

Delivering for our Customers

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Corporate Performance Report

Quarter 1 2022/23

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1. Introduction

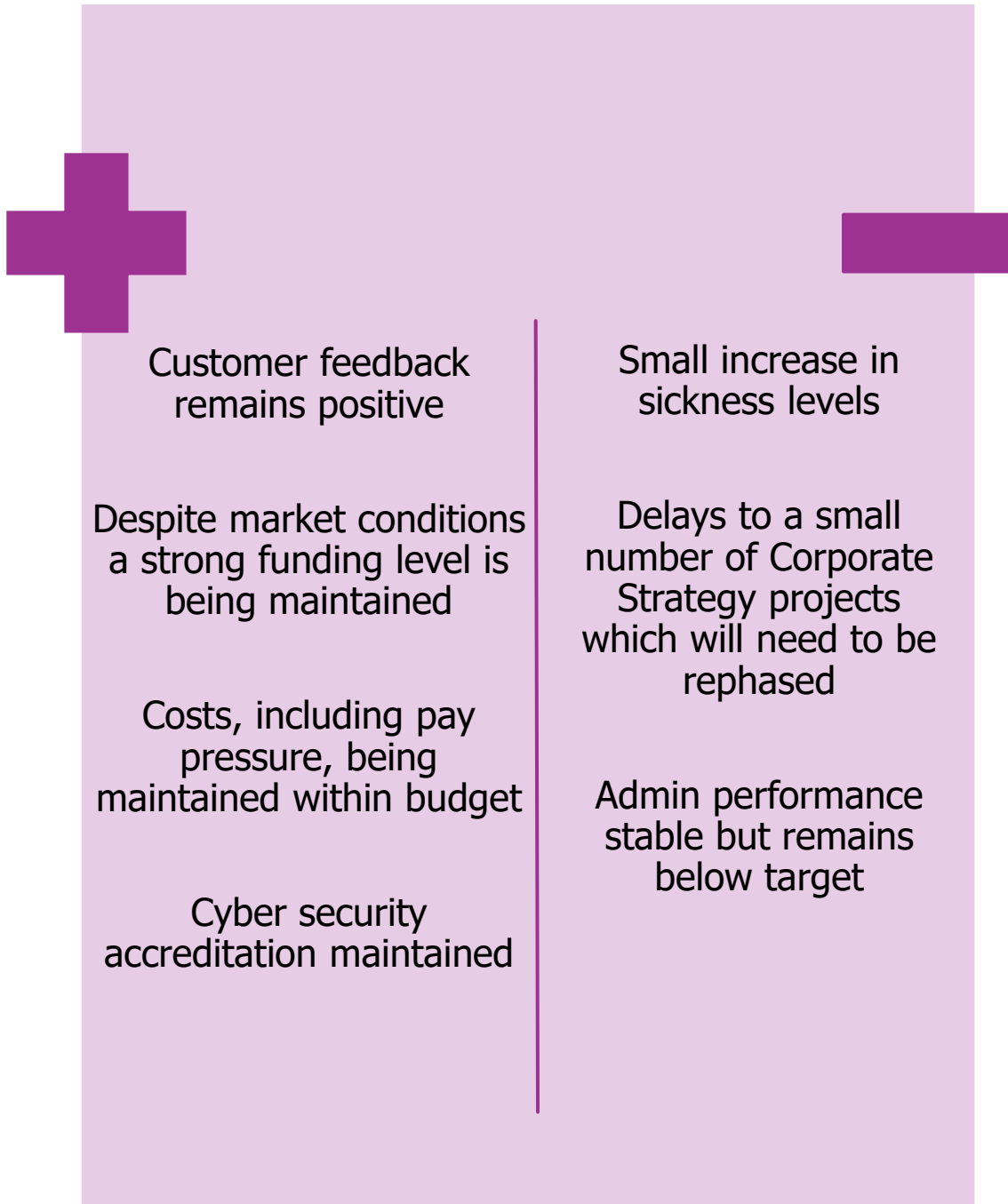
- 1.1 South Yorkshire Pensions Authority only exists to provide services to our customers whether they be scheme members or employers.
- 1.2 This Corporate Performance Report provides a summary view of overall performance in achieving the Authority's objectives; bringing together information on progress 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 first quarter of the 2022/23 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 budget for 2022/23 and proposed virements between budget heads required as a result of changes taking place after the budget was approved in February 2022. The Authority's approval for these virements is required and Members are recommended to:
 - a) Approve the budget virements as set out in paragraphs 4.17 to 4.20 of the report.**

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.








<p>Customer feedback remains positive</p> <p>Despite market conditions a strong funding level is being maintained</p> <p>Costs, including pay pressure, being maintained within budget</p> <p>Cyber security accreditation maintained</p>	<p>Small increase in sickness levels</p> <p>Delays to a small number of Corporate Strategy projects which will need to be rephased</p> <p>Admin performance stable but remains below target</p>
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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 2022-2025 was approved in January 2022 and reflects the continuing journey to build a stronger, more resilient organisation focussed on delivering for our customers and reflects what we have learnt from having to adapt the way in which we operate to the Covid-19 pandemic, and also the fact that we have not been able to make as much progress as we might like on some projects because of the prolonged period during which all of our staff had to work at home. Our strategy over the next three years focuses on delivering improvements to the way in which we do things in order to ultimately improve the service received by our customers and our overall efficiency.
- 3.3 The detailed objectives and plans have been divided into the following programmes of work.
- a) Data – which focuses on a range of data related projects including the valuation and a number of statutory exercises such as GMP rectification and the implementation of the McCloud remedy.
 - b) Process Improvement – with a particular focus on getting the most out of our investment in technology including automating processes and improving reporting.
 - c) Investment – which focuses on activity to develop and refine the investment strategy to support the overall funding of the pension scheme.
 - d) Organisational Infrastructure – which focuses on all those things that make the business work.
- 3.4 The following tables provide updates in respect of developments that have taken place during the quarter in delivering these programmes of work.
- 3.5 Key to responsible manager abbreviations:






Dir	Director
HFCS	Head of Finance and Corporate Services
HIS	Head of Investment Strategy
HPA	Head of Pensions Administration
Gov	Corporate Manager – Governance
ICT	Corporate Manager – ICT and Digital
Ben	Team Manager – Benefits
Cus	Team Manager – Customer Services
Fin	Team Manager – Financial Services
INF	Team Manager – ICT Infrastructure
PM	Team Manager – Programmes and Performance
S&E	Team Manager – Support and Engagement
TA	Technical Adviser
G&R	Governance and Risk Officer

Ref	Project / Action	Timescale		Responsible Manager	Quarter 1 Progress Updates	On Track:
		Start	Finish			
Data						
D01	Complete Valuation 2022	Nov-21	Mar-23	Dir		
	<i>Data Submission</i>	<i>Apr-22</i>	<i>May-22</i>	<i>TA</i>	<i>Data submission now completed later than originally proposed but within timescales agreed with actuary.</i>	✓
	<i>Funding Strategy</i>	<i>Nov-21</i>	<i>Mar-23</i>	<i>Dir / HPA</i>	<i>Initial modelling and discussion with major employers has taken place and parameters agreed with actuary. Further work will depend on detailed results.</i>	✓
D02	Guaranteed Minimum Pension – Completion of Rectification process	Nov-21	May-22	HPA	<i>Rectification project has been delayed due to temporary lack of availability of specialist technical adviser at SYPA, but consideration needs to be given to the timing of any reductions to pensions. Deferring this until the next inflationary increase could reduce the perception of financial impact on members.</i>	✗
D06	Deliver annual data improvement plan	Apr-22	Mar-25	TA	<i>Ongoing project with volumes reported periodically to Local Pensions Board but significant data improvements made as part of valuation preparation.</i>	✓
Process Improvement						
P01	Implement contractual improvements to the Core UPM Pension Administration System	Feb-22	Mar-25	HPA		
	<i>Retire Online</i>	<i>Jan-21</i>	<i>Apr-22</i>	<i>Sys</i>	<i>Completed for deferred members. Further enhancements made following customer feedback.</i>	✓
	<i>Automation of joiners</i>	<i>Sep-21</i>	<i>Apr-22</i>	<i>Sys</i>	<i>Phase 1 work completed for automation of joiners and leavers, but these are ongoing process improvements so revised end date should be March 2023</i>	↔

Ref	Project / Action	Timescale		Responsible Manager	Quarter 1 Progress Updates	On Track:
		Start	Finish			
	<i>Automation of leavers / deferred members</i>	<i>Jun-21</i>	<i>Jun-22</i>	<i>Sys</i>	<i>Phase 1 work completed for automation of joiners and leavers, but these are ongoing process improvements so revised end date should be March 2024</i>	
	<i>Implement dynamic homepage and improve the log in / sign up process for mypension</i>	<i>Apr-22</i>	<i>Mar-23</i>	<i>ICT</i>	<i>Dynamic homepage completed and went live this quarter.</i>	
P04	Financial Process Improvements	Apr-22	Mar-24	HFCS		
	<i>Review of processes following implementation of new financial systems to capture benefits</i>	<i>Apr-22</i>	<i>Mar-23</i>	<i>HFCS / Fin</i>	<i>This is work in progress; activity during Q1 has been limited due to the need to prioritise the annual accounts and audit work; but dates for training and consultancy from the system supplier have been arranged to take place during Q2 on the areas of user administration and reporting.</i>	
	<i>Review custodian arrangements and procure as necessary</i>	<i>Feb-22</i>	<i>Sep-22</i>	<i>HFCS</i>	<i>An internal working group involving officers from Financial Services and from Investment Strategy has been established and they have commenced work on reviewing the arrangements during Q1.</i>	
	<i>Review banking arrangements and procure as necessary</i>	<i>Apr-22</i>	<i>Sep-22</i>	<i>Fin</i>	<i>The timescale for this review will have to be deferred to 2023 / 2024 due to other projects that are a greater priority, and the fact that any change to banking arrangements will involve a significant amount of work and resource to implement.</i>	

Ref	Project / Action	Timescale		Responsible Manager	Quarter 1 Progress Updates	On Track:
		Start	Finish			
Investment						
I01	Strategic Issues	Apr-22	Mar-25	Dir		
	<i>Conduct an Investment Strategy review following the 2022 Valuation and update the Investment Strategy Statement</i>	<i>Apr-22</i>	<i>Mar-23</i>	<i>HIS</i>	<i>Consultant appointed and timetable agreed. Modelling cannot happen until valuation process complete.</i>	
	<i>Address systemic risks to the fund's investments resulting from climate change through progressing annual updates to the Net Zero action plan.</i>	<i>Mar-22</i>	<i>Mar-25</i>	<i>Dir</i>	<i>Work on this included within specification for investment strategy review. Provisional targets for equity and investment grade credit submitted to IIGCC as part of the Paris Aligned Asset Owner Initiative.</i>	
	<i>Implement new requirements related to TCFD Reporting</i>	<i>Apr-22</i>	<i>Ongoing</i>	<i>Dir / HIS</i>	<i>Awaiting formal consultation from DLUHC on the regulations. Annual report adapted to include data quality information which will be required. Consideration being given to resourcing and external advice requirements.</i>	
I02	Tactical and Transactional Issues –	Apr-22	Ongoing	HIS		
	<i>Conclude Project Chip</i>	<i>Sep-21</i>	<i>Sep-22</i>	<i>Director</i>	<i>Negotiations progressing well and broad structure and terms agreed. Key dependency is the response of HMRC on a number of issues. Due diligence process in hand.</i>	

Ref	Project / Action	Timescale		Responsible Manager	Quarter 1 Progress Updates	On Track:
		Start	Finish			
Organisation						
001	Governance –	Dec-21	Mar-25	HFCS		
	<i>Complete roll out of workflows etc. within Modern.gov and implement paperless meetings</i>	<i>Apr-22</i>	<i>Jun-22</i>	<i>G&R</i>	<i>The Governance team have continued to do a lot of work on this during the quarter but due to some technical issues and awaiting support from the system supplier (Civica), the full implementation will not be completed until the autumn.</i>	<i>✘</i>
	<i>Implement new statutory officer arrangements and internalise committee and member support activity</i>	<i>Apr-22</i>	<i>Mar-23</i>	<i>Dir / HFCS</i>	<i>Given all appointments made this can be progressed in line with the planned timescale.</i>	<i>✓</i>
	<i>Update procurement arrangements, processes, and systems including the implementation of the YORtender replacement</i>	<i>Dec-21</i>	<i>Jun-23</i>	<i>G&R</i>	<i>The YORtender platform replacement has been fully completed and is now being used successfully for procurement activity. Work continues on updating of procedures and planning delivery of appropriate training for staff.</i>	<i>✓</i>
002	People –	Jan-22	Ongoing	SMT / HR		
	<i>Consolidate the new finance team structure and capture benefits</i>	<i>Apr-22</i>	<i>Ongoing</i>	<i>HFCS / Fin</i>	<i>Some progress has been made on this due to appointing the additional senior finance officer in March 2022, but wider progress has been hampered due to having been unable to recruit to the post of Finance Team Leader as early as we had wished to allow a handover period. Following a third attempt, this post is now due to be filled from September 2022.</i>	<i>✓</i>
	<i>Address currently identified recruitment and retention risks</i>	<i>Jan-22</i>	<i>Dec-22</i>	<i>Dir / HR</i>	<i>The key response is the pay and benefits review which is in hand to the planned timescale. Individual cases have been dealt with on an ad hoc basis as necessary in the interim.</i>	<i>✓</i>




Ref	Project / Action	Timescale		Responsible Manager	Quarter 1 Progress Updates	On Track:
		Start	Finish			
O03	ICT –	Jun-21	Mar-25	ICT		
	<i>Complete the roll out of Microsoft 365 tools and the migration to 365 infrastructure</i>	<i>Jun-21</i>	<i>Sep-22</i>	<i>ICT</i>	<i>Continued review and migration of processes for Shared/System mailboxes. Implemented organisational calendar sharing.</i>	
	<i>Review and update ICT policies, including specifically a review of password management arrangements</i>	<i>Apr-22</i>	<i>Ongoing</i>	<i>ICT</i>	<i>Updated Remote Access Policy published.</i>	
	<i>Undertake annual ICT security health checks</i>	<i>Apr-22</i>	<i>Ongoing</i>	<i>ICT</i>	<i>Re-accredited with Cyber Essentials (April) and Cyber Essentials Plus (June) certifications.</i>	
O04	Project and Programme Management	Jun-22	Mar-23	Dir / HPA		
	<i>Determine a stripped down and appropriately scaled programme and project management process</i>	<i>Jun-22</i>	<i>Mar-23</i>	<i>PM</i>	<i>Team Manager - Programmes and Performance in post from August 2022 and will address this as part of her initial range of tasks. Overall timescale to be reviewed next quarter.</i>	
O05	Business Continuity –	Apr-22	Ongoing	HPA / HFCS		
	<i>Produce revised corporate business continuity plan</i>	<i>Apr-22</i>	<i>Sep-22</i>	<i>INF / Gov</i>	<i>The original planned timescale for this has not been achievable, due to various factors outside of our control relating to staff availability and having other priorities for these responsible managers. Revise the target date to June 2023.</i>	

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 first quarter is as follows.

Measure	Performance			
	Quarter 1 2022/23	YTD 2022/23	Prior Year: Q1 of 2021/22	Movement Year on Year
Short Term Sickness Absence – Days Lost per FTE	0.73	0.73	0.58	
Long Term Sickness Absence – Days Lost per FTE	0.70	0.70	0.60	
Total Days Lost per FTE	1.43	1.43	1.18	

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, there has been a small increase in days lost compared to the same quarter of the previous year. This reflects the impact of a number of employees who had sickness absence due to COVID-19 during this quarter.

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. Occupational health services are provided by Barnsley MBC and referrals for this service are made as appropriate for individuals, for example, providing assessment reports to advise managers in supporting return to work following long-term absence, and access to additional resources such as counselling for employees. The usage of these services is also monitored and reported quarterly to SMT.

4.6 The Authority's Health, Safety and Wellbeing Committee continue to promote a range of initiatives to help support staff with their wellbeing.

Investment Measures

4.7 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 1 2022/23	Quarterly Benchmark	Performance YTD 2022/23	2022/23 Benchmark	2022/23 Actuarial Target	RAG Indicator
Investment Return – Whole Fund	-5.10%	-5.70%	-5.10%	-5.70%	2.51%	





4.8 Quarterly performance is ahead of the benchmark, but because of high level of inflation the benchmark is lagging the actuarial target in the short term.

4.9 The total Fund value at 30 June 2022 was £10.1 billion and the estimated funding level at the end of the quarter was 103% calculated on a roll-forward basis from the 2019 valuation data.

4.10 At the end of the quarter, 67.9% of the Fund’s assets were being managed in pooled structures provided by Border to Coast.

Pension Administration Measures

4.12 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 1 2022/23	Quarter 4 2021/22	YTD 2022/23	Previous Year: 2021/22	Target 2022/23	Movement Year on Year
Proportion of priority cases processed on time	82%	88%	82%	85%	100%	
Proportion of non-priority cases processed on time	71%	73%	71%	73%	100%	
Proportion of all cases processed on time	72%	75%	72%	74%	100%	
Proportion of employer data submissions on time	>99%	99%	>99%	99%	100%	

4.13 Overall performance dipped slightly this quarter as the Projects Team were focused on completing data quality work ahead of submitting the membership data files for the 2022 valuation.

4.14 At the end of the quarter, membership of the Fund stood at 170,737.

4.15 One new employer was admitted to the scheme, and no terminations were completed during the quarter.

4.16 There were 548 participating employers with active members at 30 June 2022.

Financial Measures

Authority Budget 2022/23

- 4.17 The budget for 2022/23 was approved by the Authority at their February 2022 meeting. After the budget was approved, two changes were made that have required virements between budget heads as follows.
- 4.18 As part of the process of bringing the Authority's governance arrangements fully in-house – as previously approved by the Authority in June 2021 – the Governance Officer was TUPE transferred from Barnsley MBC with effect from 1 April 2022. The budget for this resource was previously part of the budget for the costs of the Service Level Agreement with BMBC in the Management and Corporate cost centre. This part of the SLA budget has therefore been transferred to the Finance & Corporate Services cost centre as this is where the employee costs for the Governance Officer are now charged.
- 4.19 The costs for property management fees of the agricultural property portfolio have historically been charged to the Authority operating budget and there was an amount of £35k for this included in the approved budget for 2022/23. However, this was reviewed as part of closing down the 2021/22 accounts which determined that these costs are related to direct investment management and should therefore be charged directly to the Fund in the same way as the management fees for the commercial property portfolio. The budget amount of £35k for this has been transferred into the corporate contingency budget for the year included in Management and Corporate costs. This is because any amount not required from this corporate contingency in the year, will be returned to the Fund.
- 4.20 The effect of the virements on the individual budget heads are summarised as follows.

Budget Virements 2022/23	2022/23 Original Budget	Virements	2022/23 Revised Budget
Pensions Administration	2,717,850		2,717,850
Investment Strategy	572,750	(35,410)	537,340
Finance & Corporate Services	818,800	40,000	858,800
ICT	738,710		738,710
Management & Corporate	911,160	(4,590)	906,570
Democratic Representation	137,090		137,090
Subtotal - Cost of Services	5,896,360	0	5,896,360
Capital Expenditure Charged to Revenue	0	0	0
Subtotal - Total Expenditure	5,896,360	0	5,896,360
Transfer to / (from) Reserves	(66,360)	0	(66,360)
Total Budget Requirement	5,830,000	0	5,830,000

2022/23 Q1 Forecast

- 4.21 The quarter 1 forecast expenditure and forecast variance against the revised budget is as follows. Details of the significant variances are shown beneath the table.

South Yorkshire Pensions Authority Operational Budget	2021/22 Actuals £	2022/23 Revised Budget £	2022/23 Q1 Forecast £	2022/23 Q1 Forecast Variance £	2022/23 Q1 Forecast Variance %
Pensions Administration	2,500,610	2,717,850	2,652,390	(65,460)	(2.40%)
Investment Strategy	565,090	537,340	539,910	2,570	0.50%
Finance & Corporate Services	772,420	858,800	880,970	22,170	2.60%
ICT	635,850	738,710	732,730	(5,980)	(0.80%)
Management & Corporate	423,050	906,570	703,550	(203,020)	(22.40%)
Democratic Representation	124,020	137,090	136,870	(220)	(0.20%)
Subtotal - Cost of Services	5,021,040	5,896,360	5,646,420	(249,940)	(4.20%)
Capital Expenditure Charge to Revenue	1,546,930	0	38,970	38,970	100.00%
Subtotal before transfers to reserves	6,567,970	5,896,360	5,685,390	(210,970)	(3.60%)
Appropriations to / (from) Reserves	(1,122,370)	(66,360)	(43,800)	22,560	(34.00%)
Total	5,445,600	5,830,000	5,641,590	(188,410)	(3.20%)

4.22 The forecast outturn for the year before transfers from reserves is an under-spend of (£211k).

2022/23 Corporate Contingency Budget and Local Government Pay Award

4.23 After the proposed transfers from reserves for the year, an under-spend of (£188k) is currently forecast. This amount relates to the corporate contingency budget that was included this year (within the 'Management & Corporate' budget line) for the purpose of meeting the costs associated with the 2022/23 pay award, outcomes of the pay and benefits review, and also any costs arising in this year from the recommendations to be made by the Director regarding creating a resilient organisation for the future.

4.24 The pay award for 2022/23 has not yet been determined but the offer from the employers side of the National Joint Council (NJC) has been made at an amount of £1,925 on all NJC pay points with effect from 1 April 2022. This offer is now being considered by the unions. For the purposes of budget forecasting, a pay award at this level has been built into the employee costs forecast for this year and is included in the forecast expenditure within each of the service areas shown in the table above.

4.25 The additional cost arising from this is approximately £213k, equivalent to 5.5% of the budget for employee pay and on-costs. However, as a result of taking longer than planned to recruit to a number of new posts that were included in the budget this

year and impact of staff turnover, on current projections, it is anticipated that the costs relating to the pay award – if agreed at the level that has been offered – can be met from the existing pay budgets without having to use any of the corporate contingency budget for this purpose.

- 4.26 The approved Corporate Strategy and HR Strategy for this year included an objective to commission an independent review of the Authority's pay and benefits structure. A procurement is currently under way for a consultant to undertake this work with the aim being for the review to commence before the end of September 2022.
- 4.27 In addition, the Director has been tasked with producing a set of recommendations regarding building organisational resilience for the medium term and ensuring appropriate succession planning. This will be presented to the Staffing, Appointments and Appeals Committee in October 2022.
- 4.28 It is likely that both of the above pieces of work will result in some additional cost in order to implement any recommendations arising. At this stage though it is not possible to estimate the value of any additional costs. Any such costs for 2022/23 will be met from the corporate contingency budget of £188k.

2022/23 Forecast and Explanation of Variances

- 4.29 The significant variances against budget for each of the service areas are explained below.
- 4.30 Pensions Administration – Forecast Under-Spend (£65k):
- 4.31 The employee costs budget included a full year budget for some posts due to be recruited, including a Communications Officer, a new post of SQL Analyst for the systems team, an additional benefits team Senior Practitioner and 3 FTE Pensions Officers. With the exception of the SQL Analyst, these posts have now been recruited to, but the recruitment took longer than planned, resulting in vacant posts for several months and an under-spend of (£107k) arising from this.
- 4.32 There has also been some turnover in staffing this year, resulting in a forecast under-spend of (£32k).
- 4.33 The forecast additional cost for this service area of applying a pay award as detailed in paragraph 4.24, is £110k. This is more than offset by the under-spends above, resulting in a forecast net under-spend on staffing costs of (£28k).
- 4.34 Costs relating to travel expenses, hotel accommodation etc. are forecast to be (£11k) under budget, reflecting the continued move towards greater use of virtual and remote, online approach for conferences, courses, meetings etc.
- 4.35 The training budget is currently forecast to be (£10k) under-spent, based on projecting from previous year actuals, but this will be kept under review with greater encouragement and support for training being provided.
- 4.36 An under-spend of (£12k) is currently forecast on legal and consultancy fees based on the expected activity and requirements for this year.
- 4.37 Investment Strategy – Forecast Over-Spend £3k:
- 4.38 The forecast additional cost for this service area of applying a pay award as detailed in paragraph 4.24, is £13k.
- 4.39 An under-spend of (£2k) is forecast on indirect employee costs relating to travel, training, etc.
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- 4.40 The budget for actuarial and consultancy fees is forecast to be (£8k) under budget for the year, primarily due to the change in charging structure arising from the change in actuary which has meant that fees for dashboard access for funding level forecasting are not charged separately but are instead covered within the main costs for the contract, which are charged to the Pensions Administration budget.
- 4.41 Finance & Corporate Services – Forecast Over-Spend £22k:
- 4.42 The forecast additional cost for this service area of applying a pay award as detailed in paragraph 4.24, is £40k.
- 4.43 The Authority approved an addition of 1 FTE Senior Finance Officer to the establishment at their March 2022 meeting, after the budget for the year was set. The additional cost for this is £38k.
- 4.44 The employee costs budget includes two FTE business support officers. However, following one of these officers being promoted internally, it was decided not to fill the resulting vacancy currently as there was no longer a need for this resource at this level in the team. The second business support officer left in July 2022 and a recruitment for this is currently in progress but means that the post will have been vacant for a few months by the time a replacement is appointed. There is therefore an under-spend of (£32k) forecast relating to these posts.
- 4.45 There is also a net under-spend of (£26k) forecast on staffing costs in this service area relating to turnover and in particular, delays arising from the difficulty in recruiting to the Finance Team Leader post – which was planned for being in post from May 2022 but in practice took three attempts to recruit successfully and therefore will only be in post from September 2022.
- 4.46 An additional £2k expenditure is forecast on the budget for corporate subscriptions which is due to having joined additional CIPFA networks during the year to provide us with access to expert resources and support for a range of activity including Governance, Insurance, and Procurement, as well as discounted prices for training courses run by these networks.
- 4.47 ICT – Forecast Under-Spend (£6k):
- 4.48 The forecast additional cost for this service area of applying a pay award as detailed in paragraph 4.24, is £15k.
- 4.49 There is an under-spend of (£9k) on staffing costs forecast relating to the budget for an apprentice, which is now unlikely to be used before the end of this year.
- 4.50 The training budget is forecast to under-spend by (£3k) based on projecting from previous year actuals, but this will be kept under review with greater encouragement and support for training being provided.
- 4.51 At this stage in the year, a net under-spend of (£9k) is forecast on the budgets for various software systems, and wider IT infrastructure.
- 4.52 Management and Corporate – Forecast Under-Spend (£203k):
- 4.53 The corporate contingency budget, as outlined in paragraph 4.28 above, is currently included in the forecast as (£188k) under-spend but this will be reviewed and updated once further details are known regarding the outcomes of the pay and benefits review and the organisational resilience plan recommendations.
- 4.54 The forecast additional cost for this service area of applying a pay award as detailed in paragraph 4.24, is £7k.
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- 4.55 The budgets for the new posts of Team Manager – Programmes and Performance and Programmes and Performance Officer are forecast to be under-spent by (£39k) as a result of the time taken to recruit to these posts. The manager started in post in August 2022 and is now in progress with recruiting to the officer post.
- 4.56 Capital Expenditure – Forecast Over-Spend £39k:
- 4.57 The over-spend against the budget for capital expenditure in 2022/23 is really just a timing difference in works being completed. Members may recall that the outturn position for the 2021/22 year included an under-spend on capital expenditure that was due to delays arising from global supply chain issues which meant that the final stage of the AV installation works at Oakwell House could not be completed until May 2022. The cost of this in 2022/23 is £34k, and there is a further £5k relating to some final outstanding pieces of work completed in the first quarter of this year by the main contractor for the office works.

Earmarked Reserves

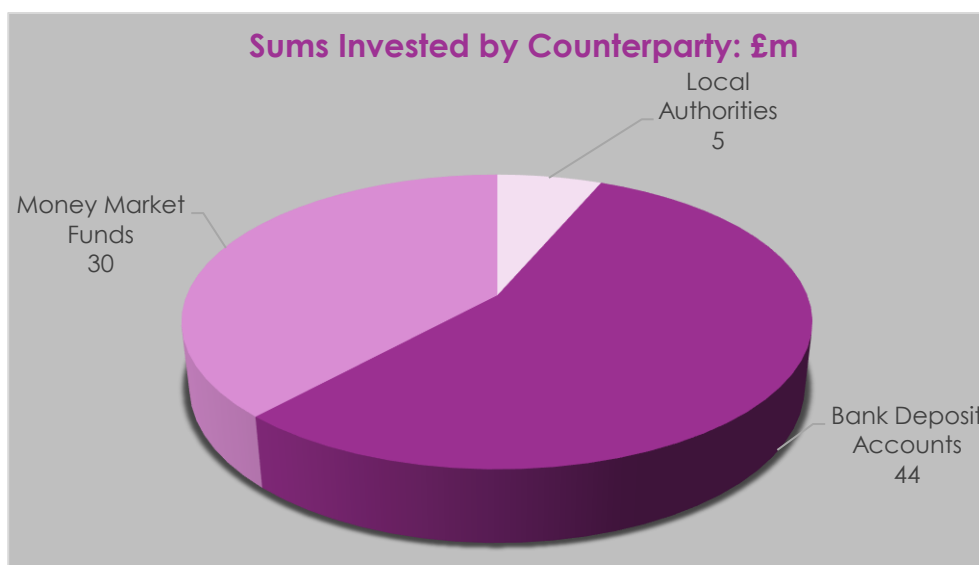
- 4.58 The Authority has three earmarked reserves, the Corporate Strategy reserve, the ICT reserve, and the Capital Projects reserve.
- 4.59 The table below shows the forecast transfers to and from the reserves in 2022/23.
- 4.60 The planned transfers into and out of the Corporate Strategy reserve are to meet costs associated with areas such as the investment strategy review, which is undertaken every three years based on the triennial valuation, providing for the costs of the retentions scheme this year, and setting aside funds from under-spends that will be allocated to costs of delivering corporate strategy plans in future.
- 4.61 The ICT reserve transfers relate to setting aside the income from software sales and funding the costs of developments on areas such as the pensions administration software system.
- 4.62 The transfer into the Capital Projects reserve is to set aside funds for the hardware replacement programme, and the transfer out of this reserve is to finance the capital expenditure incurred this year.
- 4.63 The result of the above is a net total transfer from reserves of £43,800.

Reserves	Balance at 01/04/2022 £	Transfers In £	Transfers Out £	Forecast Balance at 31/03/2023 £
Corporate Strategy Reserve	143,840	82,510	(54,000)	172,350
ICT Reserve	205,950	8,660	(77,000)	137,610
Subtotal: Revenue Reserves	349,790	91,170	(131,000)	309,960
Capital Projects Reserve	139,110	35,000	(38,970)	135,140
Total Reserves	488,900	126,170	(169,970)	445,100
Net Total Transfer			(43,800)	

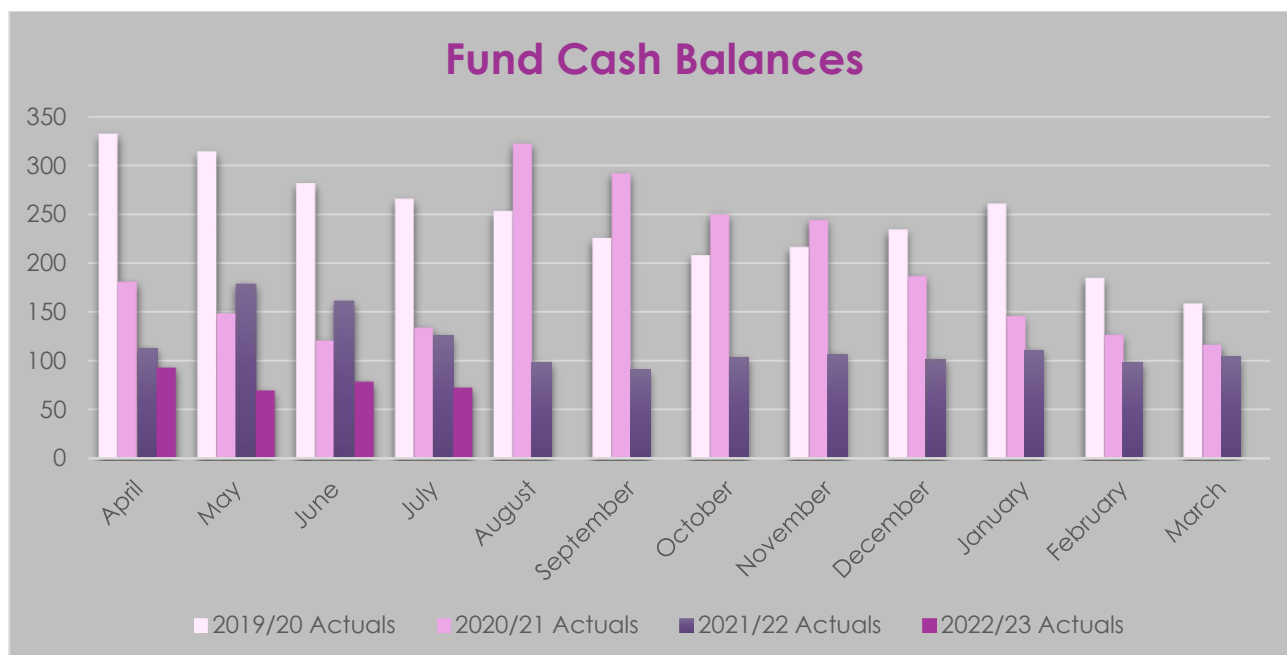
4.64 The forecast balance of the revenue reserves following the transfers proposed for the year, is £310k in total which equates to 5.3% of the Authority's total revenue budget, well within the 7.5% limit we set for ourselves in the Medium-Term Financial Strategy.

Treasury Management

4.65 The Fund's cash balances at 30 June 2022 stood at £78.5 million. 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 current year to date and the previous three financial years.



4.67 Cash is only held pending Fund investment and the balance of cash at the end of the quarter represents 0.78% of the Fund, compared with 0.98% at 31 March 2022.

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. A full review was undertaken in August 2022. There were no changes made to the risk scores from this review, but the commentary provided on the register attached at Appendix A provides further details regarding each risk, the various mitigation measures in place currently and the progress being made towards the target of reducing the risk scores where possible.
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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 Q1 2022/23	Received in Q4 2021/22	Received YTD 2022/23	Received in Previous Year: Full Year 2021/22
Complaints	7	5	7	24
Appeals Stage 1	1	0	1	4
Appeals Stage 2	2	1	2	4

- 6.2 A detailed report of complaints and action taken is provided to the Local Pensions Board for scrutiny.
- 6.3 Of the seven complaints received during the quarter, five were outside of SYPA direct control as they were a result of third parties.
- 6.4 Of the two complaints attributable to SYPA, one was a delay with an aggregation which is a backlog project, and the second was an incomplete explanation provided to a member regarding their legacy AVC fund - this was a training issue which has been addressed.
- 6.5 Two Stage 1 Appeals were determined during the quarter. One was rejected and one was partially upheld – this was a delay by SYPA in handling the transfer of a modest AVC fund from another LGPS fund but there was no financial detriment to the member.
- 6.6 Two Stage 2 Appeals were determined and rejected. These were both appeals against the decision of their employer that they did not meet ill-health retirement criteria.

Breaches of Law and Regulation

- 6.7 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.
- 6.8 There was one breach recorded in the quarter, involving one member whose address had been incorrectly updated in duplicate. System error resolved.

Satisfaction Surveys

- 6.9 A customer centre survey found that 89% of the 468 respondents were satisfied with the service they received.
- 6.10 A survey of members retiring during February to April 2022 showed that of the 153 respondents, 97% were satisfied with the service they received.