team Established Installed Programmes and Performance Management System Regular monitoring and review of objectives delivery	12	L=M I=H	6	L=L I=M	Development and implementation of a programme management framework Implementation and go live of Programme and Performance System	Comment 08/11/2023 <i>Since the last review an appointment to the Service Manager - Programmes and Performance role has been made and will be in post December 2023.</i> <i>At this stage there is no justification for a reduction in the score however it is expected that this risk will reduce at future reviews due to the increased resource being in place.</i>	Service Manager - Programmes and Performance		08/11/2023
I1	Investment and Funding	Material changes to the value of investment assets and/or liabilities due to major market movements	Major market volatility Significant change to inflation/deflation Geo-political events	Sharp and sudden movements in the overall funding level	Having a diversified 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	9	L=M I=M	9	L=M I=M	Ability to implement protection strategies if market circumstances indicate they are appropriate.	20/11/2023 <i>Evidence over the last 12 months indicates that the fund has broadly held its value during a period of market volatility indicating that the impact score can be reduced and the target score achieved.</i> <i>Given nature of the risk it will remain on the register.</i>	Assistant Director Investment Strategy		20/11/2023

Risk No	Risk Type	Risk Event	Risk Causes	Risk Effects	Existing Preventative Measures (Designed to Reduce Likelihood Score) Existing Mitigation Measures (Designed to Reduce Impact Score)	Current Score	Likelihood & Impact	Target Score	Likelihood & Impact	Additional Preventative Actions (May Reduce Likelihood Score) Additional Mitigation Action (May Reduce Impact Score)	Comment on Current Status	Owner	Risk Change at Review	Last Review Date
12	Investment and Funding	Failure to mitigate the impact of climate change on the value of the Fund's investment assets and liabilities	Climate change issues	Significant deterioration in the funding level	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. Review of Investment Strategy following the 2022 Valuation to integrate the achievement of Net Zero within the Strategic Asset Allocation. Reporting in line with the requirements of TCFD and regular monitoring of the level of emissions from portfolios, with outline targets for reductions.	20	L=H I=VH	12	L=H I=M	Provide more comprehensive data on private market investments. Clear targets for emission reduction to be set for remaining 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.	20/11/2023 <i>There is no justification to reduce the score at this stage.</i>	Director		20/11/2023
13	Investment and Funding	Failure to manage the key risks identified in the Border to Coast Strategic Plan	Ineffective risk management within the Border to Coast business	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	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	L=M I=M	6	L=L I=M	Ongoing monitoring of Programme of specific risk mitigations set out in 2022 - 2025 strategic plan.	Comment 20/11/2023 <i>The implementation of the plan is ongoing however there are no major changes and no justification to reduce the score.</i>	Director		20/11/2023
14	Investment and Funding	Imbalance in cashflows	Insufficient investment income to support the payment of benefits	Inability to pay pensions without resorting to borrowing or "fire sale" liquidation of investments. Potential negative impacts on individual pensioners.	Maintenance of "cash buffer" of liquidity sufficient to cover more than one monthly payroll. Process for monitoring and forecasting cashflows	5	L=VL I=VH	5	L=VL I=VH	Implementation of strategies to more regularly harvest income from investments. Further improvements in cashflow forecasting,.	Comment 20/11/2023 <i>Still at target score on this risk. There are no changes since the last review but it will remain on the register due to potential fluctuating circumstances.</i>	Assistant Director Investment Strategy		20/11/2023
15	Investment and Funding	Employer contributions become unaffordable	Failure of the investment strategy to deliver returns Economic or financial failure of the employer Significant increase in liabilities	Increased contribution rates to the extent that they become unaffordable. Default on the making of contributions by employers	Investment strategy that is focused on long term returns and reduced volatility Reviews of employer covenant and ongoing monitoring of funding levels Phasing of increases and stabilisation mechanism in the valuation	9	L=M I=M	6	L=M I=L	More systematic review of employer covenants More systematic use of the funding monitoring tools that the actuary gives us access to Employer Team Manager - Debbie	Comment 09/11/2023: <i>As last update - Whilst the actual funding level has improved the underlying position remains the same. There is no justification for a reduction in the score at this stage.</i>	Director		09/11/2023
01	Operational	Cyber security attack	Failure to maintain effective cyber defences Malicious attack Human error (internal)	Significant disruption to the provision of services. Loss / unauthorised release of key data. Reputational damage and financial penalties	Regularly updated policies, software and hardware e.g. firewalls etc. to ensure multi layer cyber security defences. Regular penetration testing. Cyber Security Essentials Plus Certification Regular refresher training on cyber security for all staff with a requirement to achieve a minimum level of pass. Policies and Codes of Practice in place Targeted threat protections Regular internal and external audits Effective ICT business continuity plan in place. Incident response retainer with specialist security provider Cyber Security Incident Management Policy in place.	16	L=H I=H	12	L=M I=H	Ongoing review and implementation of ICT action plan to enhance cyber security defences	20/11/2023 <i>Additional staff cyber awareness training solution has now been implemented with a schedule of structured phishing exercises.</i> <i>Whilst the above action does further strengthen our assurances the risk score remains the same.</i>	Head of ICT		20/11/2023

Risk No	Risk Type	Risk Event	Risk Causes	Risk Effects	Existing Preventative Measures (Designed to Reduce Likelihood Score) Existing Mitigation Measures (Designed to Reduce Impact Score)	Current Score	Likelihood & Impact	Target Score	Likelihood & Impact	Additional Preventative Actions (May Reduce Likelihood Score) Additional Mitigation Action (May Reduce Impact Score)	Comment on Current Status	Owner	Risk Change at Review	Last Review Date
02	Operational	Poor data quality	Employers providing inaccurate data. Software not updated accurately Software inconsistency in calculations Inaccurate input of detail (staff) Out of date data due to casework backlogs	Reputational Impact Regulatory and financial penalties Failure to deliver key projects such as McCloud rectification on time. Provision of inaccurate information and payment of benefits to members Inaccurate data impacting the valuation of liabilities during the triennial valuation. Increased delays to backlogs contributing to further increases	Implementation of front end validation of employer data submissions. Use of DART to run daily validations (200 per day) New system testing, releases and updates Dedicated systems team in place Issues and errors reported to System Providers Checking process in existing systems. Targeted staff overtime worked with focus on priority casework Ongoing development of data improvement plan. Dedicated Programmes and Performance Team Use of DART to run daily validations (200) Projects Team resource to target highlighted issues - bulk data corrections. Use of Hymans data cleansing tool as part of valuation process.	12	L=M I=H	6	L=M I=L	Further development of a robust data improvement plan Further preventative measures to be assessed to address route cause Capacity exercise outcomes to be implemented and a dedicated team resourced Targeted staff training for consistency of processes Systems Team to carry out review to ID in house improvements and efficiencies to system. Ensure robust contract and performance management with External Providers	<i>Comment 20/11/2023</i> <i>The existing data improvement plan will be reviewed and built on to identify a clear programme of actions and implementation dates.</i> <i>Whilst there are a number of ongoing actions being progressed there is no justification at this stage to reduce the risk score.</i>	Assistant Director Pensions		20/11/2023
03	Operational	Failure to retain or circulate personal or sensitive data in line with data protection requirements.	Information Governance Framework not yet implemented and embedded Cyber Attack (Illegal access of personal or sensitive data)	Financial or Regulatory penalties. Reputational damage to the organisation. Inability to deliver the service.	Access to expertise through BMBC Internal Audit Team and DPO. ICT control measures. Data protection policies, procedures and training in place. Data breach process followed to identify areas for improvement. Close liaison with DPO. Reporting to ICO and implementing any recommendations. Implementation of data recovery plan.	12	L=M I=H	6	L=M I=L	Implement and embed the Information Governance action plan in collaboration with Internal Audit at each stage of review. Delivery of additional Data Protection training in roles and responsibilities for all staff, middle managers, and SMT.	<i>22/11/2023</i> <i>Work is ongoing to further develop and embed the updated suite of Data Protection Policies. These should be in place and ready to share with staff by the end of 2023 with training early in the new year.</i>	Assistant Director Resources		22/11/2023
04	Operational	Failure of the Authority to comply with relevant Regulations	Lack of access to latest regulatory updates Authority policies and procedures not kept up to date in line with regulatory updates Delays in issue of regulatory updates	Enforcement action by relevant regulatory authorities	Service areas are aware of key points of reference for relevant regulations Reporting of compliance within relevant standards. Basic assessment of compliance with TPR CoP 14 in place. Regular reviews of key policies and processes Ongoing process of awareness raising and training for staff in relation to operational matters Oversight of key updates and awareness of milestone approvals	12	L=M I=H	8	L=L I=H	More detailed assessment of compliance with emerging regulatory requirements. TPR Single Code with associated action plan and enhanced regular reporting. Additional training for Authority and Pension Board Members to enable improved oversight. Central tracker that is regularly reviewed to ensure timely updates to all policies, procedures and frameworks Review potential of building compliance actions on Pentana for items such as TPR Single Code	<i>Comment 23/11/2023</i> <i>This risk has previously focused on pensions regulations however, from a strategic perspective, this needs to capture overall regulatory compliance. Each service area will review this at an operational risk level and a central policy tracker will be put in place which will identify the regulatory source and ensure that updates are carried out in a timely manner.</i> <i>At this stage there is no justification for the reduction in this risk score.</i>	Head of Governance		23/11/2023
06	Operational	Backlogs in work flows	Mismatch of resources and workload Priority of work to be processed Systems limitations Changes to regulations - late statutory guidance	Declines in the overall level of service performance. Regulatory penalties Reputational Damage	Improved processes and staff training Targeted overtime to focused areas Changes to work tray allocations Pre live launch testing processes in place. Capacity planning exercise has been undertaken. An action plan considering a range of specific actions to address aspects of problems identified has been developed and is being worked through.	16	L=H I=H	6	L=M I=L	Overarching action plan to be developed Review of processes and policies Capacity planning exercise and focus group outcomes will be considered by members over the Autumn. However this may take some time to have an impact. Continuation of implementation of the action plan (particularly the automation of certain bulk processes) will provide some mitigation in the interim.	<i>Comment 20/11/2023</i> <i>Further review and action planning need to be implemented before there is any justification to change the risk score/</i>	Assistant Director Pensions		20/11/2023

Risk No	Risk Type	Risk Event	Risk Causes	Risk Effects	Existing Preventative Measures (Designed to Reduce Likelihood Score) Existing Mitigation Measures (Designed to Reduce Impact Score)	Current Score	Likelihood & Impact	Target Score	Likelihood & Impact	Additional Preventative Actions (May Reduce Likelihood Score) Additional Mitigation Action (May Reduce Impact Score)	Comment on Current Status	Owner	Risk Change at Review	Last Review Date
P1	People	High level of vacancies within the organisation	Limited availability of LGPS specialists and current labour market. Change in working practices since the COVID pandemic - recruitment market much more challenging	Inability to deliver the service Negative impact on staff wellbeing Poor staff retention resulting in loss of specialist knowledge	Career grade scheme in place to develop in-house specialists. Targeted advertising including using social media Hybrid working and existing flexi scheme. Capacity planning to identify additional resources. Regular one to ones, review of workload and work life balance. Promotion of wellbeing initiatives. Provision of Counselling, Occupational Health and Employee Assistance Programme. Investment in training and development. Market supplements where necessary and evidenced to recruit & retain key specialist roles.	12	L=H I=M	6	L=M I=L	Implementation of Pay & Ben review and talent attraction via Employee Value Proposition Increase in staffing following capacity planning Develop action plan following 2023 employee survey	<i>Comment 15/11/2023</i> <i>The pay and benefits review is being progressed and in the final stages of approval. The score for this risk will remain at this level until the review outcomes have been implemented and success measured.</i>	Director		15/11/2023
P2	People	Reduced levels of technical knowledge and senior management capacity during period of vacancy	Loss of key members of staff - single point of failure	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.	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	9	L=M I=M	9	L=M I=M	Appointment of an interim Senior Manager focussed on delivering key pieces of work Set up and deliver a robust recruitment process as soon as practical including use of executive search	<i>Comment 22/11/2023:</i> <i>This risk was in relation to a specific SMT vacancy which has now been successfully appointed to. This risk has now been fully mitigated and reached the target score and will be removed from the risk register.</i>	Director		22/11/2023
P3	People	Single point of failure due to unexpected vacancies or long term absence/s in specialist knowledge roles	Experienced staff leave or are absent for an extended period Organisational size limits deputising roles Some roles are responsible for broad range of specialist areas	Failure to deliver service and reduced service quality. Reputational damage. Impact on staff morale and wellbeing.	Revised pay and benefits package Range of policies for supporting wellbeing Documented procedures and work instructions Learning and development plans and knowledge transfer Organisational Resilience Plan. Lessons learned to identify single points of failure. Ability to call on external third party support. Regular one to ones, review of workload and work life balance. Promotion of wellbeing initiatives. Provision of Counselling, Occupational Health and Employee Assistance Programme.	12	L= M I= H	9	L= M I= M	Further measures to identify single points of failure across all teams Enhance knowledge transfer Further develop succession planning Implementation of Pensions Administration Review Identify specialist areas to call on third party support	<i>22/11/2023</i> <i>This is a new risk to address the potential of future single points of failure and the challenges this could create in specialist roles</i>	Director		22/11/2023

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December 2023

Risk Management Framework December 2023

Document Control Information

Document title	Risk Management Framework
Version	December 2023
Status	Approved
Owner	Head of Governance
Department	Resources
Publication date	14 December 2023
Approved by	Audit & Governance Committee
Next review date	December 2024

Version History

Version	Date	Detail	Authors
December 2023	14/12/2023	As approved at meeting of A&G Committee	Head of Governance

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1. Foreword

Risk is present in every activity undertaken by the Pensions Authority, and we need to ensure that the risks we face are both recognised and addressed to ensure that we can successfully achieve the strategic objectives set out in our corporate strategy. This policy sets out the framework which we will use to do this. As important as having a clear framework is the attitude we take to risk and the degree of risk we are prepared to accept.

As an organisation responsible for significant investments, we recognise that only by taking some degree of risk will we receive the returns (which are in essence the value of risk) we need to ensure that pensions can be paid. However, it is not our job to take excessive risks and consequently we have defined our appetite for risk as “moderate”. This risk appetite applies to all aspects of our work and very much reflects the culture of the organisation across all aspects of its work.

Having a policy of this sort is crucial to ensuring that we only take risks that are within this risk appetite and that managers across the organisation consistently reflect on risk in their planning and decision-making processes.

Against this background, where some risk will always exist, SYPA has a duty to manage those risks with a view to safeguarding its employees, protecting its assets, and protecting the interests of stakeholders such as scheme members and employers.

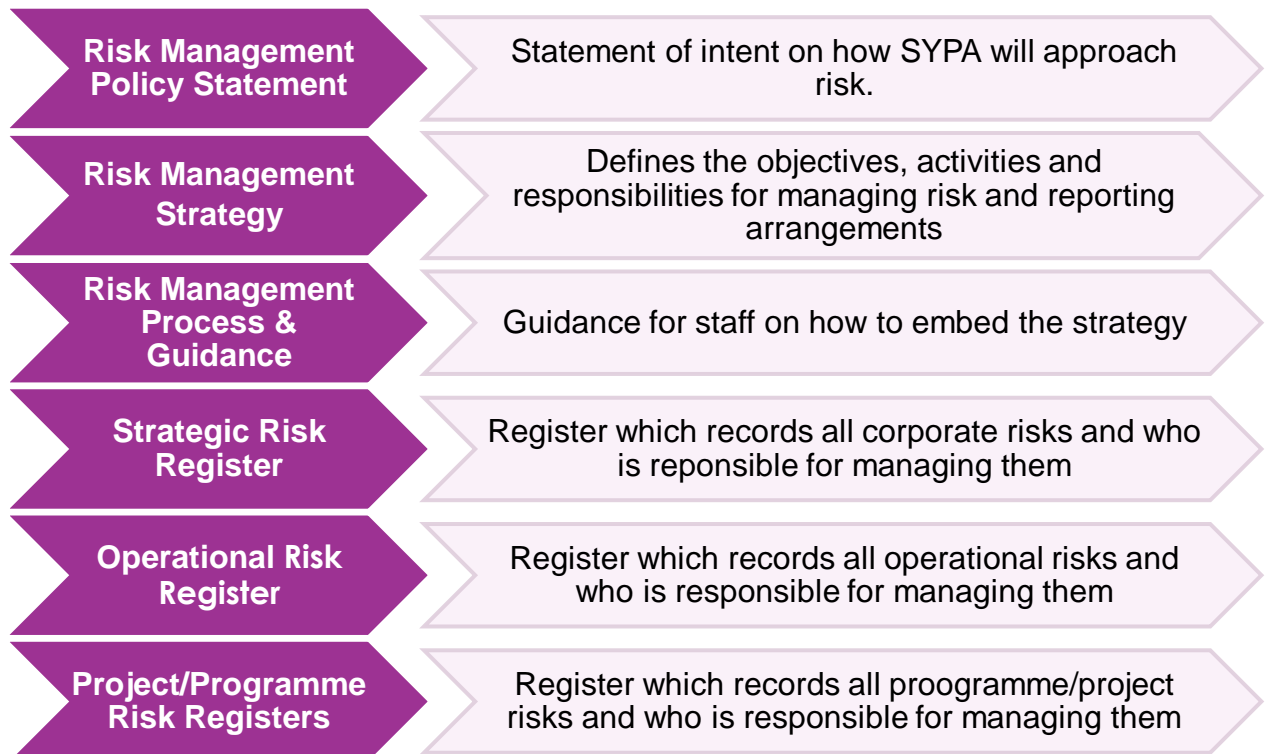
We meet this duty by adopting best practice in risk management which supports a structured and focussed approach to managing risks and ensuring that risk management is an integral part of the governance of the Authority at all levels.

The overall aim is to embed risk management into our processes and culture so that these techniques help us to achieve our corporate objectives and enhance the value of services that are provided to scheme members and employers.

2. The Risk Management Framework

The framework consists of the processes, guidelines and best practice to manage risk effectively while ensuring compliance with relevant regulations and standards.

This framework consists of the following components:

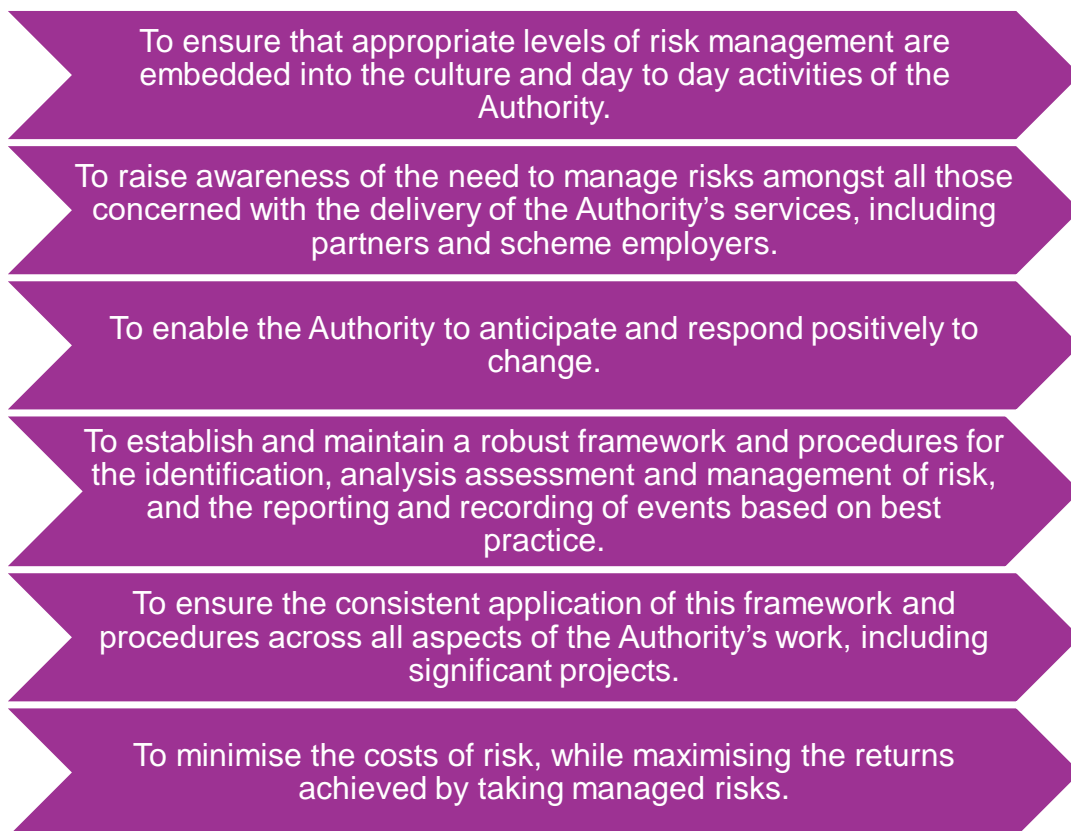


3. Risk Management Policy Statement and Strategy

SYPA recognises and accepts its legal responsibility to manage its risks effectively, has adopted a proactive approach to well thought through risk taking (balancing opportunity and risk) to achieve its objectives and enhance the value of services to scheme members.

The overall aim being to increase the likelihood of delivering on the corporate objectives by supporting innovation, encouraging creativity, minimising threats and providing an environment where risk management is seen as adding value to service delivery.

Objectives of SYPA'S Risk Management Strategy



These objectives need to be overlaid onto the objectives set out in the Authority's corporate strategy and it is the combination of these and our risk appetite that will determine how we go about delivering the corporate strategy.

How will we deliver the objectives of the Risk Management Policy and Strategy?

We will take a number of steps to ensure that the objectives of the Risk Management Policy and Strategy are delivered, and that the organisation is aware of the risks which it faces. Principally we will:

- Ensure a consistent approach to recording and monitoring risks by using a risk management software system which will allow a robust reporting overview linked to our strategic objectives.
- Ensure that the management of relevant risks within their sphere of operations is a key accountability of all managers.
- Record, allocate ownership and assess the severity of the key risks facing the organisation in a Strategic Risk Register which will form part of the Corporate Planning Framework.
- Inform and support the strategic risk management process by having a similar process for Operational Risk Registers within each of the services across the organisation.
- Regularly review the Strategic Risk Register (monthly Senior Management Team review and quarterly review by the Authority as part of the corporate performance reporting) in order to ensure that identified mitigations are being undertaken and are resulting in material changes in risk scores, and to identify new risks.
- Regularly review the Operational Risk Registers (monthly reviews by the relevant middle managers and quarterly at Senior Management Team (as part of the framework of Service performance updates).
- Ensure that major projects being undertaken by the Authority have their own risk register maintained by the designated project manager and are reviewed on a regular basis (at least monthly) by the Project Team with reporting to either the relevant Assistant Director or by the Senior Management Team collectively where the project impacts more than one department.
- Assess, as part of the annual corporate planning process, the Authority's risk appetite, and then reflect this assessment in the scoring of the strategic risk register.
- Ensure that all reports for meetings of the Authority, its Committees and the Local Pension Board identify the impacts of proposed actions on the strategic risk register and any specific risks associated with the actions proposed.

How will we know if we have achieved our risk management objectives?

The Risk Management Framework applies to how we do things, rather than what we do, which means that we are only likely to know if the risk management objectives have not been achieved if something goes wrong because we have failed to manage effectively the risks involved.

If we manage to deliver all the various outcomes and outputs within the corporate strategy on time and on budget then self-evidently, we will have managed risk effectively, even though how we have done it may not be particularly apparent. The risk management system will however give a clear overarching assurance of progress in managing both strategic and operational risks.

Thus, the success of this framework should be judged through the overall success of the organisation in delivering its corporate objectives and major projects. The other way of judging the effectiveness of the framework is through the way we operate demonstrating a number of key characteristics which are:

- The work of the organisation being delivered in a consistent and controlled way.
- A structured approach to planning, decision making and prioritisation which recognises the relevant threats and opportunities and drives the allocation of resources.
- A focus on the protection of assets, including the Authority's image/reputation, and knowledge base.
- A focus on achieving maximum operational efficiency.

The effectiveness of management and controls in these areas forms part of the assessment required to produce the Annual Governance Statement and is also reflected in the planned work of Internal Audit and the work external auditors carry out in relation to the Value for Money conclusion.

4. The Risk Management Process

The risk management process requires that every relevant risk:

- Is identified, recorded, described and owned by a named manager.
- Assessed (or scored) in terms of the overall degree of ‘concern’ regarding the risk.
- Mitigated, and
- Reviewed.

Risks are contained in either:

- The Strategic Risk Register.
- The Operational Risk Register.
- A specific risk register linked to a major corporate project.

Each risk must be reviewed on a regular (at least monthly) basis and updated on the risk management system to identify whether the mitigations identified have succeeded in reducing the degree of concern caused by each risk.

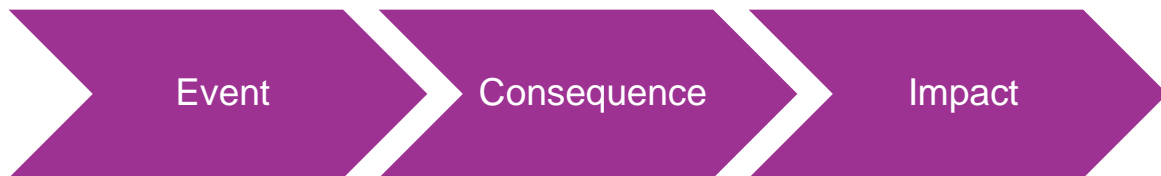
Risk Identification and Recording

Identification of risks will be undertaken by the Senior Management Team in relation to items for inclusion on the Strategic Risk Register, and by the Heads of and Service Managers in relation to items for inclusion on the Operational Risk Register and by the relevant Project Team in relation to project related risks. The relevant team will decide collectively whether the degree of ‘concern’ associated with each specific issue merits its inclusion on the risk register. The Senior Management Team, Heads of / Service Managers and Project teams may use a variety of methods to identify risks including facilitated workshops, checklists, and process mapping.

No method of risk identification will capture all possible risks, but the graphic below illustrates some of the key sources and types of risk.



In order to properly express the risk, it needs to be considered as an event which if it manifests will have a **consequence** which may then have a negative **impact** on the achievement of the organisation’s objectives, as illustrated below.



Risks must be recorded in the risk register once they have been identified. The Strategic Risk Register, Operational Risk Registers and any project risk registers will each have single identified owners responsible for maintaining the integrity of the register including version control, control over additions and deletions and amendments. The information recorded in relation to each risk when added to the register will comprise:

- A clear description of the risk and an appropriate title of the risk event.
- The owner of the risk.
- The control measures currently in place – defined in terms of preventative measures and mitigation measures.
- The score for the risk based on the current controls in place.
- Further control measures to be put in place – also defined in terms of preventative measures and mitigation measures.
- Each of the further control measures must have an owner and a review date.
- The target score for the risk once the further control measures have been put in place.

Any additional mitigation or prevention actions that are significant will be identified for delivery either within the Corporate Strategy or as an objective for an individual member of staff in the appraisal process.

Risk Assessment or Scoring

Any risk included in the risk register is likely to be significant, but in order to understand the priority that should be attached to measures for managing any particular risk it is important to understand the relative significance of risks.

This is achieved through a process of assessment or scoring which looks at each risk in two dimensions:

- The likelihood of the risk event taking place; and
- The impact of the event.

The grid below allows an overall risk score to be attached to each identified risk, based on both the current position and the intended (or target) position following the implementation of identified control measures.

Risk Matrix

IMPACT	5 Very High	5	10	15	20	25
	4 High	4	8	12	16	20
	3 Medium	3	6	9	12	15
	2 Low	2	4	6	8	10
	1 Very Low	1	2	3	4	5
			1 Very Low	2 Low	3 Medium	4 High
		LIKELIHOOD				

The definitions of impact and likelihood relating to the work of the Authority are set out in Appendix 1. Because of the different nature of the Authority’s investment and other operations, particularly in terms of financial scale, there is a differentiated approach to the metrics used to support the scoring process across the different aspects of the Authority’s work.

Risk Management

Each risk recorded should also have one or more actions identified which will reduce either the likelihood or impact of the event. It is important to ensure that each measure to be put in place is proportionate to the risk and that the resources (whether cash or time) required to successfully prevent and/or mitigate the risk are not greater than the potential impact of the risk should the event occur.

Identified preventative and mitigating measures must all have an owner who will be the manager best placed to undertake the required action. In addition, the actions should be SMART, that is:

- S**–Specific
- M** –Measurable
- A**–Achievable
- R**–Resourced
- T**–Timebound

The individual performance management process (appraisal and 1:1’s) is used to monitor progression delivery, with major items being reported on through the corporate performance report as these will be reflected as actions within the corporate strategy.

Risk Review

Each risk register (and hence each risk) is subject to a formal review on a not less than monthly basis (for some major projects at some stages of the project life cycle reviews will need to be more frequent). Reviews should be formally recorded in the minutes/notes of the relevant meeting of the Senior Management Team, service area team or project team, prior to the updating of the register.

These records need only refer to amendments agreed to either scoring or control measures, or the addition or deletion of specific risks. The review discussion must consider:

- i. Whether the risk continues to be described appropriately. It may be the case that changed circumstances mean a description ceases to be appropriate and therefore the description should be changed.
- ii. Whether the risk owner remains appropriate.
- iii. Whether the current controls are suitable. For example, have new controls been developed or have current controls failed.
- iv. Whether the current and target risk scores are correct / appropriate. For example, have there been “near misses” or changes to circumstances which necessitate a change in the scores.
- v. Whether the preventative and mitigating control measures identified are still relevant:
 - a. Have actions been completed requiring further control measures to become current controls, which would require a reassessment of the score.
 - b. Whether ongoing control actions require a new review date.
 - c. Whether the controls owner remains appropriate.
 - d. Whether there are new preventative or mitigating measures that can be taken.
- vi. Whether there are additional risks to consider for inclusion in the register.

Following a risk review where amendments have been agreed, the Strategic Risk Register should be updated by each risk owner to reflect the decisions made from the review. The updates must include an indication of the movement in the score for any risk and some commentary as to the changes made and the reasons for them. All of this information is to be captured on the risk management system.

Following each review of Operational Risk Registers or a project risk register, those risks falling outside the defined acceptance levels should be escalated to the Senior Management Team for consideration and possible inclusion in the Strategic Risk Register.

The Governance team will be responsible for ensuring the risk management processes are followed.

Risk Tolerance/Acceptance

It is accepted that there are some risks which must be taken to achieve specific objectives and where the degree of risk cannot be entirely effectively mitigated, however these cases should be relatively rare, and they should be recognised and reported on through the overall reporting processes outlined in this framework. However, in general, the organisation works within an understood risk tolerance or acceptance level (sometimes called a risk appetite), and where risks achieve this level, they can be addressed on a more passive “care and maintenance” basis, allowing resources to be devoted to more urgent priorities.

The risk appetite or tolerance can be defined as the overall level of exposure to risk which is deemed acceptable within the organisation. It is a series of boundaries authorised by Senior Management to give clear guidance on acceptable levels of risk.

Risk appetite is translated into tolerance or acceptance levels which are defined by Current and Target risk assessment scores for individual risks. Risks which fall outside of the agreed tolerance/acceptance levels are reported to senior management, using the model set out below:

Current Score Range	Target Score Range	Actions
1 – 5 (Green)	1-5 (Green)	Monitored and reviewed through risk register reviews
6-12 (Amber)	1-5 (Green)	Managed and monitored through risk register reviews
6-12 (Amber)	6-12 (Amber)	Managed and monitored through risk register reviews
15-25 (Red)	1-5 (Green)	Managed and mitigated through risk register reviews
15-25 (Red)	6-12 (Amber)	Managed and mitigated through risk register reviews
15-25 (Red)	15-25 (Red)	Escalated

All decision-making reports are required to provide details of any potentially significant risks arising from the matters considered in the report. The report must include specific references to the significant risks associated with the proposal, alongside assurances that appropriate control measures are (or will be) in place. This ensures that report authors provide accurate and appropriate information about the management of risk.

Guidance, training, and facilitation

This risk management framework is available to all staff on the organisation’s internal SharePoint system.

Specialist training will be provided as required and the Governance team provide guidance, support and advice to middle managers on risk management principles and procedures.

Training can be provided for individual officers or for elected members. Any specific requirements should be discussed with the Head of Governance.

5. Assurance

The provision of assurance that risks are identified, understood, and appropriately managed is an essential measure of the adequacy and effectiveness of the organisation's risk management arrangements.

The Senior Management Team are responsible for ensuring that the following actions are undertaken to provide appropriate assurance to elected members and other stakeholders.

- An update on changes to the Strategic Risk Register within the Corporate Performance report presented to meetings of the Pensions Authority.
- A formal review of both the risk register, and the risk management framework presented to the Authority's Audit & Governance Committee annually.
- The inclusion within all reports to the Authority, its Committees and the Local Pension Board of a mandatory section allowing proper consideration of the risks involved in the proposals being made.

In addition, the Authority's Internal Audit function will undertake an annual independent review of the organisation's risk management arrangements. This review is intended to provide independent and objective assurance regarding the adequacy and effectiveness of the Authority's risk management arrangements. The audit focuses on:

- Verifying the existence of risk registers and relevant action plans.
- Analysing whether risk management is being actively undertaken across the organisation; and,
- Providing appropriate advice and guidance as to further improvements in risk management processes and procedures.

Risk management arrangements are also reviewed as part of the process which supports the production of the Authority's Annual Governance Statement.

Appendix 1

Roles and Responsibilities

The responsibility for managing risk extends throughout the organisation. It is important that all of us are aware of our roles. The following table summarises the various roles and responsibilities.

Role	Responsibilities
Pensions Authority	Responsible decision-makers and set the strategic direction of the Authority, including determination of the risk appetite. Review the Strategic Risk Register on a regular basis. Need to be fully apprised of risk consequences to inform decision making.
Audit and Governance Committee	Scrutinise and monitor the effectiveness of risk management arrangements. Obtain assurance on the effectiveness of risk and internal control arrangements.
Local Pension Board	Consider and challenge the Authority's management of risk. Seek assurance that a strong control framework and good governance arrangements are in place.
Senior Management Team	Demonstrate leadership of the risk management process. Ensure the strategic risk register is a live and up-to-date record of the Authority's risk exposure and regularly discussed within management team meetings. Operate and communicate the organisation's risk appetite. Make informed decisions about treatment of significant risks. Provide assurance to Members that appropriate risk management processes are in place across the Authority.

Role	Responsibilities
Middle Managers	<p>Ensure their service’s operational risk register is a live and up-to-date record of the operational risk exposure and regularly discussed within team meetings.</p> <p>Understand where an operational risk has a corporate or strategic impact and escalate accordingly.</p> <p>Contribute to the strategic risk management process through identification and management of risks associated with service area.</p> <p>Ensure relevant staff have appropriate understanding of risk management.</p>
Project Leads	<p>Ensure risk is appropriately considered within business cases and procurement reports submitted.</p> <p>Ensure risks are appropriately monitored throughout the lifecycle of projects.</p> <p>Escalate significant risks to the Senior Management Team.</p>
Risk Owners	<p>Understand their accountability for individual risks and the controls in place to manage those risks. Understand that risk management and risk awareness are a key part of the Authority’s culture.</p> <p>Report promptly and systematically to senior management any perceived risks or failures of existing control measures.</p>
Governance Team	<p>Develop and maintain the risk management strategy and framework.</p> <p>Ensure this is reviewed annually by the Authority’s Audit & Governance Committee.</p> <p>Support managers in the identification and management of risks at Strategic and Operational level.</p> <p>Ensure training needs of all those who have responsibility for managing risk within the Authority are met.</p>

Appendix 2

Detailed Risk Assessment and Scoring Methodology

A 5 x 5 risk matrix covering **Likelihood** and **Impact** (including ‘financial’ and ‘other impacts’) is used when assessing the level of risk. This analysis should be undertaken by managers and supervisors with **experience in the area in question**.

Likelihood

Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Less than a 5% chance of circumstances arising OR Has happened rarely/never	5% to 20% chance of circumstances arising OR Only likely to happen once every 3 or more years	20% to 40% chance of circumstances arising OR Likely to happen in the next 2 to 3 years OR Risk seldom encountered	40% to 70% chance of circumstances arising OR Likely to happen at some point in the next 1 to 2 years OR Risk occasionally encountered	More than a 70% chance of circumstances arising OR Potential occurrence OR Risk frequently encountered

Financial and Other Impacts

Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Less than 1% of budget OR Up to £100,000 OR In terms of Investment Assets: <1% change in asset values	1% - 5% of budget OR Up to £250,000 OR In terms of Investment Assets: >1% but <2.5% change in asset values	6% - 10% of budget OR Up to £1m OR In terms of Investment Assets: >2.5% but <5% change in asset values	11% - 20% of budget OR Up to £5m OR In terms of Investment Assets: >5% but <10% change in asset values	Greater than 20% of budget OR Over £5m OR In terms of Investment Assets: >10% change in asset values

	Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
	Minimal or no effect on the achievement of Authority objectives AND/OR	Little effect on the achievement of Authority objectives AND/OR	Partial failure to achieve Authority objectives AND/OR	Significant impact on achieving Authority objectives AND/OR	Non-delivery of Authority objectives AND/OR
	Minimal or no effect on the delivery of Service objectives	Little effect of the delivery of Service objectives	Partial failure to achieve Service objectives	Significant impact on achieving Services objectives	Non-delivery of Service objectives Loss of critical services for over 7 days
	Little disruption to the delivery of services Very confident the risk can be improved AND/OR	Some disruption to the delivery of services Confident the risk can be improved AND/OR	Significant disruption to the delivery of services Moderately confident that the risk can be improved AND/OR	Loss of critical services for more than 48 hours, but less than 7 days Little confidence the risk can be improved AND/OR	Very little confidence that the risk can be improved AND/OR
	Very achievable objective Very easily influenced Very tolerable/easy to accept	Achievable objective Easily influenced Tolerable	Possible to achieve objective Able to influence	Unachievable objective Difficult to influence	Totally unachievable objective Very difficult to influence Out of tolerance-
	Insignificant injury AND/OR	Minor injury AND/OR	Somewhat tolerable Threat of violence or serious injury AND/OR	Difficult to influence Out of tolerance but possible to accept	Fatality or multiple major injuries AND/OR
	Near miss, no damage incurred to Authority assets	Incident occurred, minor damage incurred to Authority assets	Some damage incurred to Authority assets	Extensive multiple injuries AND/OR	Total loss of Authority assets Significant damage to immediate or wider environment
	Insignificant environmental damage Insignificant Reputational damage AND/OR	Minor damage to the immediate local environment Minimal damage to Reputation (minimal negative coverage in local press) AND/OR	Moderate damage to the immediate or wider local environment Significant negative coverage in the local press or minimal negative coverage in regional press AND/OR	Significant damage incurred to Authority assets Major damage to immediate or wider environment Significant negative coverage in regional press AND/OR	Extensive negative coverage in national press and TV AND/OR
	No internal coverage/no social media attention	Minimal internal negative coverage/minimal social media attention	Some internal negative coverage/some social media attention	Significant internal coverage/significant social media attention	Extensive internal coverage/extensive social media attention

A numeric value is applied to each of the selections for Likelihood and Impact, these are multiplied together to give the risk score reflected in the matrix below.

Risk Matrix

IMPACT	5 Very High	5	10	15	20	25
	4 High	4	8	12	16	20
	3 Medium	3	6	9	12	15
	2 Low	2	4	6	8	10
	1 Very Low	1	2	3	4	5
		1 Very Low	2 Low	3 Medium	4 High	5 Very High
		LIKELIHOOD				

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Subject	Quarterly Administration Update – Quarter 3 2023-24	Status	For Publication
Report to	Local Pension Board	Date	15/02/2024
Report of	Assistant Director Pensions		
Equality Impact Assessment	Not Required	Attached	N/A
Contact Officer	Debbie Sharp- Assistant Director Pensions Lindsay Grayson Service Manager - Benefits Joanne Webster Service Manager - Customer Services	Phone	01226 666480 01226 666431 01226 666510
E Mail	Dsharp@sypa.org.uk LGrayson@sypa.org.uk Jwebster@sypa.org.uk		

1 Purpose of the Report

- 1.1 To update members on the administration performance, work undertaken and issues for the Period 1 September 2023 data for the period 1 October to 31 December 2023.
- 1.2 This report also includes details of appeals, breaches & complaints

2 Recommendations

- 2.1 Members are recommended to:
 - a. **Accept the report with or without comment and indicate any areas where they would like to receive further detail**

3 Link to Corporate Objectives

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

Customer Focus

To design our services around the needs of our customers, whether scheme members or employers. The report includes reference to feedback from our customers.

Listening to our stakeholders

To ensure that stakeholders' views are heard within our decision-making processes. The report includes information about the engagement with the employers in the scheme and how SYPA can support them to complete their responsibilities.

Effective and Transparent Governance

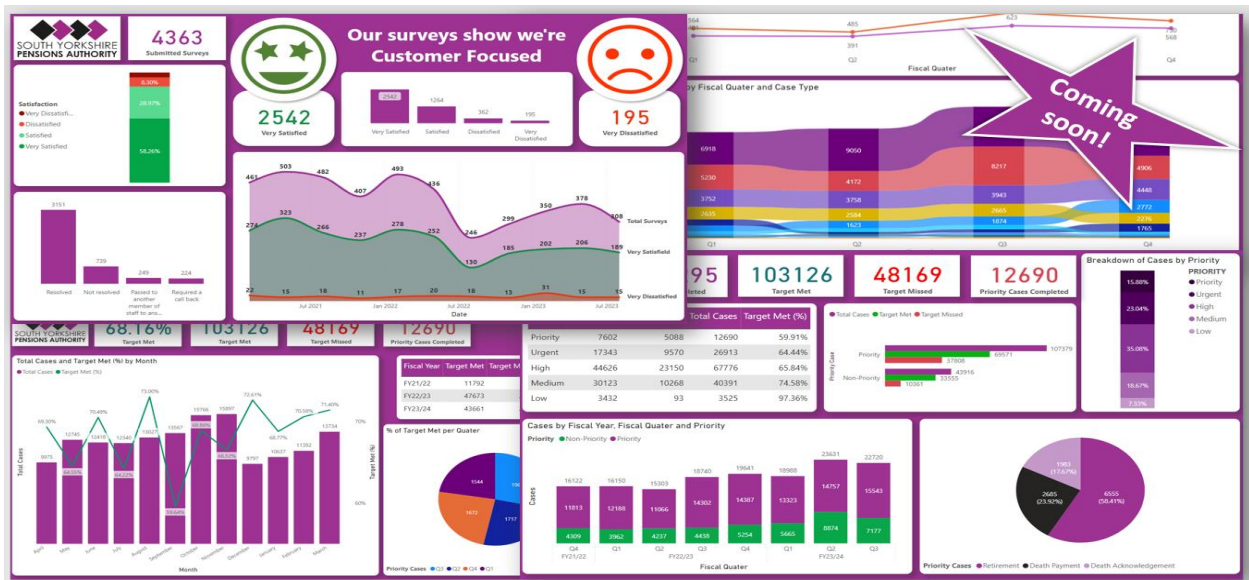
To uphold effective governance showing prudence and propriety at all times. The report includes detail on the overall administration performance to ensure Members are able to scrutinise the service being provided to our customers.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report do not have implications for the Corporate Risk Register.

5 Performance

- 5.1 This report seeks to make Board Members aware of the main areas of administration performance and any topical issues relevant since the last report. As previously reported a review of the format and presentation of all performance reporting across the organisation is on-going.

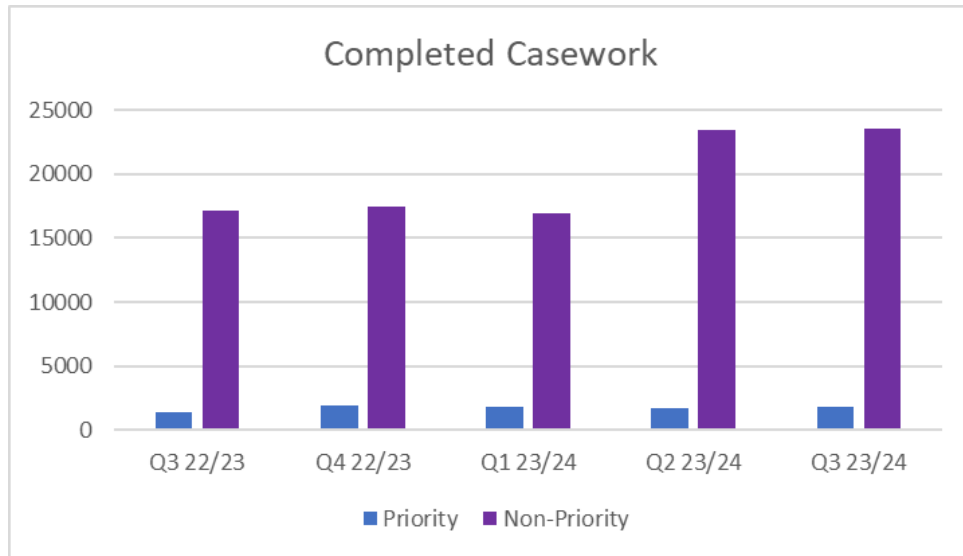


Case Work Performance

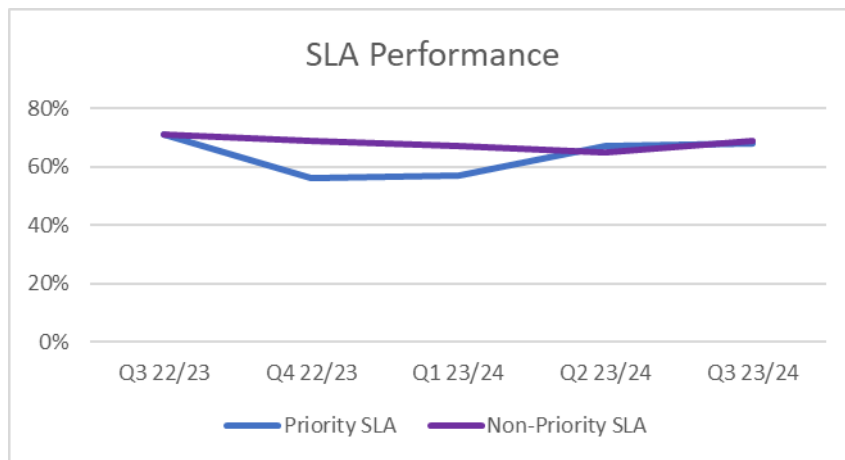
- 5.2 The reporting of performance has been updated in order that members can more easily compare like-for-like periods. Graph (i) below shows the completed casework volumes for the last three quarters, compared with the previous quarter but also compared with the last corresponding quarter for the previous year. The chart shows that targeted overtime has increase the volume of casework completed. Graph (ii) highlight the levels of performance against current service standards for both priority and non-priority casework. As backlogs are tackled this has a negative effect on performance levels.

Incoming work volumes have increased over the last year. Whilst improvement can be seen to priority casework performance levels this will be difficult to maintain until staff have been recruited to the revised structure.

Graph (i)

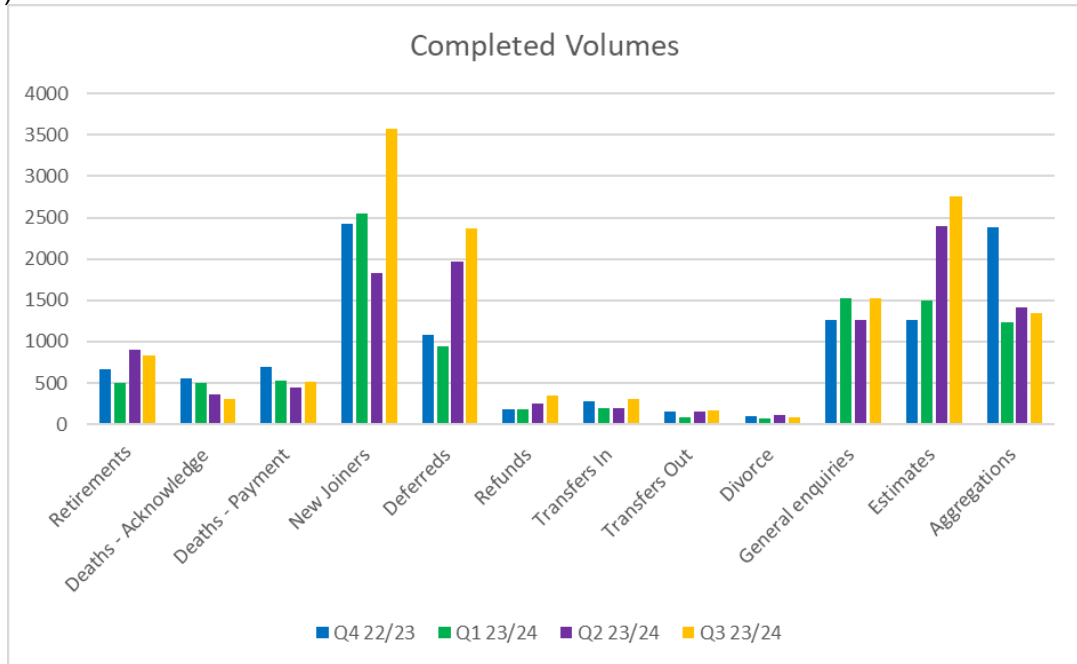


Graph (ii)

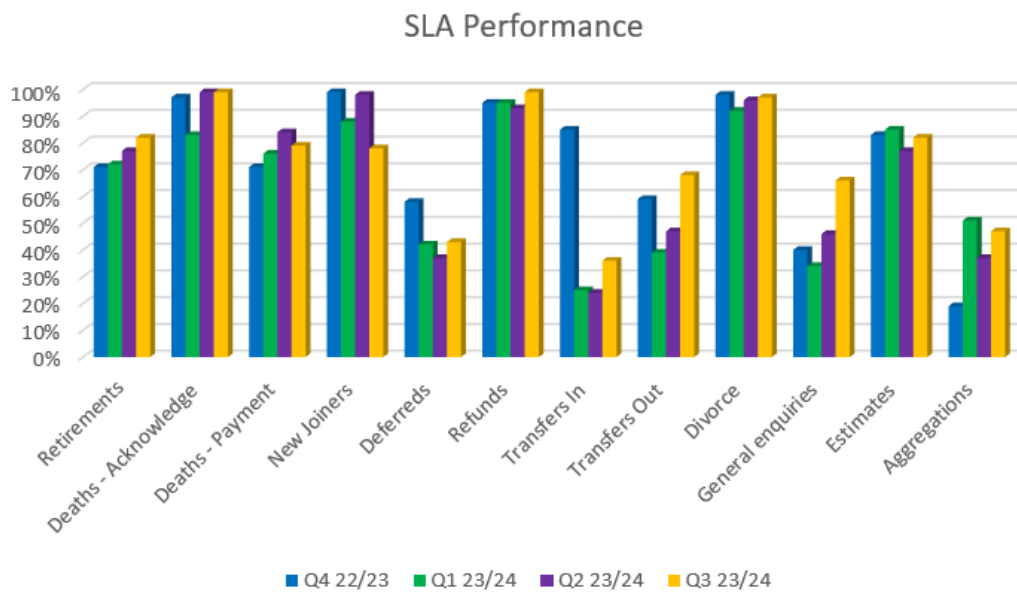


5.3 Graphs (iii & iv) provides a summary of performance across the main subject areas as previously requested by the Board. An overtime plan has been agreed with the aim to fully clear casework backlogs within 12-18 months. Progress will be monitored monthly.

Graph (iii)

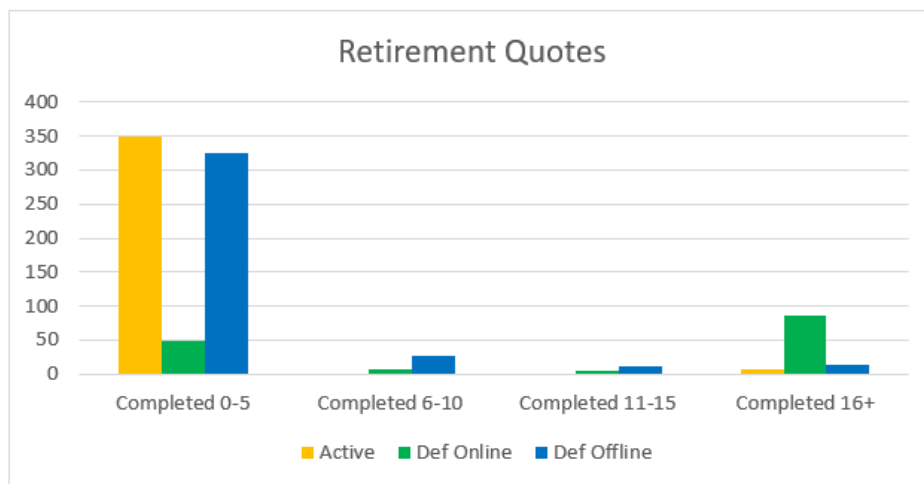


Graph (iv)



5.4 Graphs (v & vi) below provides a breakdown of retirements from Active and deferred status over Oct – Dec 2023. An improvement in the number of cases completed in 0-5 days has been seen, possibly due to a new work allocation system. Quotations for deferred members online will be investigated to see why 87 took over 16 days to complete.

Graph (v)

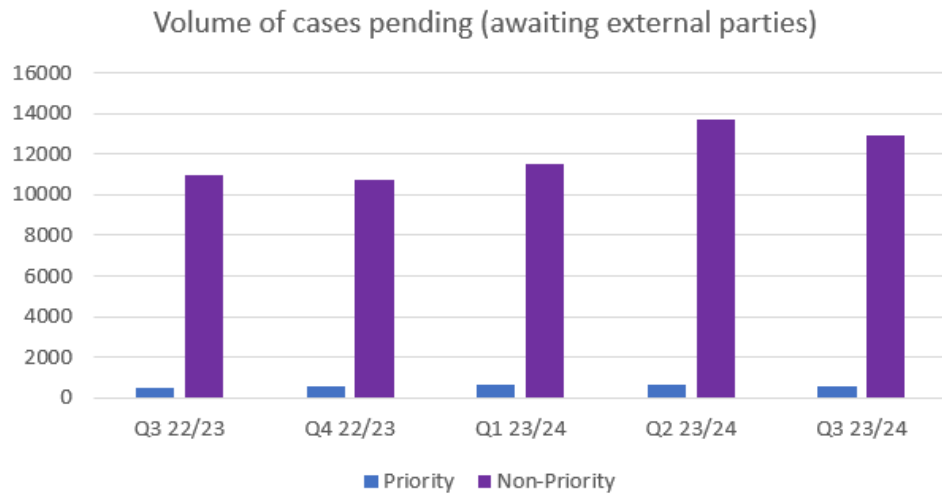


Graph (vi)

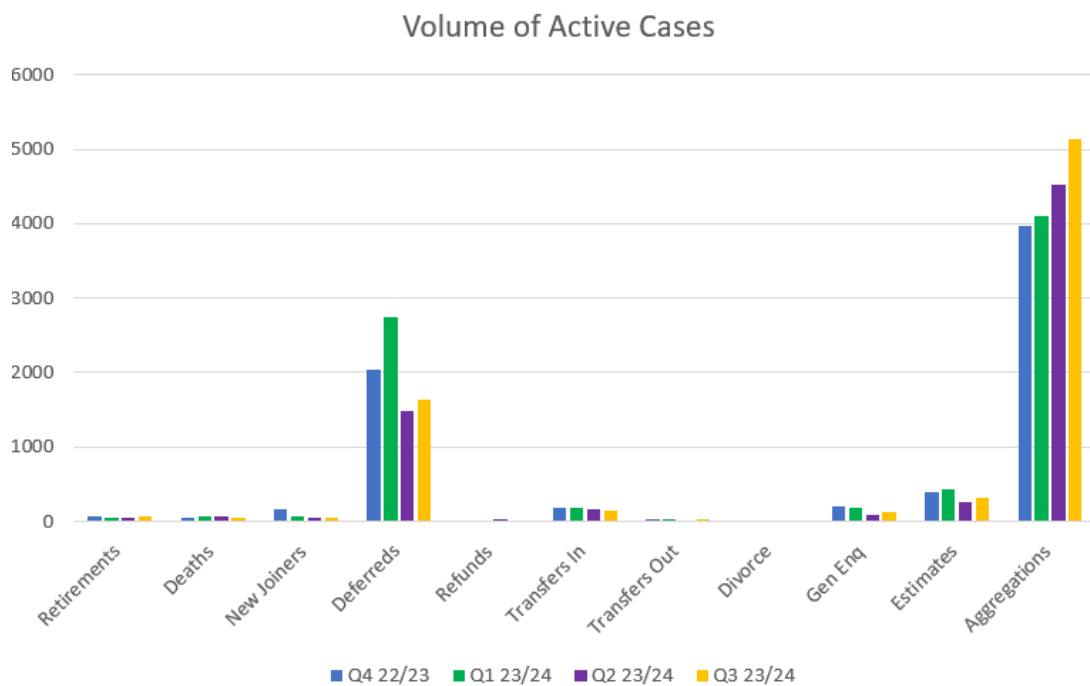


Graphs (vii) & (viii) update on cases outstanding to 31 December 2023. Graph (vii) shows cases awaiting information from third parties whilst Graph (viii) shows those ready to be processed. Most cases in pending are leavers where information is required from the employer. Graph (viii) is distorted due to the volumes of aggregations & deferments waiting to be processed

Graph (vii)



Graph (viii)



5.5 The project to introduce a means of processing leavers using automated tools or bulk processing has been delayed due to competing priorities within the Systems Team which supports the administration system. This project will be revisited after the implementation of the necessary McCloud system developments.

Customer Services – Scheme Member Engagement

5.6 Customer Satisfaction – Retirement Survey - August – October 2023

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	62%	Up 1%	▲
Satisfied	30%		
Dissatisfied	7%	Down 1%	▼
Very Dissatisfied	1%		
Total Number of Respondents	130 out of 647		

Action taken in response to comments made are summarised below.

- Changed the minimum age to request deferred benefits to be paid to age 54 with a note confirming age 55 was the earliest date they could retire. This now allows the member to give the 3 months' notice required and receive their benefits from age 55.
- Looking into developing an online upload facility for active and pensioner members. Currently only available to deferred members as part of the deferred retire online process.

5.7 Customer Centre – Telephone Calls – August – October 2023

Survey sent to 4,418 members (those with an email address),307 responded.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	62%	No change	
Satisfied	24%		
Dissatisfied	9%	No change	
Very Dissatisfied	5%		
Total Number of Respondents	307 out of 4,418		

Whilst there is no change in the overall green category this quarter, there was a welcome shift of 7% from the satisfied category to very satisfied.

Recent improvements:

- Automatic call Distribution – the survey showed that 165 members (49%) were calling about retirement. A call routing for retirements and deaths has been introduced.
- Making use of a call back facility. Members 5th and above in the queue will be automatically offered a call back. The caller will keep their position in the queue, and they will automatically receive a call back and be connected to a member of staff.

5.8 **Customer Centre Emails – “click face” Survey - August –October 2023.**

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Excellent	67%	Up 10%	▲
Good	15%		
Ok	5%	Down 10%	▼
Poor	13%		
Total Number of Respondents	55 out of 8,071 emails sent		

5.9 **New Joiner Survey – June – August 2023**

1,102 members. The new joiner survey specifically asks about the welcome email/letter, including registration of the online portal.

Q. Overall, how satisfied are you with the service you receive from us?		Compared to last quarter	
Very Satisfied	12%	Down 2%	▼
Satisfied	62%		
Dissatisfied	23%	Up 2%	▲
Very Dissatisfied	3%		
Total Number of Respondents	36 out of 1,102 emails issued		

For the second quarter in a row the satisfaction rates have fallen.

Action Taken

- Customer Centre staff now have access to the new starter process tray and help with issuing welcome letters/emails to reduce delays.
- Website updated to advise it can take up to 3 months for a pension account to be set up and welcome notifications issued. The website re-assures members that this doesn't affect their commencement date in the scheme.

5.10 **Member Engagement – online portal**

All scheme members (regardless of status) are encouraged to sign up to the online portal. There was a total of **1,340** new registrations in the quarter to the end of December 2023. Total registrations now 91,721 or around 57% of the total membership. See **Appendix A** for registrations over the last year.

6 Data Quality and GMP Reconciliation and Rectification

6.1 The Authority is required to report data quality scores to the Pensions Regulator (TPR) as Part of the annual Scheme Return. The Return is usually due in the Autumn however

the 2023 return was due by 25 January 2024. The return was successfully filed by that date.

- 6.2 The Authority produces the data quality scores inhouse in accordance with National Guidance. Missing scheme member addresses persist as the greatest impact on the on the Common data score whilst Missing GMPs impact the Scheme Specific data score.

	TPR Scheme Return	TPR Scheme Return
	2022	2023 (25.01.24)
Common Data	97	97
Scheme Specific Data	94	96

- 6.3 The Authority has a data quality improvement plan that is updated annually. A report was brought to Board in April 2023. The plan has been updated. The primary focus is still the GMP Reconciliation and Rectification exercise. This has recently been resurrected and now a project team is actively working on ensuring this is completed Summer 2024.
- 6.4 Dry run data, based on 2021 data and using a £12pa trivial threshold for Underpayments and Overpayments for GMP Rectification shows 4000 records will have a GMP correction only. The number of Records with a Pension in payment adjustment is likely to be around;

GMP – Full Rectification

Data Item	Pensioners over GMP age	Dependants
Underpayment - Records	31	21
Total Change Pension PA	£4,878	£3,380
Underpayment Arrears	£36,709	£28,258
Overpayment - Records	673	116
Total Change Pension PA	£213,173	£20,768

7 Pensions Dashboards

- 7.1 Pensions dashboards are digital services that allow savers to see their pension information securely in one place, including their state pension. They will not contain any details for pensions that are already in payment. The purpose of pensions dashboards is to help members to plan better for their retirement and reconnect members with any lost pension pots. In 2019 the Money and Pensions Service (MaPS) established the Pensions Dashboard Programme to help design and deliver the central digital architecture required to make the dashboards work. It is envisaged that there will be multiple dashboards available with banks and financial institutions offering access alongside the government backed Money Helper website.
- 7.2 The Authority was previously given a staging date of September 2024. However, in March 2023 a reset to the dashboards programme was announced.
- 7.3 On 19 July 2023 the DWP laid the Pensions Dashboards (Amendment) Regulations 2023 which came into force on 9 August 2023. The amendment regulations

introduced a single 'connection deadline' of 31 October 2026 for relevant schemes to connect to pensions dashboards. The explanatory memorandum which accompanied the amendment regulations stated:

'Through this instrument, the Department for Work and Pensions is retaining the policy of compulsory connection by a set date and intends to encourage a staged approach set out in guidance, rather than mandated in Regulations. The connection timetable set out in guidance will be developed in collaboration with industry and is expected to be published in due course.'

- 7.4 On 7 November 2023 the Local Government Association (LGA) published the draft Pensions Dashboards connection guide for administering authorities. The guide sets out the steps that Funds will need to take to connect to pensions dashboards.
- 7.5 The Money and Pension Service (MaPS) are expected to publish staging date guidance which will confirm when LGPS funds should connect to the dashboards. The guidance is expected to be published in the first quarter of 2024 and the staging dates for the LGPS are estimated to be between April and September 2025.
- 7.6 There is a considerable amount of work to be completed for the Authority to prepare for dashboards, both for the initial connection to the dashboards and the ongoing business as usual once the dashboards are live.

8 McCloud

- 8.1 When the Government reformed public service pension schemes in 2014, for the Local Government Pension Scheme (LGPS), and 2015 for all other public services, transitional protections were introduced for older members. In the LGPS the transitional protections are known as the underpin.
- 8.2 In December 2018, the Court of Appeal ruled that younger members of the judicial and firefighters' pension schemes had been unlawfully discriminated against because the protections did not apply to them. This ruling is called the McCloud judgment. All public service pension schemes that provided transitional protection, including the LGPS, must extend the protections to all affected by the judgment to remove the age discrimination found in the McCloud court case.
- 8.3 On 8 September 2023 the Department for Levelling Up Housing and Communities (DLUHC) laid the Local Government Pension Scheme (Amendment) (No. 3) regulations 2023. The regulations implement the McCloud remedy and change the existing underpin to ensure it works effectively and consistently for qualifying members. The regulations took effect from 1 October 2023.
- 8.4 The underpin works by assessing the benefits a qualifying member would receive in both the final salary and care scheme, and the member receives the higher amount.
- 8.5 The qualifying criteria is that the member:
 - was a member of the LGPS or any other public sector scheme before 1 April 2012;
 - was a member of the LGPS at any time between 1 April 2014 and 31 March 2022 and some or all of this was before the members final salary normal retirement (ag usually 65);

- does not have a disqualifying gap (a continuous period of more than 5 years where they were not a member of a public service pension scheme).
 - If the member has more than one period of LGPS membership, they do not have to join up or 'aggregate' these memberships to qualify for the underpin protection.
 - If the member has membership of another public service pension scheme before 1 April 2012, they do not have to transfer that membership to the LGPS to qualify for underpin protections.
- 8.6 The remedy came into force with effect from 1 October 2023. All public sector schemes now need to apply the underpin to all affected members and revisit any benefits which were calculated since 1 April 2014 to check whether they require rectification. Underpin protection only applies to pension build up in the remedy period, between 1 April 2014 and 31 March 2022. The underpin will have stopped earlier if the member left the scheme or reached their final salary normal retirement age (usually 65) before 31 March 2022. From 1 April 2022, there is no underpin protection. Pension built up after this date is based on the career average scheme only.
- 8.7 Implementing the McCloud remedy has been described as the biggest challenge to face the LGPS since the introduction of the CARE scheme in 2014. It is a multi-faceted project that will require considerable resource and it will take considerable time to complete the rectification work required as a result. The Authority must identify all qualifying members, including those who have left since 2014, and who did not qualify for the previous underpin, to recalculate their benefits. The Authority will also have to revisit those members who did qualify for the original underpin to see whether they are affected. That is because the original underpin regulations were not detailed enough to ensure all protected members received a CARE benefit which was at least as good as the final salary benefits would have been. The new underpin regulations includes more detail to ensure it is consistently applied to all members. The Authority will also need to include information about underpin protection for all qualifying members in Annual Benefit statements (ABS) from 2025.
- 8.8 The Fund will need to identify the number of qualifying members who are 'in scope' of the remedy. That is, they meet the qualifying criteria. Not all of these members will require rectification. The CARE scheme has an accrual rate of 1/49th, the majority of members are better off in this scheme, rather than the final salary scheme and therefore, the underpin will not apply. However, a sizeable number have already left the scheme and their benefits will need to be revisited.
- 8.9 To assist funds who have missing data for some members, and for when the data is unsuitable, the Scheme Advisory Board (SAB) have produced guidance called 'service data for the McCloud remedy'. The guidance has been produced to assist administering authorities to recreate a suitable history of the member's LGPS service for the McCloud remedy period. Where the Authority cannot obtain the data, or has concerns about the quality of data held, the SAB guidance will be followed.
- 8.10 The Authority is working with the administration database provider, Civica, to implement functionality for the McCloud remedy. The developments broadly cover the following 4 areas:
- Identifying 'in scope' members
 - Implementing calculation of the new underpin for all new leavers

- Implementing bulk calculations to 'rectify' benefits already processed

The Authority has been able to implement the first stage to place a flag into the database which now identifies each member that is 'in scope' of the remedy. This identifies they meet the qualifying criteria. Civica have been focusing their development initially on being able to apply the new underpin to new members leaving the scheme. Some issues were identified throughout the testing of this functionality which meant that the implementation was delayed. User acceptance testing (UAT) of this functionality has been completed and it is hoped the new functionality will be live before the end of February. This will mean the new underpin will be checked for the following calculations:

- Ordinary retirement calculations for active members
- Redundancy retirement calculations for active members
- Ill-health retirement calculations for active members
- Ordinary retirement calculations for deferred members

8.11 The database development for all other areas of administration casework affected by McCloud will be phased in over 2024. It is expected that this development will include a basic calculation of the underpin and will automatically set up processes for these records to be rectified. This applies to deferred, pensioner and deceased members' records. 37. The Fund requires the timeline and plan from Civica to inform its own rectification plan for all benefits which were calculated for the period from 1 April 2014 to 31 December 2023.

8.12 As Members will understand, managing the work required to comply with McCloud will be a significant undertaking for the Authority and may inevitably have an impact on service levels and the Authority's ability to meet existing priorities, such as clearing historic backlogs.

9 Appeals, Breaches & Complaints

9.1 Cyber Security

There were 3 genuine cyber security incidents during the quarter, all of which were phishing attacks. All were reported and contained without clicked links or response to coercion. In all cases, the sender addresses, and links (if included) were blocked, and all staff notified of the email content to highlight future attempts.

A new cyber security awareness training and cyber risk management platform was implemented during this period. Mandatory courses are assigned to all staff for monthly completion, to further improve knowledge in the area.

9.2 Breaches

Ref	Date Recorded	Category	Description	Actions	Outcome	Date Reported
71	24/10/2023	Breach of Law	Payment of refund after the 5 year cut off period	Pay the refund	Refund now paid	24/10/2023

This case is due to the drafting of the Regulations not the team.

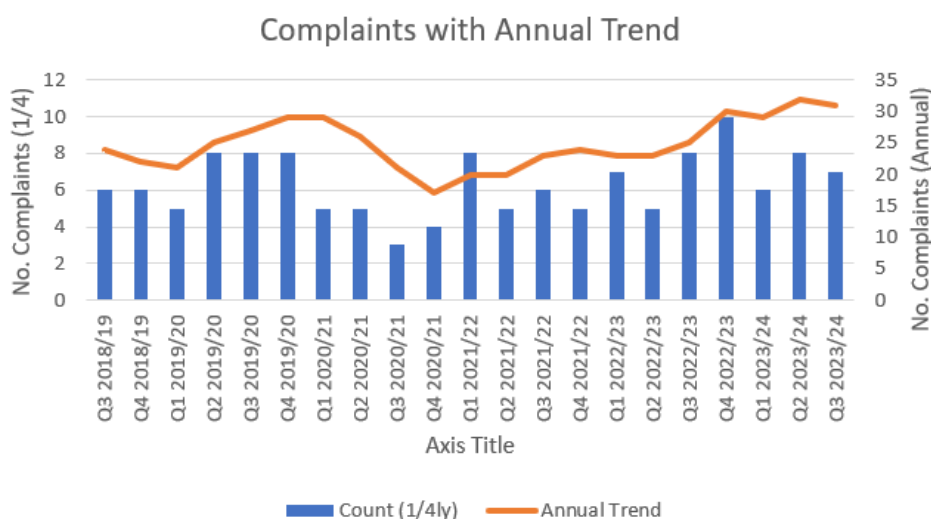
9.3 Appeals

Stage 1 raised	4
Stage 2 Raised	0
Appeals Decided	1
Appeals Upheld	0

4 stage 1 appeals received, still within regulatory timeline. 1 appeal was not upheld; however, we did pay the member £500 compensation. A new reporting procedure has been introduced which it is hoped will be used to report to the board as part of the Q4 23/24 report.

9.4 Complaints

7 complaints in the reporting period, there are no identifiable trends and only one was caused by SYPA – due to delays in annual allowance processing.



10 Employer Engagement

10.1 Improvements made or continuing to work on in the last quarter:

- Identifying Employer Training needs and offering bespoke training to ensure tailored sessions appropriate for staff.
- Quarterly Newsletter for Employers which provides updates on current issues and awareness of future changes. Issue 14 (January) has been issued on time.
- Regular Meetings with Rotherham MBC Pensions Team has produced outstanding results and significantly reduced the queries and keeps the Employer informed of latest issues.
- MDC Dashboard helps to identify Employers who are late with submissions to issue penalty notice warnings to encourage the MDC to be submitted before the deadline.
- Improvements to the current presentations utilising Canva.

- Employer Focus Group dates have been set for February; 30 Employer representatives expected to attend.
- Ill Health Retirement Process Is now in a transitional period – new process implemented in October.
- Employer Forum in November was well received.

Future Improvements:

- Working on improvements to the EPICi system to enable more effective reporting and a visualised snapshot of the Employers Status with outstanding queries.
- Employer Hub Implementation – 4 sessions have been arranged by Civica, the last one is on 24 January.
- Creating a Bulk Redundancy request template for Employers which will automatically create figures for all members over age 55, at the time of retirement, from using the MDC information on UPM.
- Create a Retirement Data Form to request Termination Forms in advance of the members retirement date – need to see if Employer Hub can help with this.
- Collaboration with the MDC Focus Team to target and improve communications with non-compliant Employers/Payroll Providers
- Working on a new Ill Health UPM Process for IRMP payments

10.2 Training & Presentations

- 13 Training Sessions
- 6 Employee Presentations – Virtual
- 2 Employee Presentations – In Person
- 7 Employee Presentations – Hybrid (2 x Planning for Retirement, 2 Understanding your Pension, 3 Mid-Life)
- 1 Employer Forum – Sessions on Ill Health, AVC Wise, McCloud, MDC Team
- 2 1:1 Sessions Virtual/Civic Offices

See **Appendix B** for outstanding employer queries

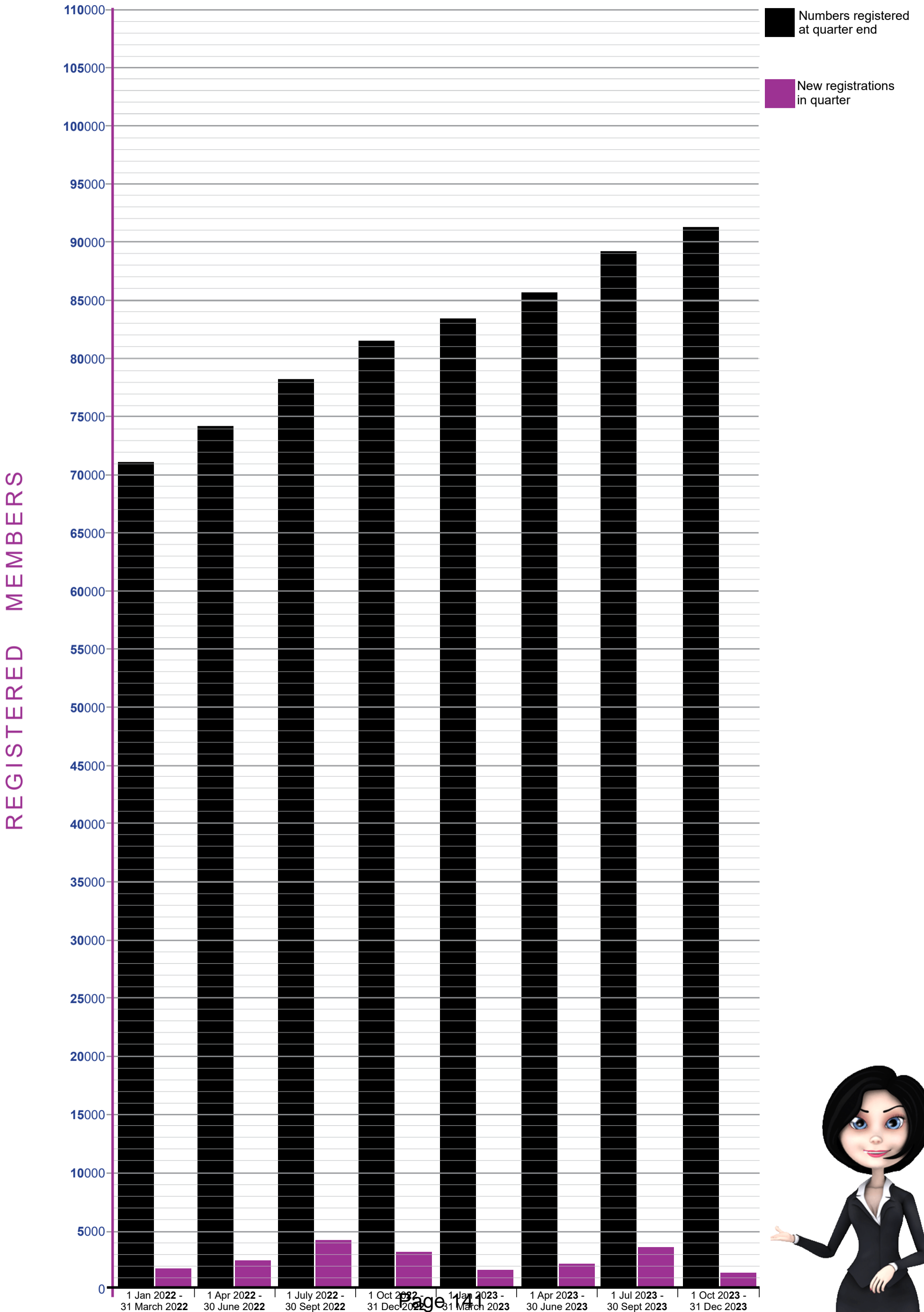
11 Implications

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

Financial	GMP Rectification and McCloud Remedy will increase Authority Cost on benefits
Human Resources	Pensions Dashboards – work resulting from the implementation of this government initiative is unknown currently.
ICT	None
Legal	A number of case processes have statutory time limits associated with them.
Procurement	None

Background Papers	
Document	Place of Inspection

Registrations - 1 October - 31 December 2023



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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 31 2023



Employer	Q4 2022/23			Q1 2023/24			Q2 2023/24			Q3 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	235	429	39	186	199	26	333	225	134	174	165	143
High	36	37	4	70	70	4	50	48	6	41	43	4
Standard	199	392	35	116	129	22	283	177	128	133	122	139
[00400]City Doncaster Council	279	379	69	211	229	51	375	284	142	218	199	161
High	59	63	5	81	84	2	38	30	10	58	65	3
Standard	220	316	64	130	145	49	337	254	132	160	134	158
[00600] Capita	20	29	266	15	15	266	53	62	257	22	78	201
High	10	10	11	4	3	12	2	3	11	5	7	9
Standard	10	19	255	11	12	254	51	59	246	17	71	192
[00600] Sheffield CC	235	202	174	281	240	215	578	376	417	259	312	364
High	68	66	22	140	88	74	115	114	75	53	108	20
Standard	167	136	152	141	152	141	463	262	342	206	204	344
[00600] EPM	10	13	225	6	8	223	38	49	212	12	44	180
High	5	5	11	1	1	11	3	2	12	1	7	6
Standard	5	8	214	5	7	212	35	47	200	11	37	174
[00300] Barnsley MDC	100	90	41	103	113	31	225	156	100	109	184	25
High	27	21	10	56	58	8	32	34	6	24	27	3
Standard	73	69	31	47	55	23	193	122	94	85	157	22
[00295] The Chief Constable	24	43	22	50	50	22	94	47	69	54	55	68
High	10	10	1	16	14	3	29	27	5	14	14	5
Standard	14	33	21	34	36	19	65	20	64	40	41	63
[00372] Greenacre Academy	14	32	53	10	32	52	22	30	44	16	24	36
High	2	6	1	0	0	1	1	0	1	1	1	1
Standard	12	26	52	10	26	52	21	30	43	15	23	35
[00222] The Sheffield College	24	58	28	26	26	28	38	25	41	18	25	34
High	3	10	1	8	7	2	2	0	4	2	4	2
Standard	21	48	27	18	19	26	36	25	37	16	21	32
[00548] Places for People (RMBC)										12	4	60
High										0	0	7
Standard										12	4	53

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Subject	Planning for April 2024 LPB Agenda	Status	For Publication
Report to	Local Pension Board	Date	15 February 2024
Report of	Head of Governance		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Jo Stone Head of Governance	Phone	01226 666418
E Mail	jstone@sypa.org.uk		

1 **Purpose of the Report**

- 1.1 To set out the draft agenda for the next meeting of the Board for discussion.

2 **Recommendations**

- 2.1 Board Members are recommended to:
- a. Discuss and comment on the draft agenda for the April meeting as set out in paragraph 5.1 of this report.**

3 **Link to Corporate Objectives**

- 3.1 This report links to the delivery of the following corporate objective:
Effective and Transparent Governance
- To uphold effective governance showing prudence and propriety at all times.
- 3.2 The planned programme of meetings and training events supports the operation of effective and transparent governance arrangements.

4 **Implications for the Corporate Risk Register**

- 4.1 The provision of dates for training and development events is a key part of addressing the strategic risk around Member knowledge and understanding.

5 **Background and Options**

- 5.1 The draft agenda for the next meeting of the Board is set out below.

Local Pension Board 25 April 2024 – Draft Agenda	
1	Welcome, Introductions and Apologies
2	Announcements
3	Urgent Items
4	Items to be considered in the absence of public and press

Local Pension Board 25 April 2024 – Draft Agenda

5	Declarations of interest
6	Minutes of the meeting held on 15 February 2024
7	Review of Action Tracker
GOVERNANCE	
8	Governance, Regulatory and Policy Update (Including progress on Audit Actions)
9	Update on Decisions Made by the Authority
10	Corporate Risk Register
11	Board Effectiveness Review Report
12	Annual Report of the Local Pension Board
13	Member Learning & Development Strategy 2024/25
PENSIONS ADMINISTRATION	
14	Pensions Administration Quarterly Report - Including Performance
15	Breaches, Complaints and Appeals
16	Data Quality, Improvement Plans and Progress Updates
17	Review of Key Communications (if required)
OTHER MATTERS	
18	Relevant Policies of the Authority (If required)
19	Planning of Local Pension Board Next Meeting Agenda
20	Private papers (if any) from Authority Meetings February & March 2024

5.2 Board members are requested to consider any changes or additions required to the above.

6 Implications

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

Financial	No direct implications.
Human Resources	No direct implications.
ICT	No direct implications.
Legal	No direct implications.
Procurement	No direct implications.

Jo Stone

Head of Governance & Monitoring Officer

Background Papers	
Document	Place of Inspection

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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