

Delivering for our Customers

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Corporate Performance Report

Quarter 3 2021/22

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1. Introduction

- 1.1 South Yorkshire Pensions Authority only exists to provide services to our customers whether they be scheme members or employers.
- 1.2 This Corporate Performance Report provides a summary view of overall performance in achieving the Authority's objectives; bringing together information on progress against the corporate strategy, a range of key performance measures, financial monitoring, and an ongoing assessment of the risks to the delivery of the Corporate Strategy. By providing this single view of how we are doing it will be easier for councillors and other stakeholders to hold us to account for our performance.
- 1.3 This report presents the information on overall performance during the third quarter of the 2021/22 financial year. More detailed information on the performance of the Authority's investments and the pension administration service during the quarter are contained in other reports which are available on the Authority's website.

Recommendations

- 1.4 The financial measures set out within Section 4 of the report include details regarding the forecast outturn for the year and the proposed use of reserves to finance the planned projects that have taken place in 2021/22 as well as the proposed transfers from the current forecast under-spend into reserves to be used in future years.
- 1.5 The financial measures section also includes a proposal for an additional post of Senior Finance Officer to be established in Finance & Corporate Services to meet an identified need as explained in the detail in paragraphs 4.55 to 4.64 of the report.
- 1.6 The Authority's approval is required for both of the above items and Members are recommended to:
 - a) Approve the other transfers to and from earmarked reserves as set out in the table in paragraph 4.53; currently forecast to amount to a net total transfer from reserves of £1,185,160; and**
 - b) Approve the addition of 1.0 FTE Senior Finance Officer to the staffing establishment in Finance & Corporate Services.**

2. Headlines

2.1. Key messages for the quarter are highlighted here. The detail and underlying context behind these are set out in the sections of the report that follow.



Reduction in sickness absence levels.

Fund value at a record high of £10.8 billion.

Improvements in pension administration performance measures.



Delays occurring on a small number of corporate objectives.





Under-spends forecast against the budget - particularly staffing budgets due to 9% vacancy rate.

3. Delivering the Corporate Plan & Supporting Strategies

- 3.1 This section provides information on the progress we are making on delivering the various strategies which form part of our corporate planning framework.
- 3.2 The update to the Corporate Strategy for the period 2021-2024 was approved in January 2021 and reflects the continuing journey to build a stronger, more resilient organisation focussed on delivering for our customers and capturing what we have learnt from having to adapt the way in which we operate to the COVID-19 pandemic. The detailed objectives and plans have been divided into programmes of work each led by a member of the Senior Management Team. These cover:
- a) Services to Scheme Members and Employers (MS) – which is linked to the corporate objectives around Customer Focus, Listening to our Stakeholders, Valuing & Engaging Our Employees, and Scheme Funding;
 - b) Customer Service and Engagement (CS) - which is linked to the corporate objectives around Customer Focus and Listening to our Stakeholders;
 - c) Delivering the Investment Strategy (IS) – which is linked to the corporate objectives around Investment Returns, Scheme Funding and Responsible Investment; and
 - d) Supporting the Corporate Organisation (CO) – which is linked to the corporate objectives around Effective and Transparent Governance and Valuing & Engaging Our Employees.
- 3.3 The following tables provide updates in respect of developments that have taken place during the quarter in delivering these programmes of work.

Corporate Plan Deliverables 2021/22 to 2023/24	Start	Finish	Progress Update / Activity Quarter 3	On Target
[MS1] Complete procurement processes required for Pension Administration System to deliver: > Improved interface with employers including monthly data collection; > Improved member self-service; and > Process automation.	Dec-20	Mar-22	Engagement undertaken with provider to jointly agree an improvement / development plan in areas of historic underperformance (e.g., monthly data collection process) as part of the new contract commencing in February 2022.	✓
[MS2] Implement regulatory changes arising from the McCloud and Goodwin judgements and the GMP rectification process.	Oct-20	Mar-23	GMP rectification project with external provider (ITM) commenced in this quarter.	✓
[MS3] Clear residual backlog cases.	Feb-20	Jul-21	A new dedicated project team set up from 1 January 2022.	✗
[MS4] Put in place and deliver a project and communications plan to support the delivery of the 2022 valuation, taking into account lessons learnt from the 2019 process.	Apr-21	Sep-22	New actuary appointed this quarter with key focus on preparation for 2022 valuation.	✓

Corporate Plan Deliverables 2021/22 to 2023/24	Start	Finish	Progress Update / Activity Quarter 3	On Target
<p>[MS5] Provide additional support to staff to maximise their effectiveness</p> <ul style="list-style-type: none"> > Providing opportunities for staff at the top of the career grade to develop their skills through secondment opportunities and participation in project work. > Create an easily accessible and updated single knowledge base for pension administrators based on the existing portal which has not been kept up to date. > Implement a structured development programme for Pension Officers reaching to top of the career grade 	Mar-20	Ongoing	External LGPS Technical Knowledge portal has gone live and made available to all senior staff in the Benefits Team. A number of staff in the team achieved 'accelerated' promotion through the Career Grade scheme this quarter using the new flexibilities introduced into the scheme.	✓
	Apr-20	Mar-22		
	Feb-20	May21		
[CS1] Implement a new approach to employer engagement focused on structured support to employers to ensure they are meeting their statutory responsibilities in a timely manner and focusing on compliance.	Apr-20	Mar-22	A number of engagement sessions undertaken this quarter with key large payroll providers to build improved performance through support and collaboration.	✓
[CS2] Actively promote take up of online services utilising all available routes, including introducing measurement of effectiveness as well as pure volume.	Apr-20	Ongoing	Circa 2,500 new portal registrations in this quarter.	✓
<p>[IS2] Implement revised approaches to reporting on the Authority's stewardship approach:</p> <ul style="list-style-type: none"> > Adopt the revised FRC UK Stewardship Code and report in line with its requirements > Develop a framework for reporting the impact of the Fund's investments against the UN Sustainable Development Goals (SDGs) 	Apr-20	Mar-22	Results of the FRC's assessment of the Stewardship Code submission are awaited.	✓
	Feb-20	Mar-23	The first impact assessment using the SDGs is being presented to the March meeting of the Authority	

Corporate Plan Deliverables 2021/22 to 2023/24	Start	Finish	Progress Update / Activity Quarter 3	On Target
[IS3] Implement the action plan for achieving Net Zero by 2030	Mar-21	Annual reviews to 2030	Updated action plan being presented to March meeting. While the trajectory of measured emissions remains down and there is significant investment in avoiding emissions, it is clear that this alone will not materially bring forward the likely achievement of Net Zero. Further work will be undertaken in the forthcoming investment strategy review.	
[CO1] Replace the Authority's Business Systems covering:				
> Financials (including removal of cheque acceptance)	Dec-20	Oct-21	The new Advanced Cloud Financials software went live on 20 December 2021.	
> Committee Administration (Modern.gov)	Mar-21	Sep-21	The new instance of Modern.gov is now live on our website and all meetings content has been migrated. Work will take place during Q4 to train users and enable us to make greater use of the system functionality for workflows and reporting management.	
[CO2] > Introduce revised induction process and e-Learning approaches to support annual and refresher training programmes	Feb-20	Mar-22	Some progress has been made on this objective - we have the platform of LinkedIn Learning in place to support the eLearning provision, the HR Undergraduate on placement has undertaken research and interviews with a small number of staff to gain insights around the experience of induction. However, due to workloads and other priorities, it is currently anticipated that the completion of the work on developing the new induction / 'on-boarding' process and delivering eLearning content for annual and refresher mandatory training will take place during 2022/23.	




Corporate Plan Deliverables 2021/22 to 2023/24	Start	Finish	Progress Update / Activity Quarter 3	On Target
<p>[CO2] > Create a structured programme to support the development of management and supervisory skills.</p>	Sep-21	Mar-22	<p>The Leadership and Management Development Programme has continued to progress successfully since commencing in June 2021 and SMT have had a feedback session in December 2021 with the trainer to discuss emerging themes at the halfway stage. Plans are now in place for the trainer to deliver a programme for members of SMT in 2022/23, and also to continue to provide facilitated action learning sets for the team managers and team leaders on a quarterly basis.</p>	✓
<p>[CO4] Implement the preferred option for meeting the Authority's long-term accommodation needs, including a policy framework to support homeworking.</p>	Dec-20	Dec-21	<p>The refurbishment project was completed, and the handover of the new office took place in December 2021. As a result of supply chain delays (outside of our control) and delays with the required works by Virgin Media for installation of network connectivity, the achievement of a fully operational office was completed in January 2022.</p>	✓

4. How are we performing?

4.1 This section sets out a range of performance measures which give an overall indication of how the organisation is doing in terms of delivering the services for which it is responsible.

Corporate Measures

4.2 The level of sickness absence in the quarter and year to date is as follows.

Measure	Performance				Movement Year on Year
	Quarter 3 2021/22	Quarter 2 2021/22	YTD 2021/22	Prior Year: Quarter 3 2020/21	
Short Term Sickness Absence – Days Lost per FTE	0.94	0.68	2.20	0.38	
Long Term Sickness Absence – Days Lost per FTE	0.47	2.53	3.60	1.26	
Total Days Lost per FTE	1.41	3.21	5.80	1.64	


4.3 Sickness absence is reported as 'Days lost per FTE' rather than as a percentage and the measures are calculated as annualised figures to enable comparison from year to year.

4.4 For this quarter, days lost is 1.41 days per FTE employee, representing a reduction of 1.8 days per FTE from the previous quarter. This is due to a large reduction in the days lost from long term sickness absence, whereas there was a small increase in short term sickness absence compared to quarter 2.

4.5 Sickness absence is actively monitored under the Authority's managing attendance policy, and data on the application of this policy is reported quarterly to SMT. The Authority's Health, Safety and Wellbeing Committee continue to promote a range of initiatives to help support staff with their wellbeing. A series of webinars on topics including Men's Mental Health, Dealing with the Menopause, Optimising Sleep and Mindfulness were delivered during quarter 3. There are further activities to be undertaken in 2022.

Investment Measures

4.6 The following table presents a high-level summary of the key indicators of investment performance. A more detailed quarterly report on investment performance, including commentary on market conditions and performance, is provided elsewhere on the agenda.

Measure	Performance Quarter 3 2021/22	Quarterly Benchmark	Performance YTD 2021/22	2021/22 Benchmark	2021/22 Actuarial Target	RAG Indicator
Investment Return – Whole Fund	4.15%	3.70%	10.70%	9.30%	6.30%	





4.7 As in the previous quarter, the outperformance in quarter 3 was primarily due to the positive uplift in valuations of the alternative funds, in particular the private equity funds.

4.8 The total Fund value at 31 December was a record £10.8 billion.

4.9 At the end of the quarter, 69.8% of the Fund's assets were being managed in pooled structures provided by Border to Coast. A transition of legacy high yield and emerging market bonds to the new Border to Coast MAC fund took place in October 2021. At the end of December 2021, the funding level was estimated at 113%.

Pension Administration Measures

4.11 The key performance indicators for Pension Administration are presented in the table below. A more detailed report on the performance of the Pension Administration service is provided for each meeting of the Local Pension Board.

Measure	Quarter 3 2021/22	Quarter 2 2021/22	Quarter 1 2021/22	YTD 2021/22	Previous Year: 2020/21	Target 2021/22	Movement Year on Year
Proportion of priority cases processed on time	86%	76%	88%	83%	78%	100%	
Proportion of non-priority cases processed on time	74%	72%	72%	72%	73%	100%	
Proportion of all cases processed on time	75%	72%	75%	73%	73%	100%	
Proportion of employer data submissions on time	99%	99%	99%	99%	99%	100%	

4.12 Performance on priority cases returned to previous levels as long-term sickness absence has reduced.

4.13 Projects Team set up from January 2022 to tackle older non-priority backlog cases.

4.14 At the end of the quarter, membership of the Fund stood at 169,529.

4.15 Two new employers were admitted during the quarter.

4.16 Five terminations were completed during quarter 3.

4.17 There were 547 participating employers with active members at 31 December 2021.

Financial Measures

2021/22 Quarter 3 Forecast Outturn

4.18 The quarter 3 performance and forecast outturn is as follows. Details of the significant variances are shown beneath the table.

South Yorkshire Pensions Authority Operational Budget	2020/21 Actuals £	2021/22 Revised Budget £	2021/22 Q3 Forecast £	2021/22 Q3 Forecast Variance £	2021/22 Q3 Forecast Variance %
Pensions Administration	2,376,700	2,719,750	2,528,670	(191,080)	(7.00%)
Investment Strategy	631,420	539,760	537,220	(2,540)	(0.50%)
Finance & Corporate Services	685,190	710,620	747,790	37,170	5.20%
ICT	560,960	667,200	665,880	(1,320)	(0.20%)
Management & Corporate	430,000	402,650	384,750	(17,900)	(4.40%)
Democratic Representation	118,180	142,620	118,160	(24,460)	(17.20%)
Subtotal - Cost of Services	4,802,450	5,182,600	4,982,470	(200,130)	(3.90%)
Capital Expenditure	42,600	1,630,000	1,648,290	18,290	1.10%
Subtotal before transfers to reserves	4,845,050	6,812,600	6,630,760	(181,840)	(2.70%)
Appropriations to / (from) Reserves	600,550	(1,367,000)	(1,185,160)	181,840	(13.30%)
Total	5,445,600	5,445,600	5,445,600	0	0.00%

4.19 The forecast under-spend for the year before transfers from reserves is (£182k) at quarter 3; a small reduction on the quarter 2 forecast under-spend of (£195k).

4.20 The majority of the total under-spend relates to employee costs. Details of the variances on the individual service area staffing budgets are included in the analysis below. In short, this reflects the fact that we currently have 8.7 FTE vacancies (down from 13.6 FTE at Nov 2021), representing 9% of the total budgeted establishment of 97.1 FTE.

4.21 The detailed variances against budget for each of the service areas with variances of more than £5k are explained below.

4.22 Pensions Administration – Total Underspend Forecast (£191k):

4.23 There is a total forecast under-spend on the employee costs budget of (£133k). This includes (£35k) relating to the budget for a training officer role that would have been filled by secondment from the benefits team as a way of providing the resource needed whilst offering a development opportunity, but this has not yet been taken up. The remaining balance of the total forecast under-spend on employee costs is

due to staff turnover and vacancies across the service area. Recruitment has taken place during Q3 with 3 FTE pensions officers due to commence in post during Q4.

- 4.24 The training budget is forecast to be under-spent by (£12k).
- 4.25 The budget for office accommodation costs, apportioned to services pro-rata to staffing numbers, is forecast to be over-spent by £50k. This is due to a range of issues including the fact that the unavoidable delay in being able to transfer the data centre from Gateway Plaza until January 2022 meant that rent, business rates, utilities etc. were all charged for an additional two months (Dec and Jan) that hadn't been included in the budget. In addition, the costs of electricity have been higher than expected as a result of the wider inflation on energy prices. Finally, the costs of the facilities management provision required in the first few months of mobilisation were higher than forecast. This will stabilise now as the transition period comes to an end.
- 4.26 It is currently estimated that the budget for actuarial fees will be under-spent by (£45k) for the year. This is partly due to the change of contract during the year, and another factor is that a proportion of the work required in this area is demand-driven (based on numbers of admissions, terminations etc.) which can be difficult to predict.
- 4.27 Other professional services, including legal fees, consultancy, and corporate subscriptions are forecast to be under-spent by a total of (£25k) based on the known and anticipated expenditure requirements for this year.
- 4.28 Total savings of (£21k) are forecast across budgets for travel expenses, office-related expenses, catering, conferences, and subsistence, due to continued impact of remote working and knock-on effects from COVID-19.
- 4.29 Income from charges to scheme members (in relation to sharing orders for example) has been (£8k) more than budget.
- 4.30 Finance and Corporate Services – Total Overspend Forecast £37k:
- 4.31 The employee costs budget head includes two planned over-spends which will be financed by transfers from earmarked reserves. These over-spends are as follows.
- 4.32 An amount of £22k relating to agency staff costs as a result of hiring an interim accountant in the early part of the year to support the accounts closedown and audit process which was required as a one-off to provide cover whilst some of the permanent team members were working on the implementation project for the new finance system.
- 4.33 An amount of £11k relating to the HR Undergraduate placement student, the financing for this was set aside from the 2020/21 training and development budget into the corporate strategy reserve.
- 4.34 There are savings of (£23k) anticipated as a result of staff turnover / vacancies for the year – these have been used to fund additional costs of £17k on overtime that was required in the first half of this year due to having staff shortages at the same time as undertaking major projects to implement a new finance system and a new investment accounting system, and also produce the 2020/21 accounts and ensure the audit was completed successfully to the usual early timescale of 31 July, well ahead of the statutory deadline of 30 September.
- 4.35 The service's over-spend on office accommodation (explained in para 4.25 above) is £13k.

- 4.36 There is a forecast saving of (£3k) across budgets for travel expenses, office-related expenses, catering, conferences, and subsistence due to continued remote working for the first half of the financial year and the knock-on effects from COVID-19.
- 4.37 Management & Corporate Costs – Total Underspend Forecast (£18k):
- 4.38 The employee costs budget is forecast to be under-spent by (£13k) as a result of an vacancy in the post of Business Support Officer (Corporate) that remained unfilled for the first 9 months of the year due to difficulty recruiting. The post was filled via the use of an agency in December 2021. There is a related overspend of £5k forecast on the staff recruitment and advertising budget.
- 4.39 The organisational training and development budget was included as a growth item in the budget with effect from 2020/21 but due to the impact of COVID-19 and remote working, progress on the planned activities in this area has been slower than originally anticipated, and the available budget in 2021/22 of £55k is forecast to be under-spent this year by (£15k). Nevertheless, the planned work in this area is continuing to progress with a number of initiatives under way including a manager development training programme, implementation of the *LinkedIn Learning* platform, and an HR Undergraduate student in post on a 12-month placement, which will provide the needed additional staff resource to support and take forward some of the plans around training and development including production of an e-learning package for new staff.
- 4.40 An under-spend of (£5k) is forecast due to savings made on insurance and central corporate services costs.
- 4.41 The external audit budget includes a forecast net over-spend of £9k for audit fees payable to Deloitte LLP based on anticipated increases to be approved by the contracting body, Public Sector Audit Appointments Ltd (PSAA) – reflecting increased costs of audit delivery that are taking place across local government.
- 4.42 Democratic Representation – Total Underspend Forecast (£24k):
- 4.43 There is a small under-spend of (£2k) expected on the Member Allowances budget due to turnover and changes in Authority membership following the elections in May 2021.
- 4.44 The budget for Authority running costs and training costs is forecast to be under-spent by (£17k) and the Local Pension Board budget by (£5k) due to the fall in expenditure for room hire, catering, travel, subsistence and conferences, mainly arising from the knock-on effects of COVID-19.
- 4.45 Capital Expenditure – Total Overspend Forecast £18k
- 4.46 The total forecast capital expenditure to be financed from revenue this year is £1,648k.
- 4.47 This total includes a forecast £235k for implementation costs of the new contract commencing in February 2022 for the pensions administration system; which is in line with the budget for this project.
- 4.48 The remaining balance of forecast capital expenditure is £1,424k for the Oakwell House project; details of which are set out in the table below. This forecast represents an over-spend of £19k compared to budget, which is primarily due to additional costs for the installation of solar (PV) panels on the roof and variations added to the

contract sum for costs of fire-stopping enhancements and works on the lift, both of which were essential for health and safety compliance and were only identified during the course of the refurbishment. There have however been some reductions in the forecast totals for legal fees, and miscellaneous costs relating to the actual move. (Albeit the saving shown here is largely offset by the additional costs included in the revenue budgets above for office accommodation).

Item of Expenditure	Budgeted Cost £000	Forecast Outturn £000	Variance £000	Variance %
Acquisition Costs - Legal Fees, Stamp Duty Land Tax, Surveys	20	16	(4)	(20.0%)
Design & Project Management	98	98	0	0.0%
Legal Fees - Tender Contract Documents Preparation	17	5	(12)	(70.6%)
Main Contract Sum	1,054	1,120	66	6.3%
PV Panels	16	30	14	87.5%
AV Fit Out	120	140	20	16.7%
Miscellaneous Move Costs - including: Dilapidations Payment Gateway Plaza, Removals, ICT Installation etc.	60	10	(50)	(83.3%)
Contingency	20	5	(15)	(75.0%)
Total Project Cost	1,405	1,424	19	1.4%

4.49 Earmarked Reserves

4.50 The Authority has three earmarked reserves, the Corporate Strategy reserve, the ICT reserve, and the Capital Projects reserve.

4.51 The table at paragraph 4.53 shows the detail of planned transfers from the reserves in 2021/22 to finance the various projects being delivered as part of our corporate strategy. This results in a total of £1,404k being transferred from reserves for this financial year.

4.52 Given that there continues to be a need to ensure the balance of reserves is kept to an adequate level going forward to meet resourcing requirements for specific corporate strategy objectives and for managing risk, it is proposed to transfer the remaining forecast under-spend for 2021/22 into the reserves, in addition to the originally budgeted transfers into reserves, as set out in the following table. This results in a total of £219k being transferred into reserves for the year.

4.53 The result of the above is a net total transfer from reserves of £1,185,160.

Reserves	Balance at 01/04/2021 £	Transfers In £	Transfers Out £	Forecast Balance at 31/03/2022 £
Corporate Strategy Reserve	238,500	106,000	(144,000)	200,500
ICT Reserve	118,300	60,550	0	178,850
Subtotal: Revenue Reserves	356,800	166,550	(144,000)	379,350
Capital Projects Reserve	1,254,470	52,760	(1,260,470)	46,760
Total Reserves	1,611,270	219,310	(1,404,470)	426,110

4.54 The balance of the revenue reserves following the transfers proposed for the year, would be £379,350 in total which equates to 7.0% of the Authority's total revenue budget.

Financial Services Team – Staffing

4.55 When the restructure of the Financial Services team was approved in September 2020, the new team structure was designed based on 2.0 FTE Senior Finance Officers and up to 3.0 FTE Finance Officers. However, the outcomes from the ring-fenced recruitment process resulted in actual staffing numbers of 1.6 FTE Senior Finance Officers and 3.2 FTE Finance Officers.

4.56 We have worked on this basis since 1 April 2021. However, it is becoming increasingly clear that having only 1.6 FTE at the Senior Finance Officer level is not sustainable going forward as it is preventing us from realising the benefits from the restructure and also the wider changes such as new finance and investment accounting systems and updated ways of working. There is also an issue around sufficient resilience at this senior level in the team for coping with unplanned staff absences.

4.57 A detailed review and consideration of the current situation, and the resourcing requirements of the team that will be necessary to enable us to meet objectives, has led to the conclusion that the only feasible way to achieve this is to increase the headcount by adding 1.0 FTE Senior Finance Officer to the Financial Services team establishment. The rationale for this is as follows.

4.58 The aims of the newly designed team structure included to increase operational resilience by sharing tasks and knowledge, increasing opportunities for skills development and full utilisation, as well as strengthening the supervisory arrangements within the team below Head of Service and Team Manager level.

4.59 A key part of how this was intended to be achieved in practice was to allocate different 'specialisms' to each of the senior finance officers in the team. (Areas such as treasury management, investment accounting, and budgets & financial accounting). The aim being to ensure that these officers are given responsibility to lead on their specialist area – in line with the level of responsibility reflected in the role profile that was subject to independent job evaluation. This ensures appropriate support for the Finance Team Leader – who cannot be expert or involved in the detail of all the various areas of the team's work – and also requires the senior finance officers to

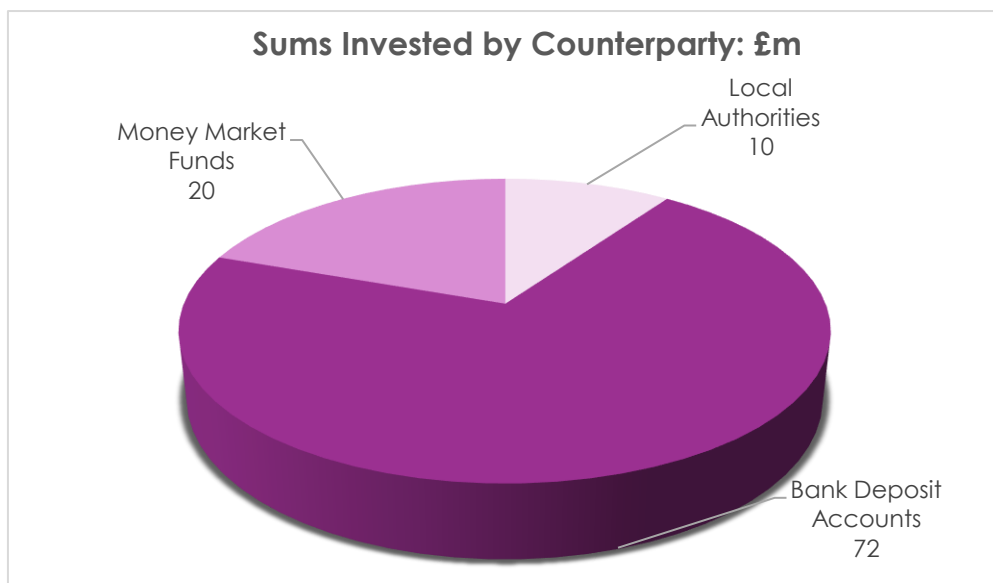
supervise and guide the finance officers working in these areas in order to help enhance their knowledge which should then provide the operational resilience referred to above.

- 4.60 In practice, having one full time senior finance officer and one part-time (who is also currently being supported to undertake a professional qualification requiring study leave one day per week during term time) has meant that it has not been possible to implement this way of working as planned and this in turn is holding up the achievement of the wider aims.
- 4.61 If an additional full-time post of Senior Finance Officer is created, this will mean that there will be three officers at this level (two of whom will be full time, and one part time) and this will enable us to apply the allocation of the required 'specialist' areas for them to lead on, in a fair way that will be manageable for each of them in terms of workload and will be effective for the overall team in terms of resourcing the work appropriately and, importantly, ensuring that knowledge is shared, the team leader will be adequately supported and there will be improved resilience for cases of unplanned absence or unforeseen spikes in workload pressures. We would also be able to ensure that external specialist training courses to support continuous professional development can be provided and targeted to the relevant individuals.
- 4.62 Furthermore, in the current financial year, the budget and objectives included hiring an apprentice in financial services as part of the organisation's apprenticeship framework. The aim would also be for one of the senior finance officers to mentor and supervise the apprentice as a way of providing them with some experience and development in relation to people management. This was not possible in 2021/22 due to not having enough resource for this. If a third senior finance officer is appointed early in 2022/23, we should be in a position to fulfil the objective of taking on an apprentice in the team from around September 2022.
- 4.63 Financial Implications: The total cost of adding this post to the establishment will be £35k per annum (including salary and on-costs). As the budget for 2022/23 has already been set, this will be financed in the first year by using some of the carried forward under-spend on the 2021/22 salaries budget that will be transferred into reserves. From 2023/24, the cost will be included in the annual budget.
- 4.64 HR Implications: The proposal will change the staffing establishment in the Finance Team section of Finance & Corporate Services as follows:

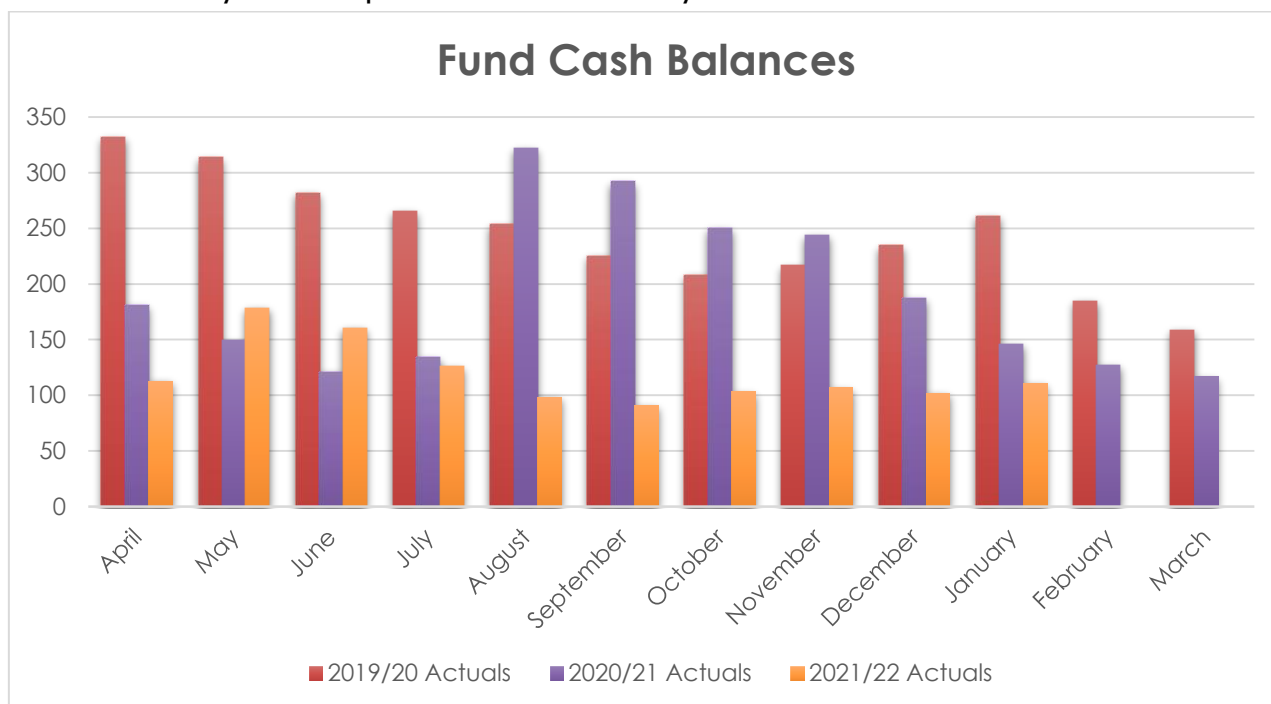
Financial Services - Finance Team	Current Established FTE	Proposed Established FTE
Finance Team Leader	1.0	1.0
Senior Finance Officers	1.6	2.6
Finance Officers	3.2	3.2
Apprentice	1.0	1.0
Total FTE	6.8	7.8

Treasury Management

4.65 The Fund’s cash balances at 31 December 2021 stood at £102m. The chart below shows how the balances have been invested with different counterparties in line with the approved treasury management strategy for the year.



4.66 The following chart shows the movement in cash balances held for the last two financial years compared to this financial year to date.



4.67 Cash is only held pending Fund investment and the balance of cash at the end of the third quarter represents 0.94% of the Fund, compared with 0.87% at 30 September 2021. The cash allocation remains well within the permitted range of 0% to 10% and is below the benchmark of 1.5% at 31 December due to timing of outflows and also the increase in the Fund value from the previous quarter.

5. What is getting in the way – Risk Management

- 5.1 We regularly review the things which might get in the way of us achieving our objectives – these are the risks that are set out in detail in the corporate risk register.
- 5.2 The Corporate Risk Register is attached at Appendix A. The previous review, undertaken in October, involved a re-basing of the risk register to fully update scores and reflect the current and future risks. As a result, the latest full review undertaken in February has not resulted in any changes to the risk scores.
- 5.3 Further details and full commentary regarding the review of all the risks on the register is provided at Appendix A.

6. Learning from things that happen

6.1 Inevitably when dealing with the number of customers that we do things can go wrong and we try to ensure that we learn from these things. Equally we should celebrate where things go particularly well or where customers feel members of our team have gone the extra mile to help them. This section provides information on the various sources of feedback we receive.

	Received in Q3 2021/22	Received in Q2 2021/22	Received in Q1 2021/22	Received YTD 2021/22	Received in Previous Year: Full Year 2020/21
Complaints	6	5	8	19	17
Appeals Stage 1	0	4	0	4	8
Appeals Stage 2	1	0	2	3	8

6.2 A detailed report of complaints and action taken is provided to the Local Pensions Board for scrutiny.

6.3 Of the six complaints received during the quarter, four were outside of SYPA control as they were a result of delays from employers or third-party providers.

6.4 Of the two remaining complaints, one was an avoidable complaint from a member unhappy with the handling of the recovery of an overpayment. An updated process is now in place which should improve the customer experience.

6.5 The second complaint was from a former member with a refund entitlement who was unhappy with the way she was dealt with by the Customer Centre. The matter is being addressed with the relevant member of staff, though appears to be an isolated incident.

6.6 During the quarter, one appeal at Stage 2 was determined and rejected. This related to a member unhappy that the employer had overstated an estimate and wanted the benefits to be honoured.

6.7 One appeal was partially upheld at Stages 1 and 2 and related to a complex aggregation incorrectly calculated by SYPA which had resulted in an overstated quotation. The member was compensated, though will likely take the case to the Ombudsman. An additional step has been introduced into the process to reduce the risk of this recurring and the systems provider has been tasked with a systematic review of the process.

Breaches of Law and Regulation

6.8 We are required to maintain a register of breaches, the detail of which is reported to the Local Pension Board at each meeting as part of their oversight role.

6.9 There were three breaches recorded in the quarter. Two individual breaches occurred where personal details on a schedule of AVC premiums were incorrectly made visible on the online portal and global corrections have been implemented to prevent this recurring. The third breach was a training issue with a new member of staff where a medical report had been sent to an incorrect employer contact (albeit they may have

been given access to the report in any event). Training has been completed with the relevant member of staff.

Satisfaction Surveys

6.10 A survey of members retiring showed that of the 137 respondents, 92% were satisfied with the service they received.