

SOUTH YORKSHIRE PENSIONS AUTHORITY

LOCAL PENSION BOARD

17 JANUARY 2019

PRESENT: J Thompson (Employer, Action Housing) (Chair)

N Gregory (Academy Representative), N Doolan-Hamer (Unison), P Lofts (Employer BMBC), K Morgan (Unite), S Ross (Scheme Member) and G Warwick (GMB)

Officers: J Bailey (Head of Pensions Administration), G Graham (Fund Director) and G Richards (Senior Democratic Services Officer)

Apologies for absence were received from M McCarthy

1 WELCOME AND APOLOGIES

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

2 DECLARATIONS OF INTEREST

None.

3 ANNOUNCEMENTS

The Chair put on record the Board's thanks to Geoff Berrett for his contribution to the Board's work and wished him well for his retirement.

4 MINUTES OF THE MEETING HELD ON 4 OCTOBER 2018

In answer to a question from the Chair, the Head of Pensions Administration informed the Board that 99.2% of members had received their Annual Benefit Statements on time. As only 0.8% had received theirs after the deadline, this was not classed as a material breach and therefore it was not a requirement to report formally to the Pensions Regulator. It had however been reported informally to the Customer Relationship team and had been passed on to the case work team who advised no further action was required.

RESOLVED: That the minutes of the Board meeting held on 4 October 2018 be agreed as a correct record.

5 WORK PROGRAMME

The Board considered its Work Programme.

Members noted that the Data Quality report would be submitted every six months for the Board to consider.

A comprehensive Employer Survey had been issued, the deadline for which was the following week. A report detailing the outcome of this survey would be brought to the March meeting of the Board.

Members were informed that the Authority had approved the 2019/20 meeting schedule at its meeting earlier in the day. The schedule would be circulated to Local Pension Board members after the meeting.

RESLVED: That the Work Programme be noted.

6 LOCAL PENSION BOARD EXPENDITURE MONITORING

Members were presented with the Board's expenditure to 16 January 2019.

RESOLVED: That the budgetary position be noted.

7 DATA QUALITY AND IMPROVEMENT

A report was submitted to update the Board on the initial measurement of data quality provided to the Pensions Regulator and set out a draft Data Quality Improvement Plan.

Members were informed that the Pensions Regulator's Code of Practice 14 stated that *"Schemes should continually review their data and carry out a data review exercise at least annually. This should include an assessment of the accuracy and completeness of the member information held."*

The in-house IT team at SYPA had developed a Data Analysis and Reporting Tool (DART) many years ago to analyse the data held on the pensions administration database and identify areas for improvement.

Until now, the DART tool had been used to run a series of validation reports but over the next few months would be developed further to enable SYPA to accurately measure specific data fields on an ongoing basis. This would provide the basis for calculating on overall data quality score.

Members were reminded that in 2018/19 LGPS funds were for the first time required to report to the Pensions Regulator on the quality of common and conditional (scheme specific) data in the submission of the annual Scheme Return.

SYPA had measured its common and conditional data using a combination of DART reports and existing guidance. The scores submitted for 2018/19 were:

Common data	96%
Conditional data	87%

Members noted that although the measurement of conditional data was subjective and no comparative statistics had been published, informal discussions amongst funds suggested that SYPA scores were comparable with other LGPS funds.

The proposed Data Quality Improvement Plan was attached at Appendix A to the report.

Section 1 of the Plan focussed on common data. The largest issue in this area was the lack of a current address details for deferred members. The Regulator's Code of Practice states that where schemes have failed to make contact with members they should carry out a tracing exercise to locate the members.

SYPA would look to engage with other funds in carrying out any address tracing exercise with a view to cutting costs.

Section 2 of the Plan focussed on Conditional Data and it was noted that most of the cleansing would have to be carried out through manual intervention. This would be scheduled over a reasonable time frame to incorporate within existing resources.

Section 3 identified a number of areas that required improvement and development to improve the overall quality of the data. It was anticipated that this section would be further developed over time.

It was noted that inaccurate data could impact the actuarial valuation and in some areas have a potential impact on members. It was agreed to update the Plan to indicate those errors which could have an impact on members benefits.

RESOLVED: That the report be noted.

8 BORDER TO COAST PENSIONS PARTNERSHIP JOINT COMMITTEE -
SCHEME MEMBER REPRESENTATION

A report was submitted to make the Board aware of the arrangements agreed by the Border to Coast Joint Committee in order to secure scheme member representation on that Committee.

Members were informed that Border to Coast's Joint Committee had, in line with guidance issued by the Scheme Advisory Board, agreed to the inclusion of a scheme member representative as an observer on the Committee.

The Joint Committee wished to draw this observer from amongst the scheme member representatives on the 12 Local Pension Boards. A request had been received for a maximum of one nomination from each Local Pension Board to be provided by the end of January. Should there be more than one nomination an election would be held using the Single Transferable Vote mechanism. It was required that nominations be agreed by each Board's scheme member representatives and that one of those representatives should be nominated to cast the Fund's vote should an election be required.

Arrangements had been made for the Chair to facilitate a meeting at the conclusion of the meeting in order to consider whether South Yorkshire should nominate an individual and to agree arrangement for casting the Fund's should that be required.

Garry Warwick expressed extreme disappointment at Border to Coast's refusal to acknowledge the importance of Trades Union representation on Joint Committees. Although he would participate in the process he totally disagreed with what Border to Coast proposed and would be looking into the possibility of making a formal complaint to the Scheme Advisory Board.

The Chair requested that he kept the Board informed of any developments.

The Fund Director would invite the Chair of the Joint Committee to the next meeting of the Authority to answer any questions members may have.

RESOLVED: That the report be noted.

9 ADMINISTRATION AND EMPLOYER PERFORMANCE

A report was considered which updated the Board on administration issues for the period 1 July 2018 to 30 September 2018.

J Bailey acknowledged that the figures were slightly out of date due to the timing of meetings but informed the Board that this would be rectified during the coming year.

Members noted that the overall performance level was down from the previous quarter but this had been expected due to the requirement to process all the Year End returns in preparation for the issue of Annual Benefit Statements.

The report contained a table which showed the casework areas broken down by subject type. For comparison purposes the equivalent figures for 2017-18 were also shown.

The Head of Pensions Administration had carried out a piece of work to survey members on target days to ensure they were appropriate and aligned with scheme member expectations and would be recommending an updated set of targets to the Authority.

The Board noted that Employers performance had improved overall whilst acknowledging there was still room for further improvement.

With regard to Monthly Data Collection (MDC), some of the earlier submission issues, with Capita in particular, had been resolved following SYPA intervention and all monthly returns had now been received satisfactorily for April, May and June.

Now that MDC had been embedded as business as usual officers were working to develop the process to enable the monthly files to drive the collection of contributions by direct debit to achieve a more integrated outcome by removing the requirement for separate reconciliations. Consultation with employers would commence in the near future.

The report contained an update on the GMP reconciliation exercise. ITM had submitted the final batch of reconciliation queries to HMRC by the deadline of 31 October 2018. Appendix A to the report showed the latest project update from ITM as at December 2018.

RESOLVED: That the report be noted.

10 REVIEW OF BREACHES, COMPLAINTS AND COMPLIMENTS

A report was submitted which updated the Board on the latest record of reported breaches and provided details of the complaints reporting for Quarter 2.

As requested at the Board's last meeting additional information had been included on:

- Whether a breach had been specifically reported to the Data Protection Officer (DPO).
- Whether any wider process changes/improvement actions were identified as a result of the breach.

Members noted there had been three breaches during the period, none of which had been reported to the DPO.

There had been four complaints during the Quarter, two of which were out of the Authority's control.

RESOLVED: That the report be noted.

11 ANY OTHER BUSINESS

The Chair informed the Board that, due to a change in circumstances, she was unable to continue to Chair the Board as an Employer representative.

Arrangements for a temporary Chair to handle the next meeting were agreed.

Sue Ross also announced that she was standing down as Vice-Chair due to increased work commitments. This post would be filled at the Board's Annual Meeting in July.

Officers would begin the recruitment to the vacancies on the Board and would also look at options for the position of Chair, including the employment of an independent Chair and bring an options report to the next meeting of the Board. This would allow the Board to make recommendations to the Authority.

CHAIR