

SOUTH YORKSHIRE PENSIONS AUTHORITY

LOCAL PENSION BOARD

18 APRIL 2019

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

R Fennessy (South Yorkshire Police), N Gregory (Academy Representative), P Lofts (Employer BMBC), K Morgan (Unite), G Warwick (GMB) and A Brown (Barnsley MBC)

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

Apologies for absence were received from N Doolan-Hamer

1 WELCOME AND APOLOGIES

The Chair welcomed everyone to the meeting. She also expressed the Board's thanks to Sue Ross, who had recently resigned from the Board due to work commitments, for all her hard work over the years.

Apologies were noted as above.

2 DECLARATIONS OF INTEREST

None.

3 ANNOUNCEMENTS

Members were reminded that the Border to Coast Pensions Partnership (BCPP) Joint Committee had voted to allow just one Scheme member representative, from one of the 12 Local Pension Boards, to sit on the Committee as an observer. After a recent election process Nicholas Wirz, the Vice-Chair of Tyne and Wear Local Pension Board, had been elected to the Committee and had attended his first meeting in March.

BCPP were arranging a meeting of Local Pension Board Chairs in May; discussions would be needed on how South Yorkshire would be represented at the meeting.

J Bailey informed the Board that efforts were ongoing to recruit to the vacant positions on the Board. The next steps were to advertise more widely and approach the employers for their assistance.

4 MINUTES OF THE MEETING HELD ON 17 JANUARY 2019

With regard to minute 8, G Warwick started that there was still disappointment that BCPP Joint Committee had only appointed one Scheme member representative to the Board. He was continuing to press at Scheme Advisory Board level to take the matter further.

RESOLVED: That the minutes of the meeting held on 17 January 2019 be agreed as a true record.

5 ARRANGEMENTS FOR CHAIRING THE LOCAL PENSION BOARD

A report was considered which allowed the Board to consider future options for the chairing of the Board.

Members were reminded that at the last meeting of the Board, both the Chair and the Vice-Chair had stepped down part-way through their term due to changes in circumstances and work pressures.

This now gave the Board the opportunity to decide on future options for chairing the Board.

Members were informed the options for filling the role of Chair were:

- a) For the Chair to alternate between employer and Scheme member representatives after each three-year appointment cycle (the current arrangement).
- b) To appoint an independent non-voting Chair.

Members noted that the current arrangements worked in a situation where there was stability among the membership of the Board. However, for various reasons membership of the Board had become less stable recently and this could create the risk of relatively frequent changes in Chair which would lead to further instability.

The alternative would be to appoint an independent Chair who would not have a vote. Depending on the way in which an appointment was made and the number of meetings the cost of this could be between £5,000 and £10,000. G Graham informed the Board that four funds within BCPP had independent Chairs, in each case the individuals were retired senior local government officials. The feedback from the funds was that the arrangements they had in place were considered (principally because of the individual appointed) to have improved the overall performance of the Board.

The Board discussed both options at length, recognising the benefits that the right independent Chair could bring to the Board, but G Warwick believed strongly that the Chair must be a member of a body that was elected on behalf of a particular group of people i.e. a Scheme member or employer representative of the Fund.

M McCarthy commented that there were two strong arguments, both with their own merits but it was a difficult decision to make when the Board was not at full

strength, and suggested officers made another concerted effort to recruit to the Board before the Annual Meeting in July.

N Gregory questioned whether the Chair had to rotate between an employer and a scheme member as, if not, this would add more flexibility.

G Graham commented that it was normal practice for the Chair to rotate but that it was a decision for the Board.

The Chair remarked that it was a difficult decision with valid comments on both sides, but did not think the Board was in a position to make the decision at the moment.

The Fund Director suggested deferring the decision to the Annual meeting in July, when hopefully the Board would be at full membership and amending the Constitution to remove the rotation requirements.

G Warwick questioned who would attend the BCPP meeting with Local Pension Board Chairs in May if the decision was deferred.

As acting Chair, J Thompson agreed to attend.

RESOLVED:

- i) That the decision around chairing arrangements for the Board be deferred to the Annual meeting in July.
- ii) That the Authority be asked to agree to amend the Board's Constitution to remove the requirement for rotation.

6 BUDGET

Members considered the Board's expenditure to 4 March 2019.

The Fund Director remarked that, as time had moved on since the preparation of the report, there had been no additional significant spend.

The Chair questioned whether the appointment of an independent Chair would impact the budget.

The Fund Director replied that it would but the cost of an independent Chair could be accommodated within the current budget.

RESOLVED: That the budgetary position be noted.

7 CYCLE OF MEETINGS

The Board considered the Authority's cycle of meetings for 2019/2020.

The Fund Director informed the Board that the Investment Board and the Corporate Planning and Governance Board had been abolished and replaced with an Audit Committee and a Staffing, Appointments and Appeals Committee; most business would now be conducted at Authority meetings.

The abolition of the two Boards had freed up space in the calendar to hold seminars which would deliver training or be focused on topical issues. The first one would be held at the offices of BCPP in Leeds and would cover investment related matters.

A detailed programme had been developed, including external events, some of which were aimed at Local Pension Board members. The programme would be circulated to members after today's meeting.

Member learning and development was high on the Pensions Regulator's priorities and members would be encouraged to attend as many of the events as practicable.

The Fund Director reminded the Board that The Pensions Regulator had developed an online toolkit aimed at public sector funds and asked that members complete this if they had not already done so.

The Authority was also developing an online reading room which would be available in the new financial year and would contain a section specifically for Local Pension Board members.

G Graham invited all members to the new member induction on 6 June 2019 which would be open to all as a refresh.

RESOLVED: That the report be noted.

8 REVIEW OF PENSIONS ADMINISTRATION

A report was considered which updated the Board on administration issues for the period 1st October 2018 to 31st December 2018.

The Head of Pensions Administration acknowledged that the information was now out of date but assured members that the new meeting cycle would ensure more timely information.

Members were informed that there had been two senior staff resignations in the period. Both posts had been replaced internally on an acting-up basis pending a wider review of all administration teams.

Priority casework was up to 94% during the quarter, although overall performance had shown a slight drop to 80% due to the commencement of the aggregation project.

J Bailey informed the Board that the Authority had agreed to a revised set of administration standards which included a change in target days in certain areas to make them more achievable.

Work had progressed well on the aggregation project with over 6,000 cases completed. The remainder would be dealt with as 'business as usual'.

Work was ongoing to progress the workflow tool to monitor employer performance to the 'go live' stage. This would enable greater scrutiny and provide assurance that SYPA was providing employers with the necessary tools and support they needed. The results would be reported on from Quarter 1.

The Board noted that Monthly Data Collection was going well and it was hoped to commence distributing Annual Benefit Statements to Scheme members as early as May or June.

Absence had showed a slight reduction during the period. A Brown suggested that showing absence as a percentage of days lost per full time employee would be a better way of presenting the figures. J Bailey agreed to look into this.

The Board discussed the results of the CIPFA Benchmarking Club survey and how to address areas where SYPA could make improvements.

With regards to the changes in the District Offices members were assured that there would still be a SYPA presence in these offices.

RESOLVED: That the report be noted.

9 REVIEW OF BREACHES, COMPLAINTS & COMPLIMENTS

A report was considered which updated the Board on the record of reported breaches and provided details of complaints reporting for Quarter 3.

Members noted the one reported breach and six complaints as detailed in the appendices to the report.

G Warwick remarked on the small number of breaches and complaints and asked that the Board's compliments be passed on to Authority staff.

RESOLVED: That the report be noted.

10 REVIEW OF EMPLOYER SURVEY

A report was submitted which updated the Board on the outcome of the employer survey which had been issued to all employers in the Fund.

The survey was intended to gauge current levels of satisfaction and assist SYPA to identify areas where employers may need more support.

The survey was issued on 17 December 2018 and ran until 21 February 2019; a total of 89 responses were received which equated to approximately 20% of the employers.

Employers were invited to comment on their level of satisfaction in several key areas, the response to which were detailed within the report.

The results provided a reasonable level of overall assurance the SYPA was meeting the needs of employers. The employers were also asked what they thought could be done to improve the administration service and what could SYPA do to assist the employers with the service they provided to their employees. The answers and SYPA's responses were contained in an appendix to the report.

It was clear from the responses that the new workflow tool would assist the employers with some of their concerns when it goes live in the near future.

With regard to the guide on the Monthly Returns process, responses suggested that the guide was well used but there were areas for improvement, including the use of plain English. The responses would be used to support a review of the Monthly Returns guide by the Data Team in the next few months.

Employers were asked to comment on the value of existing training and also their views on types of training methods they would prefer.

The results indicated that employers would favour a variety of training methods, though the increased use of written guides was something that employers wanted to see.

RESOLVED: That the report be noted.

11 ANY OTHER BUSINESS

R Fennessy informed the Board that South Yorkshire Police Pension Board had completed the Pensions Regulator's online self-assessment tool for public service pension schemes and had found it very useful. He suggested that the Board should go through the exercise.

The Head of Pensions Administration agreed to look into the matter.

J Thompson informed the Board that she was unable to attend the annual CIPFA/Barnet Waddingham conference for Local Pension Boards at the end of June in London and asked if any other member was available to attend. The link to the conference would be emailed to members after the meeting.

CHAIR